Entered August 12, 1970 A.P.

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. 4364 Order No. R-4013

APPLICATION OF ROY E. KIMSEY, JR., FOR A NON-STANDARD OIL PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>12th</u> day of August, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Roy E. Kimsey, Jr., is the owner and operator of a 120-acre lease or leases comprising the N/2 SW/4 and SE/4 SW/4 of Section 24, Township 9 South, Range 34 East, NMPM, Jenkins-Cisco Pool, Lea County, New Mexico.

(3) That the applicant seeks approval of a 120-acre nonstandard oil proration unit comprising the above-described acreage to be dedicated to his N. Mounsey Well No. 1-Y located in the SE/4 SW/4 of said Section 24.

(4) That a standard oil proration unit in the subject pool would consist of a unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.

(5) That the entire non-standard oil proration unit requested by the applicant may reasonably be presumed to be productive of oil -2-CASE No. 4364 Order No. R-4013

from the Jenkins-Cisco Pool and can be efficiently and economically drained and developed by the above-described Well No. 1-Y.

(6) That approval of the 120-acre non-standard oil proration unit as requested by the applicant will afford the applicant the opportunity to produce his just and equitable share of the oil in the Jenkins-Cisco Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights, provided any owner of a mineral interest in the SW/4 SW/4 of said Section 24 is allowed a reasonable time in which to bring a case before the Commission for the compulsory pooling of all mineral interests in the SW/4 of said Section 24.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard oil proration unit in the Jenkins-Cisco Pool comprising the N/2 SW/4 and SE/4 SW/4 of Section 24, Township 9 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Roy E. Kimsey, Jr., N. Mounsey Well No. 1-Y located in the SE/4 SW/4 of said Section 24;

<u>PROVIDED HOWEVER</u>, that the above shall be without prejudice to the right of any owner of a mineral interest in the SW/4 SW/4of said Section 24 to bring a case before the Commission for the compulsory pooling of all mineral interests in the SW/4 of said Section 24, provided said compulsory pooling case is brought by March 1, 1971.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO CONSERVATION COMMISSION OIL ARGO, Chailrman DAVID Member & Secretary ŔͲĔŔ

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