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SIMMS BUILDING

P. O. BOX 466
ALBUQUERQUE, NEW MEXICO

TELEPHONE CHAPEL 3-4511

February 1, 1963

JOHN F. SIMMS (1885-1954)

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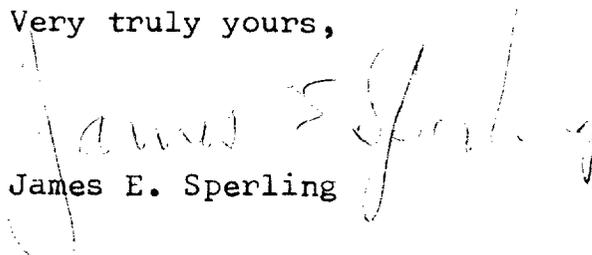
New Mexico Oil Conservation Commission
State Land Office Building
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 2752 - Hearing called by
the OCC to determine Survey Line

Gentlemen:

This letter will serve to advise you that Mobil Oil Company may desire to enter its appearance in the captioned matter at the Examiners Hearing to be held February 6, 1963, and that although our office may not make a personal appearance, we will be associated with Mr. Jack T. Akin, Attorney for the office of the General Counsel of Mobil Oil Company, Midland, Texas.

Very truly yours,


James E. Sperling

JES:nb

CC: Mr. Jack T. Akin

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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November 30, 1962

Mr. Joe D. Ramey
District Supervisor
Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Dear Joe:

This letter will confirm our telephone conversation concerning the boundary dispute in Township 10 South, Range 32 East, Lea County, New Mexico. It is my understanding that several wells belonging to Cities Service may have been drilled on unorthodox locations according to a recent survey. It is also my understanding that these wells are on orthodox locations according to a resurvey prepared by John W. West Engineering Company and dated November 19, 1962.

As an unorthodox location will have to be approved for any well that does not comply with the Commission's standard well location requirements, it is my opinion that this matter should be determined by a hearing before the Commission or a duly appointed examiner. It would seem that the only actual dispute involved in this situation will be between offset operators concerning their correlative rights. As Section 65-3-11 (7) New Mexico Statutes Annotated (1953 Compilation) specifically confers upon the Commission jurisdiction "To require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties" it is doubtful if a District Court would assume jurisdiction over a suit to determine the boundary line until all administrative remedies have been exhausted.

I therefore suggest that Cities Service Company should file an application to have the Commission determine that the wells in question are on orthodox locations or, in the alternative, requesting the Commission to approve unorthodox

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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November 30, 1962

Mr. Joe D. Raney
District Supervisor
Oil Conservation Commission
Hobbs, New Mexico

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locations for the same. If Cities Service Company does not desire to file such an application, the Commission should call the case on its own motion. Any party dissatisfied with the Commission's ruling would then have the statutory right to appeal to the courts.

Please discuss this matter with the various parties involved and advise me of their desires.

Very truly yours,

JAMES M. DURRETT, Jr.,
Attorney

JMD/esr