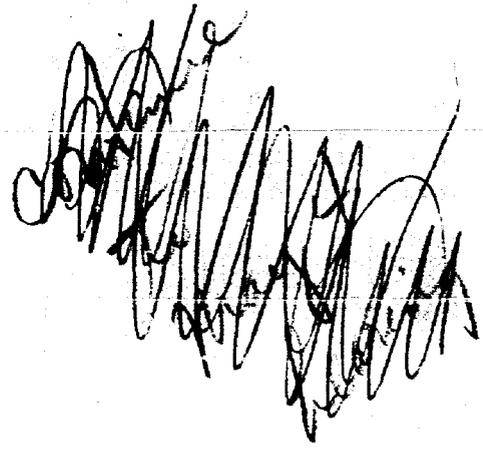


**CASE 2057: Application of KAY KIMBELL
FOR AN ORDER force-pooling all mineral
interests in the Dakota Producing
Interval.**

*Pls - be sure to check
some copy of the application
to all in the application
to dated in*

A large, stylized handwritten signature in black ink, appearing to be 'Kay Kimbell'.

*8-16-68
Junk*

Casa No.

2057

Application, Transcript,
Small Exhibits, Etc!

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. Hutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 121 $\frac{1}{2}$ 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. Hutter, 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, N29N, 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.

-2-
CASE No. 2057
Order No. R-1764

(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, ~~area~~, 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 My Kimball 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
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

ESK/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 12, 1969

**Kimbell, Inc.
P. O. Box 1540
Ft. Worth, Texas**

Attention: Mr. Sam W. Sims, Jr.

**Re: Cook Bloomfield Unit Well No. 1,
located in Unit W of Section 22,
Township 29 North, Range 11 West,
Basin-Dakota Pool, San Juan County,
New Mexico**

Gentlemen:

The Commission has received your accounting covering the forced pooled interests in the above-described well and the accounting covering the forced pooled interests in the Cook Bloomfield Unit Well No. 2, and wishes to take this opportunity to thank you for your prompt attention to the matter.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/GMH/esr

C
O
P
Y

ESTATE OF KAY KIMBELL

P. O. BOX 1540 - PHONE WA 4-3271

FORT WORTH, TEXAS

OIL DEPARTMENT

August 5, 1969

1969 AUG 8 PM 1 12

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. A. L. Porter, Jr.

RE: COOK BLOOMFIELD UNIT
SECTION 22, T-29-N, R-11-W
N.M.P.M., SAN JUAN COUNTY
NEW MEXICO

Gentlemen:

In accordance with the instructions contained in your letter of July 9, 1969, I am enclosing herewith for your review, a complete accounting covering the Forced Pooled Interest under the Cook Bloomfield Unit No. 1 and Cook Bloomfield Unit No. 2.

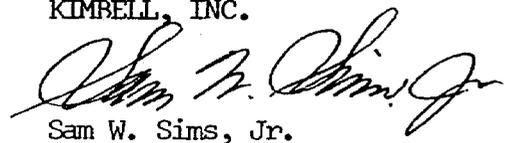
In the recap of these two wells, it shows that Robert Finch is due \$634.79, John Giacomelli - \$201.20, John Giacomelli and Eloise Giacomelli - \$127.21, J. A. Johnson (interest now owned by Madalyn L. Johnson) - \$97.85 and Joe Salmon - \$410.28.

In addition to the above, I am forwarding to those interest owners listed below a copy of this accounting and attached thereto our checks in the amount of \$1,288.02. The suspense interest of \$183.31 will be released on the next distribution from I.B.M. and thereafter on a monthly basis.

We trust that you will find these in order.

Yours very truly,

KIMBELL, INC.



Sam W. Sims, Jr.

SWS/ds

cc: Mr. Robert Finch
Bloomfield, New Mexico 87413

Mr. John Giacomelli
Bloomfield, New Mexico 87413

Mrs. Madalyn L. Johnson
1060 Stamper Road
Fayetteville, North Carolina

Mr. Joe Salmon
Bar K Ranch
Bloomfield, New Mexico 87413

Cook - Bloomfield Nos 1 & 2.
 Recp of monies Due & Suspensed
 Various Interests After Payout.

		Amounts Due	Amounts Suspensed	Net Due	
1	Finch, Winnie & Robt T.				1
2	Cook #1	634 79	79 00	555 79	2
3	Cook #2	-	-	-	3
4					4
5	Giacomelli, John				5
6	Cook #1	175 95	21 90	154 05	6
7	Cook #2	25 25	3 14	22 11	7
8					8
9	Giacomelli, John & Eloise				9
10	Cook #1	111 25	13 90	97 35	10
11	Cook #2	15 96	2 00	13 96	11
12					12
13	Johnsen, Mrs J.A.				13
14	Cook #1	85 57	10 64	74 93	14
15	Cook #2	12 28	1 57	10 71	15
16					16
17	Selmon, Joe & Merton				17
18	Cook #1	358 79	44 72	314 07	18
19	Cook #2	51 49	6 44	45 05	19
20					20
21					21
22		1471 33	183 31	1288 02	22
23					23
24					24
25					25
26					26
27					27
28					28
29					29
30					30
31					31
32					32
33					33
34					34
35					35
36					36
37					37
38					38
39					39
40					40

Cook-Bloomfield Nos. 1 + 2
 Amounts Due (Corrected Income) Various Interests
 After Payout

		①	②	③	④	⑤
		Finch, Winnie Cook #1	+ Robt T. Cook #2	Giacomelli, Cook #1	Jahn Cook #2	Giacomelli Cook #1
		.465633	- 0 -	.129065	.258124	.081600
1	January + February, 1965	3185		883		558
2	(Gas has Production in					
3	Kind Taken by Roy Cook					
4	80.52445700% Distributed					
5	by US, and Interests					
6	Converted To Compensate					
7	for Gas Only.)					
8						
9	March, 1965 Thru May, 1969	60294		16712		1056
10	(Gas has Production in					
11	Kind Taken by Roy Cook					
12	78.99840900% Distributed					
13	by US, and Interests					
14	Converted To Compensate					
15	for Gas Only)					
16						
17	April, 1965 Thru May, 1969				2525	
18	(Gas has Production in					
19	Kind Taken by Roy Cook					
20	47.66863500% Distributed					
21	by US, and Interests					
22	Converted To Compensate					
23	for Gas Only)					
24						
25		63479	- 0 -	17595	2525	11125
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

