

Case No.

3

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION

RE: Case No. 3: A hearing for the consideration of the location of wells that have been drilled or that are proposed to be drilled in the Red Mountain Field, in Sections 20 and 29, T.20 N, R.9 W, McKinley County, New Mexico, in violation of Rule 2 of Circular 1 of the Commission, "Oil and Gas Conservation Law and General Rules and Regulations for the conservation of Oil and Gas in New Mexico." Particular consideration will be given to the Forth No. 2 well in the NW¹/₄NE¹/₄ section 29; Clark and Foster No. 1 well in the NE¹/₄NW¹/₄ section 29, and the proposed Walker well in the SW¹/₄SE¹/₄ section 20. The owners of the above specifically mentioned wells and other interested parties are ordered to appear before the Commission at this hearing.

Order No. 30

The hearing of cause No. 3 coming on the 10th day of June, 1936 at 3:00 o'clock PM. There appearing: Olin C. Walker, Jr.; A. E. Howell; W. M. Forth; J. W. Clark; Rev. C. Hayanga and W. M. Hoy representing the Lark Drilling Company as royalty owner.

1. That the Forth Well No. 2 in the NW¹/₄NW¹/₄NE¹/₄ of section 29, Township 20 North, Range 9 West was located at a distance less than 330 feet from the lease boundary line.

2. That the Commission concludes as a matter of law that said location was contrary to and in violation of Rule 2 of Circular 1 of the General Rules and Regulations.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Commission that production of said well shall be discontinued immediately and that said well shall be plugged and abandoned according to the laws, rules and regulations of the Commission.

Done at Santa Fe, New Mexico this 11th day of June, 1936.

OIL CONSERVATION COMMISSION

Clyde Tingley, Governor

Frank Vesely, Commissioner of Public Lands

E. H. Wells, State Geologist

HEARING OF THE OIL CONSERVATION
COMMISSION ON THE 10th DAY OF JUNE,
1936, IN THE CAPITOL, SANTA FE,
NEW MEXICO, CALLED AFTER THE ADVER-
TISEMENT AND IN ACCORDANCE WITH THE
PROVISIONS OF CHAPTER 72, LAWS OF
1935 FOR THE PURPOSE OF CONSIDERING
CASE NO. 3: A HEARING FOR THE CON-
SIDERATION OF THE LOCATION OF WELLS
THAT HAVE BEEN DRILLED OR THAT ARE
PROPOSED TO BE DRILLED IN THE RED
MOUNTAIN FIELD, IN SECTIONS 20 and
29, T. 20 N., R. 9 W., MCKINLEY COUN-
TY, NEW MEXICO, IN VIOLATION OF RULE
2 OF CIRCULAR 1 OF THE COMMISSION.
PARTICULAR CONSIDERATION WILL BE GIVEN
TO THE FORTH NO. 2 WELL IN THE NW $\frac{1}{4}$ NE $\frac{1}{4}$
SEC. 29; CLARK AND FOSTER WELL NO. 1
WELL IN THE NE $\frac{1}{4}$, NW $\frac{1}{4}$, SEC. 29, and the
PROPOSED WALKER WELL IN THE SW $\frac{1}{4}$, SE $\frac{1}{4}$,
Section 20.

OF THE COMMISSION PRESENT:

Commissioner of Public Lands,
FRANK VESELY, Acting Chairman
and Secretary
State Geologist, E. H. WELLS,
Commissioner

Mr. Vesely called the hearing to order at 3:00 o'clock

P.M.

