

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

Pls. be sure to look at
this copy of the application
sent to all in the application
to get it in the application
to get it in the application

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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. 2087
Order No. R-1764

APPLICATION OF RAY 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 121½ 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, Ray 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, NMM, 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:

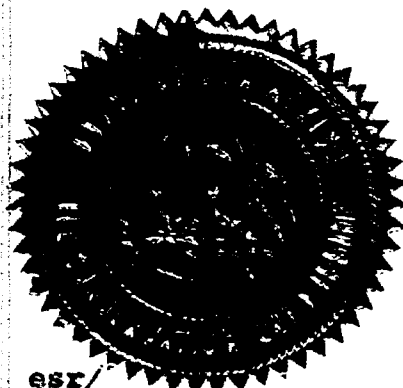
That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Dakota Producing Interval underlying the W/2 of Section 22, Township 29 North, Range 11 West, ~~area~~, San Juan County, New 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 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
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

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.

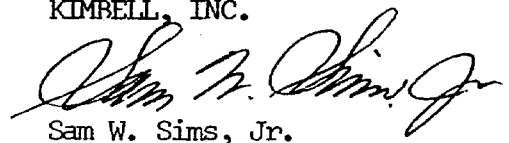
In the recap of these two wells, it shows that Robert Finch is due \$634.79, John Giacomelli - \$201.20, John Giacomelli and Eloise Giacomelli - \$127.21, J. A. Johnson (interest now owned by Madalyn L. Johnson) - \$97.85 and Joe Salmon - \$410.28.

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.
 Recd of monies Due & Suspended
 Various Interests After Payout.

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

		①	②	③	④	⑤
		Finch, Winnie & Robt T. Cook #1	Cook #2	Giacomelli, Cook #1	Jahn Cook #2	Giacomelli Cook #1
		.465633	- 0 -	.129065	.258124	.081600
1	January & February, 1965	31.85		8.83		5.58
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	602.94		167.12		10.56
10	(Gas has Production in					
11	Kind Taken by Roy Cook.					
12	78.89840900% Distributed					
13	by US, and Interests					
14	Converted To Compensate					
15	for Gas Only.)					
16						
17	April, 1965 Thru May, 1969				25.25	
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		634.79	- 0 -	175.95	25.25	11.12
26						
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EYE CASE 45-013
20720 (UFF 45-213)

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Cook-Bloomfield #1 Payout

Page 1 of 2

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

Cook - Bloomfield #1 Payout - Cont'd

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[illegible]

Lease
paid out - 12/64

Cook - Bloomfield #1

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

		①		②		③		④ 3555		⑤	
		Net Amount Paid or Suspended		Net Amount Paid or Suspended				Finch, Warrick & R. B. T.			
		Gas		Distillate				Gas		Oil	
1	January, 1965	6050.00	194847	118,786.48				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		295430	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				23		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		208421	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	
38											
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Gas Production in
Kind - 78,898,400

RELEASE 45-613
20700 SURF 45-713

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Cook-Bloomfield #1

Amounts Suspended on Various Interests
That Converts To Working Interest After Payoff.

		①		②		③		④ 3,555		⑤	
		Net Amount		Net Amount		Each Winnie		Rob't T.			
		Paid or Suspended		Paid or Suspended		Gas		Oil			
		Gas		Oil		Gas		Oil			
1	January, 1968	305548		48512		225				28	
2	February, 1968	160248		49335		118				29	
3	March, 1968	255679		54539		189				32	
4	April, 1968	236295		-		174				-	
5	May, 1968	162550		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				30	
12	December, 1968	200488		-		148				-	
13	January, 1969	178966		56258		147				33	
14	February, 1969	151147		-		112				-	
15	March, 1969	181947		57999		134				30	
16	April, 1969	167295		-		123				-	
17	May, 1969	45620		-		34				-	
18											
19											
20		118,370		9349093		1795698		16856		1044	
21				1795698						7900	
22				136,327							
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SEE PAGE 43-613
20/20 BUY 43-715

④ 3713 ①			④ 3753 ②			⑩		⑪		⑬		⑭	
Giacomelli, John			Giacomelli, John & Elsie			Johnson, Mr. J. A.		Salmon, J. & Hideron					
.01618300			.01020000			.00784600		.03289700					
Gas	Oil		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	
45	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	
		18.98			12.04			9.22	1.42	38.81		5.91	19
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Cook-Bloomfield # 2 Payout

Page 1 of 2

	Date	Development Expense	Lease Equipment	125 % Recoverable	.134152 % To Recover			.134152 % Income	Balance To Recover
		1235867	391415	2034103	2729				2729
	Beginning thru May, 1961							669	2060
	June 1961							23	2037
	July "							80	1957
	Aug "							87	1870
	Sept "							75	1795
	Oct "							66	1729
	Nov. "							21	1708
	Dec "							55	1653
	Jan 1962							32	1621
	Feb "							72	1529
	Mar "							52	1477
	Apr "							02	1475
	May "							91	1384
	June "							51	1333
	July "							01	1332
	Aug "							55	1277
	Sept "							01	1276
	Oct "							66	1210
	Nov. "								
	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

Less Paid
out 3/65

note: Distribution made on only
47.6683500 go made by
Production Taken in Kind
and Distribution made by
Roy L. Cook. Percentages
47.6683500
Converted To