EYE CASE 45-013
 20720 (UFF 45-713)

Cook-Bloomfield #1 Payout

Date	Development Expense	Lease Equipment	125 % Recoverable	.125280 % To Recover	.125280 % Income	Balance To Recover
Dec 1960	6144511	3244287	11735998	14703		14703
Beginning thru June, 1961					4778	9925
July, 1961					177	9748
Aug "					25	9723
Sept "					424	9299
Oct "					562	8737
Nov "					40	8697
Dec "					-	8697
Jan 1962					134	8563
Feb "					832	7731
Mar "					73	7658
Apr "					86	7572
May "					110	7462
June "					101	7361
July "					02	7359
Aug "					47	7312
Sept "					353	6959
Oct "					945	6014
Nov "					97	5917
Dec "					99	5818
Jan 1963					1034	4784
Feb "					02	4782
Mar "					22	4760
Apr "					06	4754
May "					77	4677
June "					190	4487
July "					896	3591
Aug "					78	3513
Sept "					228	3285
Oct "					03	3282
Nov "					49	3233
Dec "					620	2613
Jan 1964					28	2585
Feb "					255	2330
Mar "					720	1610
Apr "					30	1580
May "					82	1498
June "					02	1496
July "					34	1462

Lease paid out - 12/64

Cook-Bloomfield #1

Amounts Suspensed on Various Interests That Contribute To Working Interest After Payout

Month	Description	Net Amount Paid or Suspensed Gas	Net Amount Paid or Suspensed Distillate	Finch, Wylie & Robt T.	
				Gas	Oil
1	January, 1965	194847	47181	141	27
2	February, 1965	293101	30755	212	18
3	March, 1965	285536	61237	211	36
4	April, 1965	12566	-	09	-
5	May, 1965	2186	-	02	-
6	June, 1965	2198	-	02	-
7	July, 1965	275083	73137	203	43
8	August, 1965	1345	-	01	-
9	September, 1965	11348	22597	08	13
10	October, 1965	65093	15007	48	09
11	November, 1965	97744	30927	72	19
12	December, 1965	297384	54512	219	32
13	January, 1966	323098	45886	238	27
14	Jan. 1966 - Suspense Release	204619	-	119	-
15	February, 1966	266042	137168	196	80
16	March, 1966	295431	53989	218	31
17	April, 1966 112,310	87208	18166	64	11
18	May, 1966	97413	47081	72	27
19	June, 1966	141196	-	104	-
20	July, 1966	11729	-	09	-
21	August, 1966	112160	37226	231	22
22	September, 1966	154914	53969	114	31
23	October, 1966	213823	45236	158	26
24	November, 1966	140056	53484	103	31
25	December, 1966	203842	50402	150	29
26	January, 1967	220300	-	163	-
27	February, 1967	192587	-	142	-
28	March, 1967	253756	-	187	-
29	April, 1967	193728	40875	143	24
30	May, 1967	237781	47609	175	28
31	June, 1967	171455	45348	126	26
32	July, 1967	141878	-	105	-
33	August, 1967	209421	65980	154	38
34	September, 1967	139023	43923	103	26
35	October, 1967	144173	-	106	-
36	November, 1967	126615	46936	93	27
37	December, 1967	205127	47683	151	28

RELEASE 45-613 20700 UNIT 45-713

Notes: Gas production percentage 45.700%
Gas in period - 80.52%
Gas only
Gas production in kind - 78,898,400

506 11.45

Cook-Bloomfield # 1

Amounts Suspended on Various Interests That Convert To Working Interest After Payoff

			①		②		③		④ 3,555		⑤	
			Net Amount Paid or Suspended	Gas	Net Amount Paid or Suspended	Oil	Each Window	Gas	Rob't T.	Oil		
1	January, 1968		305548		42512			225				28
2	February, 1968		160248		49335			118				29
3	March, 1968		255679		54539			189				32
4	April, 1968		236295		-			174				-
5	May, 1968		152550		52042			113				30
6	June, 1968		226657		50346			167				29
7	July, 1968		231458		-			171				-
8	August, 1968		169341		48915			125				28
9	September, 1968		219886		48691			162				25
10	October, 1968		209792		55061			155				27
11	November, 1968		210365		55686			155				27
12	December, 1968		200488		-			148				26
13	January, 1969		178966		50258			147				25
14	February, 1969		151147		-			112				-
15	March, 1969		181947		57999			134				24
16	April, 1969		167295		-			123				-
17	May, 1969		45620		-			34				-
18												
19					9349093			1795699		1856		1044
20		118,370			1795698						7900	
21												
22					136,327							
23												
24												
25												
26												
27												
28												
29												
30												
31												
32												
33												
34												
35												
36												
37												
38												
39												
40												

RELEASE 45-013 2070 BUY 45-2715

④ 3713 ①		④ 3753 ②		⑩		⑪		⑫		⑬	
Giacomelli, John		Giacomelli, John & Eloise		Johnson, Mr. J. A.		Salonen, J. & Hideo					
.01618300		.01020000		.00284600		.03289700					
Gas	Oil	Gas	Oil	Gas	Oil	Gas	Oil				
62	08	40	05	30	04	127	16			1	
33	08	21	05	16	04	67	16			2	
52	09	33	06	25	04	107	18			3	
48	-	31	-	23	-	99	-			4	
31	08	20	05	15	04	64	17			5	
46	08	29	05	23	04	75	17			6	
47	-	30	-	23	-	97	-			7	
35	08	22	05	17	04	71	16			8	
40	08	28	05	22	04	74	16			9	
43	09	27	06	21	04	87	18			10	
43	09	27	06	21	04	88	18			11	
41	-	26	-	20	-	84	-			12	
41	09	26	06	20	04	83	19			13	
31	-	20	-	15	-	63	-			14	
37	09	24	06	18	05	76	19			15	
34	-	22	-	17	-	70	-			16	
09	-	06	-	05	-	19	-			17	
										18	
1898	092	1204	106	922	142	3881	591			19	
										20	
										21	
										22	
										23	
										24	
										25	
										26	
										27	
										28	
										29	
										30	
										31	
										32	
										33	
										34	
										35	
										36	
										37	
										38	
										39	
										40	