MR. VESELY:

(Reading call of Hearing)

NOTICE FOR PUBLICATION

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

Pursuant to Chapter 72, Session Laws of 1935, State of New Mexico, by which act the Oil Conservation Commission of New Mexico was created, investing said Commission with the jurisdiction and authority over all matters relating to the conservation of oil and gas in this State and of the enforcement of all provisions of said Act, notice is hereby given that a public hearing will be held at the Capitol, Santa Fe, New Mexico on June 10th, 1936 at 3:00 o'clock P.M., for the purpose of considering the following:

Case No. 3. A hearing for the consideration of the location of wells that have been drilled or that are proposed to be drilled in the Red Mountain Field, in Sections 20 and 29, T. 20N., R. 9W., McKinley County, New Mexico, in violation of Rule 2 of Circular 1 of the Commission, "Oil and Gas Conservation Law and General Rules and Regulations for the Conservation of Oil and Gas in New Mexico." Particular consideration

will be given to the Forth No. 2 well in the NW $\frac{1}{4}$, NE $\frac{1}{4}$, Sec. 29; Clark and Foster No. 1 well in the NE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec. 29, and the proposed Walker well in the SW $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 20. The owners of the above specifically mentioned wells and other interested parties are ordered to appear before the Commission at this hearing.

Given under the seal of said Commission at Santa Fe, New Mexico on May 22nd, 1936.

OIL CONSERVATION COMMISSION

Clyde Tingley
Governor

Frank Vesely
Commissioner of Public Lands

E. H. Wells
State Geologist

(SEAL)

MR. VESELY:

This is a hearing on the violation of the rules and regulations of the Oil Conservation Commission.

DR. WELLS:

I would suggest as a further preliminary, we have the letters read which brought this to the attention of the Commission.

Dr. Wells reads the following letters marked Exhibit 1 and 2.

"P. O. Box 41, Gallup, N.M.
March 11, 1936.

Hon. Frank H. Vesely,
State Land Commissioner,
Santa Fe, New Mexico.

Dear Sir:

Referring to our conversation of this morning, I wish to report the following facts with respect to the location of oil wells on the Red Mountain Field. William Forth has just brought in a well on Sec. 29, T20N, R9W, which is estimated to be a commercial oil well. This well is located approximately 30 ft. from the line between Sec. 29 and Sec. 20. The latter section is mine as far as the oil rights are concerned.

I am all ready with a rig and driller to start a well on Section 20, and in accordance with the spacing requirements I shall spot this well at least 330 ft. from the section line. Mr. Forth has another well on Sec. 29 which is only 230 ft. back from the boundary, but the latter well was commenced prior to August 15th, 1935.

In connection with the first well of Mr. Forth's which was drilled too close to the boundary in violation of the law, I will be satisfied with an equitable arrangement dividing the proceeds of that well, if such a course meets with the approval of your Department.

There is another well being drilled, I believe by a Mr. Clark and Associates, on Sec. 29, which is only about 15 ft. from the section line according to a survey which I had made within the last few days. The drilling operation of this second well has reached a depth of approximately 60 ft., and I request that your office take some steps to prevent further drilling in violation of the spacing requirements.

Very truly yours,

Olin C. Walker Jr."

EXHIBIT NO. 2.

"Gallup, New Mexico,
May 10, 1936.

Oil Conservation Commission
Santa Fe,
New Mexico.

Dear Gentleman:

Sometime back I run a survey in the Red Mountain Field, Section 20, Township 20, Range 9 West. I think it has been proven beyond a doubt to be correct.

The William Forth well was drilled on Section 29, Township 20, Range 9 West within 25 or 30 ft. of my line. Mr. Forth and I have talked the matter over, but we have come to an agreeable understanding which will permit me to drill an offset well to his well, the same distance from the line as his well. I would like to ask you to give me permission to drill the same distance as his well and would like to have it as soon as possible as I want to start well right away.

I will send in bond and other requirements the next day or so. Hoping this will meet with your approval and trusting I may hear from you soon.

Yours truly,

OCW/VP

C. C. Walker Jr."

MR. VESELY:

All the witnesses that will testify, please stand and be sworn.

Olin C. Walker, Jr., A. E. [unclear], Mr. Forth, J. W. Clark
and A. Andreas all sworn in by Mr. Vesely.