COOK-Bloomfield #2

Page 1 of 2

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

		①	①	① 3713 ①	①
		Net amount Paid or Suspended G.S.		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	16
5	August, "	5585		04	
6	September, "	221		-	
7	October, "	1966		01	01
8	November, "	4448		03	21
9	December, "	2327		02	22
10	January, 1966	3683		02	22
11	January - " (Suspense Release)	-		-	-
12	February, "	13854		13	07
13	March, "	1847		01	25
14	April, "	9244		06	04
15	May, "	11144		08	05
16	June, "	2155		01	06
17	July, "	245		-	-
18	August, "	92483		15	16
19	September, "	10242		07	04
20	October, "	11290		08	25
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	09
28	June, "	12118		08	01
29	July, "	12032		08	45
30	August, "	5824		04	02
31	September, "	522		-	-
32	October, "	1983		01	01
33	November, "	6358		04	03
34	December, "	5141		03	02
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EX-142 45-013
2020 BUI 45-713

[illegible]

Cook-Bloomfield #2

Page 2 of 2

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

		Net Amount Paid or Suspended GAS	Giacomelli, John 0.032266 % GAS	Giacomelli 0.030400 % GAS
1	January, 1968	13550	09	06
2	February, "	16275	07	04
3	March, "	14396	10	08
4	April, "	8449	06	04
5	May, "	12854	09	06
6	June, "	8046	05	03
7	July, "	14890	10	07
8	August, "	5590	04	02
9	September, "	5997	04	02
10	October, "	10829	07	04
11	November, "	8788	06	03
12	December, "	11934	08	05
13	January, 1969	11142	08	05
14	February, "	8342	06	04
15	March, "	10033	07	04
16	April, "	10288	07	04
17	May, "	14424	10	06
18				
19				
20		466312	314	24
21				
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SEE PAGE 43-413
2020 BUREAU 43-713

②	①	④	⑤	⑩	⑪	⑫	⑬
Mr. & Mrs. E. L. G. Wise	Johnson, Mr. J. A.		Salmon, J. C.	Testimonial			
	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
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	157		644				

July 28, 1949

'69 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

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.

SWS: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 1901
P. O. BOX 1540 PHONE WA 4-3271
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 Ray Kimball
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. Pinch 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

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
Bloomfield Unit Well No. 1 on or before the 15th day of August,
1969.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/GML/esr

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

Mr. Emory Arnold
Supervisor, District 3
Oil Conservation Commission
1000 Rio Brazos Road
Asteo, 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. Riecke

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

DSN 10 SF

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

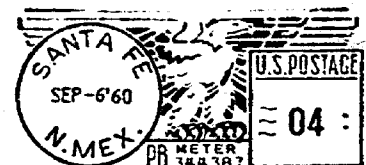
Approve force pooled units
as requested.

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.

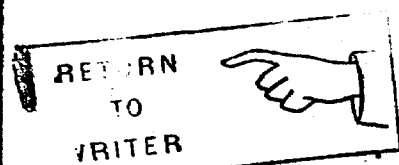
Royalties should not be
affected by pay-out of
WI owners' share.

San Juan
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



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

esr/

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

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-1724
Applicant:

Ray Kinball

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

lr/

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 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 200-acre tract under your Case No. 2087.

We also represent John and Eloise Giacomelli, who own property within the 200 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

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

AER/v

cc: Mr. Robert Finch
Bloomfield, New Mexico

Mr. John Giacomelli
Bloomfield, New Mexico

Case 2057

WHITE AND RHODES
ATTORNEYS AT LAW

SUITE 207 SIMMS BUILDING
1950 AUG 8 8:15
BUEKROPS, NEW MEXICO

CHAPEL 2-0407
CHAPEL 2-1084

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

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.

Don't
Mailed
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
W. Finch
8-16-60
JH*

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 111, 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.

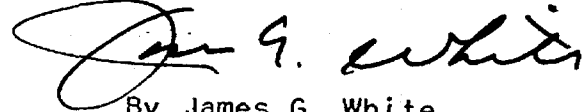
Roy M. Jackson, Blanche E. Jackson, E. E. Jackson,
Ruth Jackson, Lotta Jackson, Elizabeth Jackson,
Ralph Jackson, Helen Putney, Dorothy Riekkola,
Doris Beck, Roma Kuncel, Doris Somers,
all in care of Mr. Roy M. Jackson, P. O. Box 476,
Glenwood Springs, Colorado.

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

AS COMING
 SEASON
 SUPPLEMENTAL
 JULY 1 - 1958
 TO NOTE

NW 22-29-11
 El Paso Natural Gas Company
 N-6566 and N-6567
 TO 11-15-58 at 4:00 PM
 ABST MADE

No abstract except on Tolson
 tract as to SURFACE RIGHTS
 being N-6228 and N-6567
 LOMA VISTA
 SUBDIVISION
 LEE REALTY

SW 22-29-11
 Covered by
 Guardian Abstract
 7-7-1-1958, 900 AM
 SALMON'S SCHOOL ADDITION

Jackson Minerals 1/4
 on all of NW 22-29-11
 Lemina Shiershke Harriet
 3/4 minerals on 3/4 minerals
 NW 22-29-11 NW 22-29-11

NW 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' W NW/c Lot 14 Bl 4
 Of Bloomfield, S125', W50',
 N125' and E50'. Leby Rogue

NW 22-29-11
 Lots of Bloomfield
 Lots of Bloomfield
 Lots of Bloomfield
 Lots of Bloomfield
 Lots of Bloomfield
 Lots of Bloomfield
 Lot 14, Block 6

Salibatterman

Thomas F. Boettcher 2/3
 Catherine B. Reid 1/3
 Abstract N-10984
 delivered to Mr. Cook

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 Exhibit NO. 1
 CASE NO. 2057

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

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.



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

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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.



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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.



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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.



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

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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?

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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?



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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.



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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 Mormon 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.

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I N D E X

WITNESSES:

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ROY COOK
Direct Examination

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E X H I B I T S

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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

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