Cook-Bloomfield # 2 Payout

Date	Development Expense	Lease Equipment	125 % Recoverable	.134152 % To Receive	.134152 % Income	Balance To Receive
Beginning thru May, 1961	1235867	391415	2034103	2729		2729
June 1961					669	2060
July "					23	2037
Aug "					80	1957
Sept "					87	1870
Oct "					75	1795
Nov "					66	1729
Dec "					21	1708
Jan 1962					55	1653
Feb "					32	1621
Mar "					72	1529
Apr "					52	1477
May "					02	1475
June "					91	1384
July "					51	1333
Aug "					01	1332
Sept "					55	1277
Oct "					01	1276
Nov "					66	1210
Dec "					152	1058
Jan 1963						
Feb "					02	1056
Mar "					01	1055
Apr "					78	977
May "					77	900
June "					42	858
July "					72	786
Aug "					58	728
Sept "					52	676
Oct "					63	613
Nov "					78	535
Dec "						
Jan 1964					58	477
Feb "					50	427
Mar "					45	382
Apr "					42	340
May "					43	297
June "					49	248

Lease Paid
 out 3/65
 Distribution made on only
 47.6683500%
 Production taken in kind
 and distributed 47.6683500%
 Roy. L. Cook. Partner has
 consulted for

Cook-Bloomfield #2

Page 1 of 2

Amounts Suspensed on Various Interest
 That Converts To Working Interest After Payout

		Net amount Paid or Suspended G.S	3713 Giacomelli, John 0.032266% G.S	Giacomelli 0.0266% G.S
1	April, 1965	16716	11	
2	May, "	196	-	
3	June, "	15094	10	06
4	July, "	23181	16	10
5	August, "	5585	04	
6	September, "	221	-	
7	October, "	1966	01	01
8	November, "	4448	03	21
9	December, "	2327	02	21
10	January, 1966	3683	02	21
11	January - " (Suspense Release)	-	-	
12	February, "	18854	13	17
13	March, "	1847	01	21
14	April, "	9244	06	04
15	May, "	11144	08	05
16	June, "	2155	01	01
17	July, "	245	-	
18	August, "	92483	15	10
19	September, "	10242	07	04
20	October, "	11290	08	05
21	November, "	13920	09	06
22	December, "	15570	11	07
23	January, 1967	12525	08	05
24	February, "	10669	07	05
25	March, "	8320	06	04
26	April, "	8914	06	04
27	May, "	11669	08	05
28	June, "	12118	08	05
29	July, "	12032	08	05
30	August, "	5824	04	02
31	September, "	522	-	
32	October, "	1983	01	01
33	November, "	6358	04	03
34	December, "	5141	03	02
35				
36				
37				
38				
39				
40				

BY: SAH 45-03
 2020 BUH 45713

Cook-Bloomfield #2

Amounts Suspensed on Various Interests
That Convert to Working Interest After Payout

		①	②	③	④	⑤
		Net Amount Paid or Suspensed GAS	Giacomelli, John 0.032266 % GAS		Giacomelli 0.030400 % GAS	
1	January, 1968	13550	09			06
2	February, "	16275	07			09
3	March, "	14396	10			06
4	April, "	8449	06			04
5	May, "	12854	09			06
6	June, "	8046	05			03
7	July, "	14890	10			07
8	August, "	5590	04			03
9	September, "	5997	04			03
10	October, "	10829	07			06
11	November, "	8788	06			05
12	December, "	11934	08			05
13	January, 1969	11142	08			05
14	February, "	8342	06			04
15	March, "	10033	07			05
16	April, "	10288	07			05
17	May, "	14424	10			06
18						
19						
20		466312	314			214
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

STEELCASE 43-413
 2020 BUFF 43-713

①	②	③	④	⑤	⑥	⑦	⑧
Mr. & Mrs. Glaise	Johnson, Mr. J. A.	Salman	Toc & Martin				
	0.015692 %	0.065794 %					
	Gas	Gas					
	04		19				1
	03		14				2
	05		20				3
	03		12				4
	04		18				5
	03		11				6
	05		21				7
	02		08				8
	02		08				9
	04		15				10
	03		12				11
	04		16				12
	04		15				13
	05		12				14
	03		14				15
	03		14				16
	05		20				17
							18
							19
							20
							21
							22
							23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
	157		644				

SMA

July 28, 1949

AIR MAIL

'49 JUL 30 AM 8 35

Mr. Joe Salmon
Bar K 7 Ranch
Bloomfield, New Mexico

Mr. John Giacomelli
Bloomfield, New Mexico

Mr. Robert T. Finch
Bloomfield, New Mexico

Re: Section 22, T-29-N, R-11-W
San Juan County, New Mexico

Gentlemen:

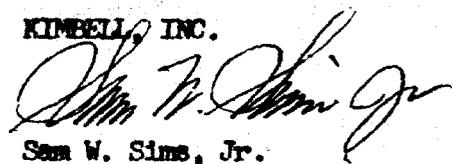
Your forced pooled interest under the Cook-Bloomfield Unit #1 has been paid out and a full accounting will be mailed you at an early date.

A release of funds will be made in the very near future, and I should appreciate being furnished with your permanent address.

If you so choose please note on the bottom of this letter and return to me.

Yours very truly,

KIMBELL, INC.



Sam W. Sims, Jr.

SWS:em

cc: Mr. A. L. Porter, Jr.
P.O. Box 2088
Santa Fe, New Mexico 87501

SMS

July 28, 1969
JUL 30 AM 8 35

Mr. Donald W. McCay
McCay, Weaver and Wiggins
Grace Pittman Building
Fayetteville, North Carolina

Re: Cook-Bloomfield Unit #1
San Juan County, New Mexico

Dear Mr. McCay:

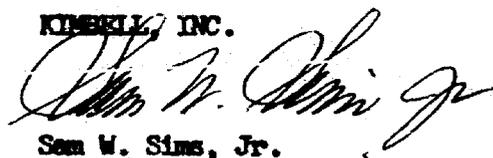
On July 10, 1961, you furnished me with a Quit Claim Deed from various parties to Mr. J. A. Johnson covering a certain property in Section 22, T-29-N, R-11-W, San Juan County, New Mexico.

I am unable to locate the address of Mr. Johnson. We are releasing payment for the forced pooled interest under this tract and, if it is available, would appreciate knowing his mailing address.

Thanking you for this service, I am

Yours very truly,

KIMBELL, INC.