MR. FORTH:

There was no actual survey made, but I believe I am too close to the line.

DR. WELLS:

I was under the impression that an accurate survey was made recently.

MR. FORTH:

No sir, I don't think so.

MR. WALKER:

I have a map. These maps were made by a licensed registered surveyor. Whatever they tell us, we have to go by.

MR. HOY:

I came down on behalf of the Lark Drilling Company. They are in this position. They held the lease on this section from the Santa Fe Pacific Railroad Company by assignment of Mr. Frank A. Webber and wife, then by reassignment with reservation of royalty. The Lark Drilling Company assigned a portion of the land, more particularly the 40 acres on which Mr. Forth's wells are located, reserving an overriding royalty of $7\frac{1}{2}\%$ percent and possibly, I am interested from this angle: That for services to Mr. Lingenfelder, he assigned to me personally an overriding royalty in the 40 acres in which the Forth wells are located of $2\frac{1}{2}\%$. Am interested in the location from that angle and in the angle of the Lark Drilling Company from the royalty they hold. They assigned to Mr. Lingenfelder, reserving $7\frac{1}{2}\%$ and I understand he assigned to Mr. Clark with 5%. Just from the angle of overriding royalties, we are interest in any production and in the spacing of these wells. Also interested in the matter of establishing the lines.

DR. WELLS:

Gentlemen, at the present time all producing wells must conform to Rule 2 of the General Rules and regulations.

MR. CLARK:

At the time our letter was written, our rig set here where

A is. Since then, we have moved this rig 330 ft. from this line as the surveyor made location, 330 North and 330 East

DR. WELLS:

According to an accurate survey?

MR. CLARK:

Yes. The corners are marked here. These were all surveyed by the surveyor. He made the locations himself.

DR. WELLS QUESTIONING MR. WALKER:

Q. Mr. Walker, your No. 1 well is in Section 20 and it is located 330 ft. from the lines?

A. Yes sir.

Q. That is 330 North of the South line and 330 east of the west line in the SE $\frac{1}{4}$, that is correct?

A. Yes.

DR. WELLS QUESTIONING MR. FORTH:

Q. Mr. Forth, your well No. 3 is located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 29. Is it 230 or 330 south of the line?

A. According to my survey, 350 south of the line.

DR. WELLS:

Are you other Gentlemen satisfied that is the truth? Any arguments?

MR. CLARK:

That last well, as far as I know is O.K.

DR. WELLS:

Mr. Forth, what was the particular difficulty in the location of your No. 2 well, the one too close to the line?

MR. FORTH:

When I got the land, the land had an established monument stone across the Northwest corner and built a rock monument from there. They had also located Well No. 1 428 ft. from the North line, and at that time I was starting on that well, the well only required to be 200 ft. from the property line. I assumed, after asking the surveyor who made the survey and after asking the Lark

Drilling Company if they ran that line through there, I made my well location 228 south of that line and drilled. Later on, we found out that corner was some 128 ft. from the North from the Government inspection. Consequently my well is located too close to that north line. In making the survey across, the NE corner is not in it at all. It never has been established by anybody as far as I know.

DR. WELLS:

The Northwest section on the corner of Section 29?

MR. FORTH:

The NE¹ is not established and not there. I made a survey across there myself personally and when I found that corner out, ran south and found it laying like that. Ran one north and found one the same way. Nothing you can rely upon. Before this corner could be located, this corner must be located. This one in here. It will require ten days or two weeks to make an accurate survey. I am an engineer and I know there is no accurate survey made. I do claim those fellows, starting in this corner, turned right, then turned off there and Mr. Walker did not say anything. That survey is not accurate. You cannot swear to a survey like that. Possibly it is within 40 or 50 feet of the right place, but it is not accurate.

DR. WELLS:

Mr. Walker, what is your evidence of the survey of this line?

