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ATTORNEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

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2453

GEO. L. VERITY
JOEL B. BURR, JR.
WM. J. COOLEY

APR 25 PM 1:36 April 24, 1962

TELEPHONE 325-1702

NORMAN S. THAYER

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Interpretation Orders Nos. R-2066-B, R-2150-A,
R-2151-A, and R-2152-A.

Gentlemen:

This will acknowledge receipt of copies of each of the above referred to Orders.

Paragraph 10 of the Findings of each of these Orders provides as follows: "That it is improper for operating costs to be assessed as a percentage of well costs; accordingly \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production." Paragraph 4 of the Order of each of the above referred to Orders incorporates the above Findings into the Order portion of each Order.

It is, of course, obvious that the specific portion of the Orders referred to is making reference to supervision costs as there are, of course, many direct operating costs, and I am advised by Mr. R. S. Morris, General Counsel for the Commission, that this is what is intended by the language used, and, in light of this interpretation, Southwest Production Company will accept this portion of the Orders and make charges to the respective wells accordingly.

Yours very truly,

VERITY, BURR & COOLEY

By


Geo. L. Verity

GLV/kp

cc: New Mexico Oil Conservation Commission
Aztec, New Mexico

Southwest Production Company
Dallas, Texas

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

April 19, 1962

Re: CASE NO. 2453

ORDER NO. R-2152-A

APPLICANT:

Southwest Production Company

Mr. George Verity
Verity, Burr & Cooley
Attorneys at Law
152 Petroleum Center Building
Farmington, New Mexico

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 Mr. Howard Bratton
Mr. George Selinger

Mr. Guy Buell & Mr. Garrett Whitworth