Sam W. Sims, Jr.

SMS:em

cc: Mr. A. L. Porter, Jr.
P. O. Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 16, 1969

Kimbell, Inc.
P. O. Box 1540
Fort Worth, Texas

Attention: Mr. Sam W. Sims, Jr.

Re: Cook Bloomfield Unit Well No. 1,
located in Unit N of Section 22,
Township 29 North, Range 11 West,
Basin-Dakota Pool, San Juan County,
New Mexico

Gentlemen:

Thank you for your prompt cooperation in the above-described matter.

Responding to questions in your letter of July 14, 1969, it appears that you are correct in your determination that the 125% can only be charged against drilling and completion costs and not to operating costs and that the drilling and completion costs can only be withheld from the working interests' share (7/8) of the revenues derived from the sale of hydrocarbons.

In response to your question concerning allocation of operating costs, the Commission has taken the position that even after payout the royalty interests' share (1/8) is not to be affected by such costs.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GMH/esr

cc: Mr. Robert L. Finch
Farmington, New Mexico

Mr. Emery C. Arnold
Supervisor, District 3
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

KIMBELL, INC.
ESTABLISHED 1911
P. O. BOX 1540 PHONE WA 4-8271
FORT WORTH, TEXAS

OIL DEPARTMENT

July 14, 1969

Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

ATTENTION: Mr. A. L. Porter, Jr.

Re: Cook-Bloomfield Unit No. 1
W/2 Section 22, T-29-N, R-11-W, N.M.P.M.
San Juan County, New Mexico

Dear Mr. Porter:

This will reply to your letter of July 9, 1969, concerning the forced pooled interest of certain persons under the captioned unit. I find that this interest has been accrued since 1960 on our books, being 155% of the total well cost plus operations. I find that on reviewing your Order No. R-1764 we are in a position of error since only 125% of the drilling and completing cost can be charged against this interest.

I have requested our accounting department to prepare a new statement, and same will be forthcoming to you and the interest owners in the very near future.

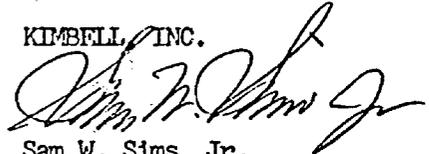
On June 11, 1965, I received a letter from Mr. Robert L. Finch in regard to this matter, and I advised him that the interest had not paid out. It would appear now that the interest paid out some time ago and we, too, would like to make the final accounting for the small amount due the four parties.

Would you please advise if our accounting department is correct in calculating the payout without using the joint operation charge. Also, if this be correct from date of payout to date these interests now fall as working interest and must bear their small percent of operations.

I should appreciate being advised on these points and can assure you that a prompt solution to this matter will be forthcoming.

Yours very truly,

KIMBELL, INC.


Sam W. Sims, Jr.

SWS:em

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 9, 1969

**Estate of Kay Kimbell
P. O. Box 1540
Fort Worth, Texas 76101**

**Re: Cook Bloomfield Unit Well No. 1, located
in Unit N of Section 22, Township 29 North,
Range 11 West, Basin-Dakota Pool, San Juan
County, New Mexico**

Gentlemen:

By Order No. R-1764, dated August 31, 1960, the Commission pooled 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, San Juan County, New Mexico, to form a 320-acre Dakota gas unit to be dedicated to the above-described well.

Order No. R-1764 set forth the manner in which each interest owner was to share in the cost of drilling and completing the subject well.

Mr. Robert L. Finch of Bloomfield, New Mexico, one of the owners whose interest was pooled by Order No. R-1764, has advised this office that he has never received any payment or accounting for his interest in the subject well.

As our records indicate that gas delivery was commenced in November, 1960, it would appear that the owners of interest that were pooled by the order are due an accounting of their interests and the undersigned on behalf of the Commission and all owners of pooled interests in the subject gas unit requests that you furnish

C
O
P
Y

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

-2-

July 9, 1969

Estate of Kay Kinbell
P. O. Box 1540
Fort Worth, Texas 76101

C
O
P
Y
to the Commission and all owners of interests in the subject gas
unit a full and complete account in connection with the Cook
Blossfield Unit Well No. 1 on or before the 15th day of August,
1969.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GME/esr

cc: Mr. Robert L. Finch
Blossfield, New Mexico

Mr. Emory Arnold
Supervisor, District 3
Oil Conservation Commission
1000 Rio Brazos Road
Astec, New Mexico

JAMES L. BROWN
JOE W. WOOD
AUSTIN E. ROBERTS

MAIN OFFICE OCC

1960 AUG 17 AM 8:22

BROWN, WOOD & ROBERTS

ATTORNEYS AT LAW

BOX 1144

FARMINGTON, NEW MEXICO

August 15, 1960

Care file

New Mexico Oil Conservation Commission
State Capitol Building
Santa Fe, New Mexico

Attn: Mr. Oliver Payne, Legal Department

Subject: Application of Kay Kimball for Force-Pooling Order,
Case No. 2057

Gentlemen:

This is to advise you that I represent Robert L. Finch and Winnie Finch, of Bloomfield, New Mexico, who own the mineral rights to approximately 1.49 acres of land which is within the West 1/2 of Section 22, Township 29 North, Range 11 West, N.M.P.M., San Juan County, and therefore within the area affected by the application of Mr. Kimball for an order force-pooling all interests in said 320-acre tract under your Case No. 2057.

0.21 acre
We also represent John and Eloise Giacomelli, who own property within the 320 acres wherein the force-pooling order is sought. The Giacomellis own six residential lots in the town of Bloomfield, and within the force-pooling area.

Be advised that the Finches and the Giacomellis concur with the application for force-pooling of their tracts and have no objection to an order so providing being made by the Commission, providing, however, that my clients feel that they are entitled to monthly reports of production, at least until such time as the drilling costs are being paid out of production.

If the force-pooling order is entered, my clients wish now to make their determination that the drilling costs be paid out of production, provided these costs are reasonable and they feel that 125% of each owner's proportionate share of costs is a reasonable figure.

New Mexico Oil Conservation Commission
Attn: Mr. Oliver Payne

August 15, 1960
Page Two

It is felt that the drilling costs to be taken out of production, insofar as it affects my clients, should come only from 7/8 of their interests and should not affect the remaining 1/8 interest, and that my clients should receive remuneration monthly from said 1/8 of their 8/8 interest therein.