MR. WALKER:

The survey, when the Lark Drilling Company first started, the man by the name of Ruggles started it, went to some of those places and found out where that corner was and kind of stepped across it at that time. It was supposed to be 200 ft. and roughly made the location. Before that, this man Smith who used to be a surveyor, but doesn't follow that business now, but did at one time, had surveyed the south section line 28 east of there for Mr. Stauder, and that old well location is approximately 200 feet back from the line. These sheep herders put up monuments for storm warnings and

some of them piled up the corner and people said that is the corner. Section 20 was like that a number of years, and people have not been regarding the line very much, figuring this is the line, that is and never took the time to hire anybody to find out. After I acquired title to oil lease in Section 20 I got a surveyor, a licensed man, and told him I wanted to find these lines. Had him there at three different times and he located the wells on an angle degree and everything for me. Do not believe these other people ever spent a dime to get a survey, presuming this is right, taking that fellows word, etc.

MR. VESELY:

Your survey left a mark and marked the corner?

MR. WALKER:

No, this one old corner, old established corner, we found this corner. There wasn't any corner, that is true, but we ran on a line through there. The surveyor said he had no right to establish a corner, but could run this line and get about within a few feet. That was all he could do. That one west is an old established corner and shows the field notes exactly right.

MR. CLARK:

These are correct, marked by Government field notes, made in 1886. This corner marked exactly as the government field notes call for. (Using map.)

MR. HOY:

Representing the angle I mentioned a bit ago, I would like as these persons testify before the Commission on the establishing of these corners and for the purpose of this record, and bearing in mind the interests I represent here, I should like the privilege to ask questions to determine how these corners are established.

MR. VESELY:

Permission is granted. It should be established, if not, we are wasting time.

DR. WELLS:

There seems to be a lack of concensus of opinion where the line

is. I feel sure we are not in unanimous opinion at this time, and isn't it possible for you men to get together and employ somebody agreeable to all of you and have such a survey made, that by a properly qualified and official surveyor.

MR. FORTH:

You pick the surveyor and we will pay for it.

MR. ANDREAS:

When I was out there in the Red Mountain District, this controversy came up. Talked to all there at the time interested in the area and they agreed to get together and get a surveyor and get the field notes and have that work done. They should have had that work done immediately. Mr. Walker, Mr. Forth, Mr. Smith working for Mr. Clark and I think Mr. Gibbons, all agreed that the ~~the~~ thing to be done and that it should be done.

DR. WELLS:

All parties agreed and did not do it?

MR. CLARK:

WE had ours done.

MR. WALKER:

We had ours done.

DR. WELLS:

Apparently it isn't agreed unanimously.

MR. HOY:

It would seem to me that the only way this could be satisfactory either to the individual parties or the Commission would be for the Commission to appoint or name an engineer, or if these parties each want an engineer, hire him and go out, make a survey, establish those corners and have an agreed survey. As it is, no two of them seem to agree. In listening to what has been said, as I understand it one particular corner has been established. So far as I can learn, no township corner has been found, and I believe if you are going to get it done, to get an absolute accurate survey they should go to the U.S. Land office records and get the field notes. The Lark Drilling Co. would

insist there be four corners on that Section 29, Township 20. As it is now, do not see where anything can be done or can arrive at a conclusion. If you start at a corner, you can run a line. If there if a corner established, it may be off one foot or it may be off 50 feet, but if established by the U.S. Government in 1888, it is the section corner right or wrong. It may be 5 or 50 feet off, but it is the section corner. Inasmuch as no one found that notice, they apparently tried by agreement to establish it which will be binding on all parties.

DR. WELLS:

Mr. Hoy, the Monument on the ground, if not disturbed, is the controlling thing, there seems to be one corner indicated.

