

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2057
Order No. R-1764

APPLICATION OF KAY KIMBELL
FOR AN ORDER FORCE-POOLING
ALL MINERAL INTERESTS IN A
320-ACRE GAS UNIT IN THE
DAKOTA PRODUCING INTERVAL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 24, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 31st day of August, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Kay Kimbell, is the operator of the Cook Bloomfield Unit Well No. 1, which well is capable of producing hydrocarbons from the Dakota Producing Interval, and is located 790 feet from the South line and 1850 feet from the West line of Section 22, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. Further, that the applicant proposes to dedicate the entire W/2 of said Section 22 to said Cook Bloomfield Unit Well No. 1.

(3) That a communitization agreement covering the above-described 320-acre unit has been executed, ratified, or consented to by a large majority of persons owning mineral interests in the Dakota Producing Interval under the said 320-acre tract.

(4) That inasmuch as the applicant, after diligent effort, has been unable to secure the consent of all mineral interest owners, it seeks an order force-pooling all Dakota Producing Interval mineral interest owners in the said 320-acre gas unit.

(5) That denial of the subject application would deprive, or tend to deprive, the mineral interest owners in the said 320-acre tract of the opportunity to recover their just and equitable share of the crude petroleum oil or natural gas, or both, in the Dakota Producing Interval.

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Dakota Producing Interval underlying the W/2 of Section 22, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre Dakota gas unit comprising all of said acreage, which unit shall be dedicated to the Kay Kimbell Cook Bloomfield Unit Well No. 1, located 790 feet from the South line and 1850 feet from the West line of said Section 22.

PROVIDED HOWEVER, That the proportionate share of the cost of drilling and completing the well on the 320-acre tract shall be borne by each consenting working interest owner in the same proportion to the total costs that his acreage bears to the total acreage in the pooled unit.

PROVIDED FURTHER, That the proportionate share of the cost of drilling and completing said well which is to be paid out of production by each non-consenting working interest owner shall be 125 per cent of the same proportion to the total costs that his acreage bears to the total acreage in the pooled unit.

PROVIDED FURTHER, That the share of the well costs, as determined above, which is to be paid by the mineral interest owners shall be withheld only from the working interests' share (7/8) of the revenues derived from the sale of the hydrocarbons produced from the well on the pooled unit. Royalty payments are not to be affected by the withholding of any funds for the purpose of paying out a proportionate share of the cost of drilling and completing said well.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

S E A L

esr/

A. L. PORTER, Jr., Member & Secretary