Very truly yours,

BROWN, WOOD & ROBERTS
Attorneys for Robert L. & Winnie Finch
Attorneys for John & Eloise Giacomelli

By

Rustin E. Reite

AER/v

cc: Mr. Robert Finch
Bloomfield, New Mexico

Mr. John Giacomelli
Bloomfield, New Mexico

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8/24

CASE 2057 Hearing Date 9am 8/24

My recommendations for an order in the above numbered cases are as follows:
DSN 2 SF

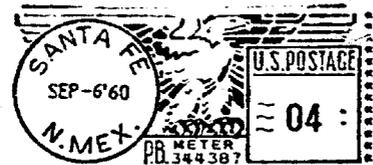
Approve force pooled units
as requested.

Provide that non-consenting
min' interest owners shall
pay 125% of proportionate
share, and that said share
shall be paid out of WI (7/8)
share only.

Royalties should not be
affected by pay-out of
WI owners' share.

Sanborn
Staff Member

State of New Mexico
Oil Conservation Commission
P. O. BOX 871
SANTA FE



Mr. Vernon Snyder
Attorney at Law
Salt Lake City, Utah

RETURN
TO
WRITER 



~~INSUFFICIENT ADDRESS~~

-2-

CASE No. 2057
Order No. R-1764

(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 Ray 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

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

esr/

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.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 871
SANTA FE

August 31, 1960

White & Rhodes
Attorneys at Law
Sims Building
Albuquerque, New Mexico

Re: Case No. 2057
Order No. P-1764
Applicant:

Ray Kibell

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

Other Austin Roberts
Brown, Wood & Roberts
131 West Main
Farmington, New Mexico

JAMES L. BROWN
JOE W. WOOD
AUSTIN E. ROBERTS

BROWN, WOOD & ROBERTS

ATTORNEYS AT LAW
BOX 1144

FARMINGTON, NEW MEXICO

August 22, 1960

White & Rhodes
Attorneys at Law
207 Simms Building
Albuquerque, New Mexico

Attention: Mr. James G. White

Subject: Kimbell force pooling application re Finch and Giacomelli tracts.

Dear Mr. White:

Please be advised that the John Giacomellis and Robert and Winnie Finch, all of Bloomfield, New Mexico, have presented me with your letters addressed to them of August 18, 1960, wherein you enclosed an oil and gas lease for their signatures, in an effort to obviate the necessity of a hearing before the New Mexico Oil and Gas Commission, regarding the force pooling application filed before that Commission.

Mrs. Winnie Finch, the mother of Robert L. Finch, who together with Robert, owns the mineral rights to the 1.49 acre tract sought, informed me that Robert is out of the State and will not be back before the latter part of this week. It is, therefore, impossible for him to execute the lease you enclosed, and without his consent the same certainly could not be accomplished.

I am enclosing herewith a copy of a letter which I wrote to the Oil Conservation Commission in Santa Fe regarding the position of the Finches and the Giacomellis concerning the force pooling application and wherein they stated they had no objection to a force pooling order, upon certain conditions set forth in said letter.

I am relatively certain that both the Giacomellis and the Finches are still of the same opinion, and although I cannot commit them to executing a lease, I believe they would be agreeable to signing a communitization agreement with the same conditions imposed therein as in my letter to the Oil Conservation Commission. If this procedure will assist you in obviating the hearing before the Commission, kindly forward the communitization agreement for execution.

Very truly yours,

BROWN, WOOD & ROBERTS

By *Austin E. Roberts*

AER/v
encl.

cc: Mr. & Mrs. John Giacomelli
Bloomfield, New Mexico

Robert L. & Winnie Finch, Bloomfield, N. Mex.

August 18, 1940

New Mexico Oil Conservation Commission
State Capitol Building
Santa Fe, New Mexico

Attn: Mr. Oliver Payne, Legal Department

Subject: Application of Kay Kimball for Force-Pooling Order,
Case No. 2087

Gentlemen:

This is to advise you that I represent Robert L. Finch and Winnie Finch, of Bloomfield, New Mexico, who own the mineral rights to approximately 1.49 acres of land which is within the West 1/2 of Section 28, Township 29 North, Range 11 West, N.M.P.M., San Juan County, and therefore within the area affected by the application of Mr. Kimball for an order force-pooling all interests in said 280-acre tract under your Case No. 2087.

We also represent John and Eloise Giacomelli, who own property within the 280 acres wherein the force-pooling order is sought. The Giacomellis own six residential lots in the town of Bloomfield, and within the force-pooling area.

We advised that the Finches and the Giacomellis concur with the application for force-pooling of their tracts and have no objection to an order so providing being made by the Commission, providing, however, that my clients feel that they are entitled to monthly reports of production, at least until such time as the drilling costs are being paid out of production.

If the force-pooling order is entered, my clients wish now to make their determination that the drilling costs be paid out of production, provided these costs are reasonable and they feel that 1/3 of each owner's proportionate share of costs is a reasonable figure.

New Mexico Oil Conservation Commission
Attn: Mr. Oliver Payne

August 15, 1960
Page Two

C
It is felt that the drilling costs to be taken out of production, insofar as it affects my clients, should come only from 7/8 of their interests and should not affect the remaining 1/8 interest, and that my clients should receive remuneration monthly from said 1/8 of their 8/8 interest therein.

Very truly yours,

BROWN, WOOD & ROBERTS
Attorneys for Robert L. & Winnie Finch
Attorneys for John & Eloise Giacomelli

O
AER/v

cc: Mr. Robert Finch
Bloomfield, New Mexico

Mr. John Giacomelli
Bloomfield, New Mexico

P

Y

Case 2057

WEINER AND RHODES
ATTORNEYS AT LAW
SUITE 207 SIMMS BUILDING
1990 AUG 8 15
SANTA FE, NEW MEXICO

JAMES G. WHITE
JERRY P. RHODES
ORVILLE C. MCCALLISTER, JR.

CHAPEL 2-0407
CHAPEL 2-1084

Governor John Burroughs, Chairman
Oil Conservation Commission,
State of New Mexico,
Santa Fe, New Mexico.

RE: APPLICATION FOR AN ORDER
FORCE-POOLING CERTAIN INTEREST
IN A 320 ACRE GAS UNIT IN THE
DAKOTA PRODUCING INTERVAL
UNDESIGNATED, SAN JUAN COUNTY,
NEW MEXICO.