MR. HOY:

In order to get an accurate survey they must either find the other corner. They have found the Northeast, but you have to find the northwest to get it accurate. It may be 100 ft. off. If it is off and surveyed and it is 50 ft. down in right line. You should find other section corner sitting on the ground. Mr. Forth found a corner on the SE of Section 29. He found a corner of stone lying on the ground. It may be off 50 ft. or one. Went two miles north and found another one that may be off 1 ft. or 50. If either of these two are off, you cannot measure between the two and establish this. If you get either of these established, go two or six miles and then measure down and find your corner.

DR. WELLS:

My thought is this; this is an Oil Commission, not a land Commission. In other words, the land is not our particular concern. That is up to you men.

MR. VESELY:

There is a question here of violation of a rule. Did you notify the Commission of your intention to drill?

MR. FORTH:

Notified Mr. Farris, County Oil & Gas Inspector July 29, 1935

DR. WELLS:

The law of the Conservation Commission became effective about the 28th day of May. Mr. Farris had no official status after the new law went in. Mr. Farris was without authority.

MR. FORTH:

Mr. Farris is the man we always recognized.

DR. WELLS:

The new law automatically abolished County Oil and Gas Inspectors.

MR. FORTH:

I was under the impression that law came in August 12, 1935.

DR. WELLS:

That was the date rule 2 became effective. We would like to know the exact dates in connection with this well. The date your Notice of Intention was approved.

MR. FORTH:

I cannot give it off hand.

DR. WELLS:

He should have a copy, he apparently did not send in here.

MR. FORTH:

When I go back home, will stop and ask Mr. Farris and if not, I will mail it to you.

DR. WELLS:

What dates did you move the derrick on the ground?

MR. FORTH:

Started moving up and actually started work July 29th. The drilling machine was there long before that.

DR. WELLS:

When did you spud in?

MR. FORTH:

Right along the first of August, 1935, maybe three or four days.

DR. WELLS:

You were actually drilling before the regulations went into effect?

MR. FORTH:

Yes sir. I asked him if I should wait until I got permission and he said go ahead.

MR. HOY EXAMINING MR. FORTH:

Q. The matter of establishing that line which was assumed by Mr. Forth to be the North line of Section 29, I should like to know from whom he got his information that was the north line of Section 29.

A. I got the information from Mr. D. K. Stacey and verified it from Mr. A. E. Howell.

MR. HOWELL:

I am responsible for part of it. Mr. Smith and myself ran this line through. Mr. Smith is supposed to be a surveyor and that was the first line ran through after the company started. We spent one day and ran this through. According to the way we ran it, we measured off 430 ft. from where the well was and Mr. Forth backed up 200 and that would make it 230. He was ignorant where the line was as far as I know. We told him that was where it was.

MR. HOY:

What Mr. Smith was this?

MR. HOWELL:

Wade Smith.

MR. HOY:

He is the surveyor they have been speaking of?

MR. HOWELL:

Yes.

MR. HOY:

Did he run that line with an instrument?

MR. HOWELL:

Yes.

MR. HOY:

Did he help measure the distance of No. 1?

MR. HOWELL:

He helped and also established it. I went to the established

point and we measured from there.

MR. HOY:

Was that before or after the location of the Lark Drilling Co.?

MR. HOWELL:

Before.

MR. HOY:

Who was interested in that land at that time of the lease?

MR. HOWELL:

Quite a bunch of men, myself, Mr. Stacey, Mr. Riggle, Mr. Webber

MR. HOY:

Did you inform Mr. Forth as to that particular line?

MR. HOWELL:

Yes and also Mr. Stacey. The Northwest established in the ground. We hunted and finally found it. The northeast a pile of rock, but no established corner.

MR. HOY:

When Mr. Smith ran this north line he commenced his survey from the northwest, which is north in the ground of the established corner.

MR. HOWELL:

He ran this two or three times before and that is practically the same place for some reason I don't remember why.

MR. HOY:

Any monuments or anything of that kind put up on that road like at the time you ran it before that time?

MR. HOWELL:

A pile of rock there practically on the line we ran. I wasn't positive if the Government piled the line, none of them in the ground laying there.

MR. HOY:

About when was this line ran by Mr. Smith?

MR. HOWELL:

Latter part of March, 1933.

MR. HOY:

I am going to suggest to the Commission I don't see where you

have anything to make a determination. Any ruling made relative to any of these wells should be made on an accurate survey and as to methods of survey on these, have not been gone into. Looks like all information is so fragmentary, do not see how anything can be arrived at at this time.

MR. WALKER:

This surveyor is a man who showed us this corner. I ran this line through for two miles. Mr. Gibbons had his surveyor there and he surveyed this thing and it corresponded with our. Mrs Clark had a licensed man. They started from the corner Mr. Smith showed them. We paid these licensed men \$15.00 per day and hauled them out there. I spent three days having them establish this stuff. I don't see how they ran this line and got so far off. Mr. Smith established a pile of rock and only missed it five feet on the East Corner. We were unable to find any ^{rock} ~~mark~~ there. Mr. Miller of Farmington came along, surveyed it and only missed it a few feet. Three surveyors have not missed it over ten feet. Why they should miss it, starting at the same point does not look like experienced men. We missed the corner five feet.

MR. HOWELL:

From this line we ran 430 feet.

MR. HOY:

May it please the Commission, none of those three surveyors are here. I am not disputing their word. We do not have a single surveyor here. We are taking matters of hearsay, and inasmuch as they have an Oil and Gas lease outstanding on Section 20, joining 29 South of Section 21, I believe the State is as much interested as anyone in seeing these corners definitely established. For that reason, I again suggest before anything is done, whether this Commission could penalize a man from an official line for having done or not done something he should have done. I might have brought Mr. H. H. Miller down. However, I went to Mr. Miller a couple of days ago and asked him if he would be willing to swear before this Commission as to the line and he made the statement he would not make an oath before this Commission as to the exactness as to that corner. For that reason did not think it was necessary to have the man come down.

DR. WELLS:

Anything that has been presented to us today, we could not accept as final.

MR. VESELY:

Nothing here so far we could stand no. Everything hearsay.

DR. WELLS:

With the maps that are signed by men that made them, there are no affidavits or survey notes.

MR. CLARK:

His seal is on it.

MR. HAYENGA:

These lines of course as it seems are not satisfactory, although I believe they are established. It still remains the truth that Forth knows he wasn't far enough from the line. He admitted it. That is the general opinion. You are not far enough from the line. That brings up this. We might consider the matter of Forth and Mr. Walker getting together. Everyday that well pumped, Mr. Walker loses out. That matter is clear and that could be decided today and they could enter some kind of an agreement.

MR. VESELY:

The Commission certainly would expect Mr. Forth when he drills a well to know he is within the law and you knew that you are not 330 from the line. You did not notify the Commission you intend to drill. You knew the law was in effect. It was up to you to find out about the law, and that there was no County Oil and Gas Inspector. He was without power to give you permission to space this well. You went into it half blind. You did not know where you were drilling, had no permission to drill. Is this well running oil now? You do not know whose land you are now drilling this well.

MR. FORTH:

Then admit I am on my own property, but too close to the line.

MR. VESELY:

You say about and yet you do not want to agree that you are not

the required distance. Do you say you are 330 feet from the line?

MR. FORTH:

No.

MR. VESELY:

Your own testimony showed you are not. Another thing if Mr. Walker wants to bring this charge, it was your duty to present this evidence. Why should the Commission go to the expense to get this data. It is your duty to bring it here. Where would we get that money to send engineers up there. It was your duty to have this thing before us.

MR. FORTH:

What I was going to say. In all the oil fields I have been in, and I have been in a great many. I was connected with the Engineering Department of one of the largest companies, the Sinclair. In a case like this a well too close to the line, we merely located an offset.

MR. VESELY:

How long ago was that?

MR. FORTH:

Ten years ago.