Dear Sir:

The undersigned attorney for Kay Kimbell, Operator, whose address is P. O. Box 1540, Fort Worth, Texas, hereby makes application to the Oil Conservation Commission for an order force-pooling certain interest in a 320 acre gas unit embracing the Dakota producing interval and in connection therewith submits the following:

1. The acreage embraced within the desired 320 acre unit is described as follows:

The West Half (W $\frac{1}{2}$) of Section 22, Township 29 North, Range 11 West, N. M. P. M., San Juan County, New Mexico.

2. The Oil Conservation Commission is requested to issue an order force-pooling all unleased minerals within the above described 320 acre unit, said unleased minerals and the ownership thereof being as follows:

Tract 1: That certain 1.49 acre tract conveyed by Joe Salmon to Winnie Finch, a widow and Robert T. Finch, by Warranty Deed dated May 14, 1957, and recorded in Book 360, Page 72 of the San Juan County, New Mexico Deed Records, described as follows:

Beginning at a point which is 803 feet North and 100 feet West of the center of Section 22, Twp. 29 N., Rge. 11 West, N. M. P. M.; thence West 316.8 feet; thence North 187 feet; thence East 316.8 feet; thence South 187 feet to the point of beginning. Owners, Winnie Finch and Robert T. Finch of Bloomfield, New Mexico.

*Doyle to
Miles
8-16-60*

Governor John Burroughs

Tract 4: Lots 16 and 17, Block 1, Bloomfield, New Mexico. Owners, Mrs. J. A. Johnson and Miss Jennie Kissel, 1060 Stomper Road, Fayetteville, North Carolina.

Tract 5: Lots 26, 27 and 28, Block 2, Bloomfield Townsite Addition. Owners, John Giacomelli and wife, Eloise Giacomelli, Bloomfield, New Mexico.

Tract 6: Lots 10, 11, 12, 13 and 14, Block 3, Bloomfield Townsite Addition. Owners, The Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter Day Saints, a Utah corporation; address in care of Vernon Snyder, Attorney at Law, Salt Lake City, Utah.

Tract 9: Lot 14, Block 6, Bloomfield Townsite Addition. Owners, John Giacomelli and wife, Eloise Giacomelli, Bloomfield, New Mexico.

3. That reasonable efforts have been made to secure oil and gas mining leases on the unleased minerals and consent to pooling.

4. That the applicant's mineral ownership in the area makes it completely impractical to form a standard Dakota gas unit using acreage outside the above described 320 acre tract.

5. That the approval of the subject application will neither cause waste nor impair the correlative rights and denial of the application would tend to deprive the owners in said unit to recover their just and equitable share of the hydrocarbons under the 320 acre unit.

6. The following is a list of interested parties and their addresses:

Kay Kimbell, Operator, P. O. Box 1540, Fort Worth, Texas. ✓

Roy L. Cook, 212 Thatcher Building, Pueblo, Colorado. ✓

El Paso Natural Gas Products Company, Box 1565, Farmington, New Mexico. ✓

Winnie Finch and Robert T. Finch, Bloomfield, New Mexico. ✓

*Send
copy of
docket to
all these
people*

*Good
Winn
8-16-60*

Governor John Burroughs

Mrs. J. A. Johnson and Miss Jennie Kissel, 1060
Stomper Road, Fayetteville, North Carolina. ✓

John Giacomelli and wife, Eloise Giacomelli,
Bloomfield, New Mexico. ✓

The Corporation of the Presiding Bishop of the
Church of Jesus Christ of Latter Day Saints, a
Utah corporation, in care of Mr. Vernon Snyder,
Attorney at Law, Salt Lake City, Utah. ✓

Joe Salmon and Marion S. Salmon, his wife,
Bloomfield, New Mexico. ✓

Mr. Thomas F. Boettcher, 650 West Pierson,
Phoenix, Arizona. ✓

Mrs. Edward M. Reid, Jr., 12215 Southwest
Douglas, Portland 25, Oregon. ✓

Richard Shiershka and Xemina Shiershke,
805 West Naomi Avenue, Arcadia, California, ✓

W. L. Thurston and Mary L. S. Thurston,
220 East Zia, Aztec, New Mexico. ✓

Thomas R. McDaniel and Bertha A. McDaniel,
Bloomfield, New Mexico. ✓

C. C. Chaney and Myrta Chaney
Box III, Bloomfield, New Mexico. ✓

Manuel Madrid and Ophelia Madrid,
Bloomfield, New Mexico. ✓

Bruno C. Giovianini and Auvon A. Giovianini,
Bloomfield, New Mexico. ✓

M. L. Faverino and Mary Faverino; and Raymond
Louisa, Bloomfield, New Mexico. ✓

Miguel Velasquez and Adriana Velasquez,
Bloomfield, New Mexico. ✓

Carl J. May and Leia O. May,
Bloomfield, New Mexico ✓

John Dallabetta and Rosi Dallabetta
Bloomfield, New Mexico ✓

-4-

Governor John Burroughs

Jack S. Webb, Victoria B. Webb and
Dorothy Sullivan, 917 North Lincoln,
Farmington, New Mexico.

William Faverino and Betty Faverino,
Bloomfield, New Mexico.

Eloy Gomez and Stella M. Gomez,
Bloomfield, New Mexico.

Ernest Sategna and Louise M. Sategna,
Bloomfield, New Mexico.

Margaret Dunn, Executrix of the Estate of
John A. Wilmer, deceased, and Mary Ellen Wilmer,
sole devisee of John A. Wilmer, deceased,
care of Mr. E. Ellison Hatfield, Attorney at
Law, Lee Building, Durango, Colorado.

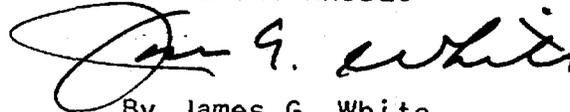
Roy M. Jackson, Blanche E. Jackson, E. E. Jackson,
Ruth Jackson, Lotta Jackson, Elizabeth Jackson,
Ralph Jackson, Helen Putney, Dorothy Riekkola,
Doris Beck, Roma Kuncel, Doris Somers,
all in care of Mr. Roy M. Jackson, P. O. Box 476,
Glenwood Springs, Colorado.

Harriet M. McClure,
Bloomfield, New Mexico.