MR. VESELY:

The methods of oil producing methods changed.

MR. FORTH:

That is true. I would be perfectly will for Mr. Walker to go the same distance from the line I am and drill a well. Before he would drill a well he would have to establish the line. I cannot take his survey. He knows it is right. I want to take my survey and he doesn't think it is right. I would suggest the Commission hire an engineer at our expense to locate the line properly and let Mr. Walker offset.

MR. CLARK:

I don't think it right to let Mr. Walker offset. Mr. Forth's well is less than 30 ft. and if Mr. Walker drills an offset, it will be two wells 60 feet, and that is not just to the rest of us. If Mr. Walker offsets, it may ruin Mr. Forth's well. It is in violation and if Mr. Walker drills, it is a violation, isn't it?

DR. WELLS:

The Commission has authority to make exceptions to the rules.

MR. WALKER:

On the other hand, I would have liked to offset the well a long time ago. It is too long now. I drilled another well and has no luck.

MR. FORTH:

Mr. Walker 330 ft. north of me drilled a well. That well is a water well and making possibly a barrel or two and one-half barrels a day pumping water and oil. I claim I am not hurting his land. He has no oil there. If Mr. Walker had a well he would have something to holler about.

DR. WELLS:

What is the well making?

MR. FORTH:

His pumped I would say 27 barrels fluid and $1\frac{1}{2}$ oil in 24 hours.

MR. VESELY:

How much is your well making?

MR. FORTH:

20 barrels of oil a day.

MR. VESELY:

Pumping every day?

MR. FORTH:

Yes.

MR. VESELY:

What do you do with the Oil?

MR. FORTH:

The Arex Company take it.

MR. VESELY:

You hold it in the tanks?

MR. FORTH:

He comes after it.

MR. WALKER:

That well has been pumping 24 hours a day?

MR. FORTH:

Yes.

MR. HOY:

On behalf of you other individuals, if made to agree to plug that well, I would suggest you have a 10% overlying royalty. If the well be plugged, we suggest he drill another well on the hill before he plugs this so that the interests of others be not affected. Inside of sixty days he would have another well in. He be permitted to produce this well and move back and drill another well and that would not affect interested parties. I would ask the Commission that a time be given on that, say a limited time, whatever would be proper, ninety days or whatever you think. The other parties being affected on this particular thing, I don't believe their rights should be jeopardized by shutting the thing down right now.

MR. WALKER:

I don't think that is right. I want to use the oil under my land. We could divide that well and get along.

DR. WELLS:

The ruling of the Commission is that the Forth well discontinue operation immediately, the one not properly located.

MR. FORTH:

I understand you mean the well be plugged, so I can haul my pipe out and move. Would you like to send a man there to see it is plugged right?

MR. VESELY:

You have to give a drilling bond. You must give a sufficient bond first. That is something that has been neglected. As an oil man, you should have attended to that.

MR. FORTH:

The fact of the matter is I have always been employed by major companies that attended to it. There are a few things I am learning about the oil business. I am willing to plug the well, pull my pipes and move.

DR. WELLS:

I would say you Gentlemen had better get a survey you can rely on and satisfy us. The Commission might find that a well is 300 ft. from the line instead of 330.

MR. FORTH:

What would you suggest about that? Mr. Walker had a survey, Mr. Clark had one, I am a surveyor myself, Mr. Gibbons had a surveyor and they all differed.

MR. VESELY:

All you have to do is get a licensed surveyor that puts his name to it. One is better than four.

MR. FORTH:

Would it make it better if you Gentlemen selected a surveyor?

MR. VESELY:

You have a County Surveyor in San Juan or McKinley Counties.

DR. WELLS:

A properly qualified man. We feel you gentlemen can get together. While you are all here, why not agree.

MR. CLARK:

I don't believe as far as we are concerned, we should have to spend any more. We took a surveyor and got out corner established.

MR. VESELY:

Be sure you are 330 ft. from the line.