7. Applicant requests a hearing before the Commission
at the earliest possible date.

Yours very truly,

WHITE and RHODES



By James G. White
Attorney for Kay Kimbell, Operator

JGW:mh

Dated August 3, 1960

16 COMING
SUMMER
SUPPLEMENTAL
JULY 1 - 1958
TO NOTE

N 1/4 NW 1/4 22-29-11

El Paso Natural Gas Company
N-6566 and N-6567
TO 11-15-58 at 4:30 PM

ABST MADE

No abstract except on Tele
tract as to SURFACE RIGHTS
being N-6228 and N-6667

LOMA VISTA
SUBDIVISION

LEE REALTY

S 1/4 NW 1/4

Jackson Minerals 1/4
on all of NW 1/4 22-29-11

Leonia Shiershke Harriet
3/4 minerals on 3/4 mineral
W 1/4 NW 1/4 22-29-11

Covered by
Guardian Abstract
7-7-1-1958, 900 AM

SALMON'S SCHOOL DISTRICT

NW 1/4 22-29-11, LESS 2 tracts
1. Beg 130' W NW/c Lot 14 Bl 4,
OF Bloomfield, S125', W50',
N125' and E50' mineral
2. Beg 150' E NW/c Lot 14 Bl 4
OF Bloomfield, S125', W50',
N125' and E50'. LeRoy Rogus

NW 1/4 22-29-11

Lots of Bloomfield

Lots

Lots

Lots

Lots

lot 14 Block 6

Thomas F. Boettcher 2/3
Catherine B. Reid 1/3

Abstract N-10984
delivered to Mr. Cook

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Kimball EXHIBIT NO. 1
CASE NO. 2057

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
August 24, 1960

IN THE MATTER OF:) Case 2057
)
Application of Kay Kimbell for an order force-)
pooling all interests in a 320-acre standard gas)
unit in the Dakota Producing Interval. Applicant,)
in the above-styled cause, seeks an order force-)
pooling all mineral interests in the Dakota Pro-)
ducing Interval in a 320-acre standard gas unit)
consisting of the W/2 of Section 22, Township 29)
North, Range 11 West, San Juan County, New Mexico)

BEFORE:

Daniel Nutter

TRANSCRIPT OF HEARING

MR. NUTTER: We will take case 2057.

MR. PAYNE: Application of Kay Kimbell for an order force-
pooling all interest in a 320-acre standard gas unit in the
Dakota Producing Interval.

MR. WHITE: My name is Mr. White of the law firm of White
and Rhodes of Albuquerque, representing Mr. Kay Kimbell. This
is an application of force-pooling for unleased minerals within
the unit. The unit being the W/2 of Section 22, Township 29
North, Range 11 West, San Juan County, New Mexico. These minerals
amount to approximately 2.19 acres. Diligent efforts have been
made to acquire leases for these minerals and we have not been
able to do so. I will ask the Commission what type of testimony
they would like to hear as I am unfamiliar with the rules.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



MR. NUTTER: We would like to have some evidence of the effort that you have made in contacting the parties.

MR. WHITE: Right, my witness will be right here. I have just sent for him. I would like to point out that Mr. Roberts from the Law Firm of Brown, Wood and Roberts wrote to the Commission on August 15 representing two of the unleased mineral owners. I believe you have that letter before you which he states he has no objection to the pooling provided certain things are done. Mainly, that Mr. Kimbell who is carrying these interests recover out of 7/8 of the production as opposed to 8/8. I would like to make issue of that.

MR. PAYNE: Isn't it customary for the working interest owner to pay for the entire cost of the well?

MR. WHITE: That is correct. We have no objection to that. We would like to ask for recovery of the minimum of 125 percent. My objection to Mr. Roberts' proposal is simply that Mr. Kimbell is spending 100 percent of the money. I think he is entitled to 100 percent of the tax benefits which he would not have under Mr. Roberts' proposal.

MR. PAYNE: You are prepared to furnish these non-consenting orders with monthly reports of production, at least until such time the drilling costs have been paid?

MR. WHITE: To the extent we are prepared to do that. I don't think it would be fair on an interest this small to put the

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

burden on Mr. Kimbell and have the accounting department to furnish them with the various invoices in the operation of the well. I think that we will certainly agree to give them a total gross income on the well and the total gross concerning the expenses.

MR. PAYNE: Apparently there is no dispute on his 125 percent figure.

MR. WHITE: No, sir. You bear in mind there is others in here also, not with these two, sir. As a matter of fact we have 55 unleased mineral orders.

MR. PAYNE: The ordinary force-pooling order, Mr. White, doesn't contain any provision relative to what the percentage figure should be unless the parties have been unable to agree on the figure and I take it that at least as to the parties represented by Mr. Roberts, there is no disagreement on that point.

MR. WHITE: That appears to be correct. I have not talked or discussed this matter with Mr. Roberts.

MR. NUTTER: Is there a representative of Robert Finch and Winnie Finch and John Giacomelli present? Have you discussed this matter with Brown, Woods, and Roberts?

MR. WHITE: No, sir that letter is my only communication from them. I found it in my office when I returned yesterday.

MR NUTTER: I would like a little further explanation what they intend to say here.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

MR. WHITE: I gathered from this letter although they are not furnishing us with the lease covering these minerals, that they are willing for us to pool that interest, but they would like it set up as though they did furnish a lease. In other words, they want a 1/8 of the production till the pay out period is over. I object to that as I previously stated because that would give the one furnishing the money or the one carrying the interest only 7/8 of the tax benefits. I think he is entitled to 88/8 tax benefits being he is spending all the money.

MR. NUTTER: As I understand it, these people that are represented by this letter from Brown, Woods and Roberts are fee landowners.

MR. WHITE: That is correct.

MR. NUTTER: They also own the minerals and the mineral interest that have not been leased out.

MR. WHITE: That is correct.

MR. NUTTER: They own 100 percent of the mineral interests?

MR. WHITE: Yes, sir.

MR. NUTTER: It would appear they would not only be a royalty owner in this 320, they will also be a working owner.

MR. WHITE: That is correct.

MR. NUTTER: They are presently carrying their interest?

MR. WHITE: As far as working interest. The working interest would be 100 percent as it applies against these lots to the hole.