MR. CLARK:

A surveyor spaced that for us.

MR. WALKER:

Supposing we got together and got a survey and agreed, then another fellow had a 40 later on and got a surveyor and did not agree to it. Some way a ruling should be made that survey would hold, not only for us but others.

MR. LIVINGSTON:

Whenever you drill and make application and state certain distances the Commission assumes you are correct, but if you are wrong,

you are wrong. Two surveyors may disagree, both may be wrong. If a dispute comes up, a hearing may be called by the Commission and the Commission may ^{make} ~~find~~ finding of fact. But there must be sufficient and the right kind of evidence to make a finding of fact. Licensed engineers are not here to qualify how they make their survey. All those things are peculiar to their surveyors profession.

MR. WALKER:

I got a survey and a licensed man gave me a statement locating the well, would that be satisfactory?

MR. LIVINGSTON:

If he is wrong, he is wrong. If he is a licensed surveyor he is likely to be correct or nearly so, but if wrong, he is wrong. You make your calculation on the basis of the licensed surveyor and get back 330 feet. If anyone challenges that to show you are too close, they will have to present some other expert testimony to upset that. The Commission today cannot decide how close Mr. Forth is or how far, except by his admission he is too close.

DR. WELLS:

You have run into a lot of expense already. The quicker you do this and agree there will be no future controversy. Have a licensed man give us proper records and there will be no more trouble.

MR. HAYENGA:

I am thinking of what Mr. Hoy tried to bring out. If this field develops into a good field, would not the State and the Railroad be interested in where those lines are. They may send their own men out. Isn't it possible in the future the State will want to survey that?

DR. WELLS:

I feel if a qualified man follows the proper procedure, I personally would not feel like questioning it.

MR. HOY:

Since there is such a difference of opinion, I believe all concerned would be satisfied if you would name a surveyor that would do that and settle it.

MR. WALKER:

They would rather plug the well than give a favor. I don't think from now on there will be much getting along, unless things change.

MR. HOY:

One other matter. There are a couple of wells out there which were drilled into water and both of them will seriously affect the sands there unless taken care of soon with proper plugging. One is the well known as the Cooperative Well. The drilled that well enough to get a water well and let it stand there, and that is bound to affect the rest of the land and the offsets. We are speaking now of Section 29. The other well on 29, the Bennett well drilled by man named Bennett working for Mr. Lingenfelter. No question but that well is letting water in the oil sand. If any oil sand there open, the hope depth is 585 feet by the log. It is unquestionably the well drilled below this oil sand standing in water. We would like to enter a protest on that and make formal protest if necessary.

MR. CLARK:

We have had a pump on that.

DR. WELLS:

When was the Bennett well drilled?

MR. HOY:

A year.

MR. ANDREAS:

Mr. Smith working for Mr. Clark agreed to plug that well.

MR. CLARK:

Wasn't it agreed he could pump it to see what was in it?

MR. ANDREAS:

He could test it first and if water there, he should plug it.

MR. CLARK:

He pumped it dry. Pumped it two hours every day for ten days. Pumped one barrel of oil and one-half water. First day dry in

two hours. Next day pumped again one barrel oil and one ~~water~~ half water. Pumped every day until he cannot get anything out of it.

MR. ANDREAS:

What he agreed to do was to test the well, and if no production, he was to plug that water sand and test it and then plug to top.

MR. CLARK:

It is the plan to plug as soon as we can get to it. Never got over two barrels water at any time.

MR. HOY:

Is it definitely decided that Mr. Forth will plug his well?

✓
DR. WELLS:

Mes. How long will it take you to move and get it plugged?

MR. FORTH:

Ten days.

DR. WELLS:

You would have the well on production?

MR. FORTH:

Yes sir.

DR. WELLS:

You will give us assurance you will do it.

MR. HOY:

I have been connected with the Lark Drilling Company from the start and I have heard so many promises from Bill Forth.