You see I don't think we can differentiate a royalty interest and a fee interest or a working interest. They have 100 percent of the working interest and what I am saying is that we want a 100 percent of the recovery from the 100 percent interest until Mr. Kimbell has recovered his money.

MR. NUTTER: I see.

MR. WHITE: And of course the only issue that we have here is on the 1/8 royalty they wish to receive in the pay out period.

MR. NUTTER: These people own approximately how much acreage on this 320-acre unit?

MR. WHITE: Those people will own a little less than 2 acres.

MR. NUTTER: Robert and Winnie Finch 1.49 acres. How about the Giacomelli's, they own 6 lots.

MR. WHITE: 21/100 of an acre.

MR. NUTTER: 21/100 of an acre. So you propose that their cost of the well there is going to be relatively small.

MR. WHITE: That is true. Another objection we have to paying the 1/8 during the pay out period, this thing is going to complicate the bookkeeping system and it will actually be a mess. We have some 35 leases covering this thing. We are trying to eliminate as much bookkeeping as possible.

MR. NUTTER: I can appreciate that, separating the royalty ownership and the working interest ownership, then paying 88/8 of 1-7/8 of another could be rather complicated here.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



MR. WHITE: Yes, sir. If you are ready, my witness is here.

MR. NUTTER: Yes, please proceed.

(Witness sworn.)

ROY COOK

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

By MR. WHITE:

Q. Will you state your full name.

A Roy L. Cook.

Q Will you state your residence, Mr. Cook?

A Pueblo, Colorado.

Q Are you familiar with the W/2 of Section 2, Township 29 North, Range 11 West, San Juan County, New Mexico?

A Yes, sir.

Q Do you have an interest in this property, Mr. Cook?

A Yes, I do.

Q Will you tell the Commission what your interest is.

A I obtained the leases on this Dakota unit, 320-acres with the exception of these mineral interests outstanding here and farmed it out to Kay Kimbell.

Q Will you tell the Commission with respect to these unleased mineral interests what you did trying to get these interests in the unit? In other words, what you did trying to get them

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



leased?

A First this unit covers most of the village town site of Bloomfield and there were some 46 lots, 25 foot lots involved where the mineral interests were not retained when the land was sold, and I obtained leases from all of them except 4 individuals. One was the Finch interest, a 1-49/100 interest, the other was Giacomelli, 3 25 foot lots. There are 2 lots in this Town site owned by heirs that live in Fayetteville, North Carolina and 5 lots which are owned by the Morman Church. Now, those 5 lots, with the leases coming through their General Council of Salt Lake City, is approved in all probability. The leases are here in my office, the 2 lots in Fayetteville, North Carolina, the heirs have considered it so minimal that it wasn't worth their time to do anything. I sent them another letter a few weeks ago and haven't heard from them. In the case of the Finch and Giacomelli, I have contacted them many times and so recently as I sent them certified letters on August 1st explaining the situation and trying to avoid forced-pooling and I haven't heard from them. Over the period of time, I have probably contacted them oh, 25 or 30 times.

Q Are you the leasee?

A I am the leasee, yes, sir.

Q And you farmed this acreage out to Kay Kimbell and E. P. Kimbell?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A That is right.

Q Under where Mr. Kay Kimbell is the operator?

A Yes, sir the operator.

MR. PAYNE: Your application doesn't deny that the mineral interest owners in the remaining portion of the 320-acre unit would be deprived of their right to produce the oil and gas under their tract.

A Sir, that is a difficult question for me. Now, that amounts to 1 and approximately 1/100 of an acre. If I had that, I don't presume I would be able to produce it.

MR. PAYNE: I am concerned with the remainder of the 320. Do you feel if your application is not granted that the oil and gas underlying the 320-acre tract will not be produced?

A Sir, I don't believe I have an opinion on that right now. That would be a legal question, I believe. I say that they should not be deprived of it.

Q You have to drill a well to get it, right?

A That is right.

Q And if this application is denied, you can't drill the well.

A Well, sir the well is already drilled so that-

Q What is dedicated to it, what acreage?

A 320 is dedicated to it.

Q And is the well producing?



A It's capable of producing, sir it's not on the line at this time.

Q Has it ever been?

A No, sir not to my knowledge.

Q So there is no problem of apportioning any monies for past production.

A At this time, no. I am testifying to an opinion now and that I am sure it's not on the line. I haven't made a physical inspection of it in the past few days.

Q Where is the acreage located in the 320 of the non-consenting mineral interest owners, on the edge?

A Well, it would be near the edge, a part of it may, I show you this as to illustrate.

Q Yes.

A The 1.49 hundred acres is right here. The well is located here (indicating) this is 320-acres. Now, these lots are, I don't have a plot of the Townsite in this area right here (indicating) this is the Village of Bloomfield here and this is the-

MR. NUTTER: We have some acreage being 1.49 which is located in the South East of this. Is this the W/2 of the Section, the SE of the NW quarter?

A Yes, sir.

Q We also have some lots in the NE of the SW Section.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A That is right.

MR. NUTTER: Now as I understand it all of the mineral interests in the W/2 of this Section are committed to this well with the ~~Section~~ ^{exception} of the tract one which is the Finch property

A Right.

MR. NUTTER: Tract 4 which belongs to these people in Fayetteville, North Carolina

A That is correct.

MR. NUTTER: And the Kissel tract 5 which belongs to Giacomelli

A Correct.

MR. NUTTER: Tract 6 which belongs to the Morman Church, I believe you said the edge is dedicated.

A Yes, sir.

MR. NUTTER: And tract 9 which belongs to Giacomelli.

A That is correct.

MR. NUTTER: All the remaining mineral interests are dedicated and committed.

A That is correct.

MR. NUTTER: Can you furnish us with the plat of the W/2?

A Yes.

MR. NUTTER: Section 22

A You may mark this application an exhibit if you like.

MR. NUTTER: This will be identified as Kimbell's Exhibit



Number 1 in Case 2057. Does anyone have any questions of Mr. Cook? You may be excused. Do you have anything further, Mr. White?

MR. WHITE: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case 2057?

(No response)

MR. NUTTER: We will take the case under advisement and take case 2058.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESSES:

PAGE

ROY COOK
Direct Examination

6

E X H I B I T S

Number

Marked for
Identification

Offered

Received

1

10

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, Lewellyn Nelson, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 30th day of August, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn J. Nelson
NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2057, heard by me on 8/24, 1960.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

