

LAW OFFICES OF
HUNKER, FEDRIC & HIGGINBOTHAM, P.A.

210 HINKLE BUILDING

POST OFFICE BOX 1837

GEORGE H. HUNKER, JR.
DON M. FEDRIC
RONALD M. HIGGINBOTHAM

ROSWELL, NEW MEXICO 88201

TELEPHONE 622-2700
AREA CODE 505

July 16, 1974

Mr. William F. Carr
Attorney at Law
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Reimer & McKenzie vs.
Fluid Power Pump Co. et al
Nos. 06025 and 06026, D/C
Sandoval County, New Mexico

Dear Bill:

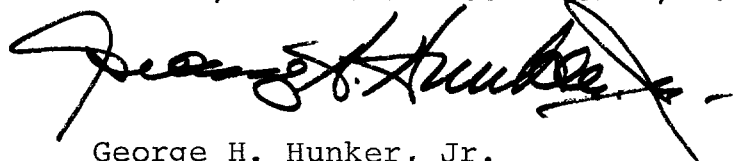
In connection with the Appeals which we have filed with regard to the recent Orders of the New Mexico Oil Conservation Commission, we hand you herewith a copy of each Summons and a copy of each of the Petitions filed by us in behalf of the Petitioners in each of the above styled cases. These Petitions were filed on July 8, and Summons was issued as of that time.

You have indicated to us that you would accept service of process for the Commission, and two Acceptances in duplicate are enclosed. We would appreciate it if you would return the originals of each Acceptance to us in order that we may file them with the District Court Clerk in Sandoval County.

Thank you very much for your help and assistance.

Sincerely yours,

HUNKER, FEDRIC & HIGGINBOTHAM, P.A.



George H. Hunker, Jr.

GHH:dd
Encls.

cc: Mr. John K. Reimer
cc: Mr. R. E. McKenzie, Jr.

IN THE DISTRICT COURT OF SANDOVAL COUNTY

STATE OF NEW MEXICO

JOHN K. REIMER and
R. E. MCKENZIE, JR.,

Petitioners

vs.

No. 6025

FLUID POWER PUMP COMPANY,
a corporation,
PETRO-LEWIS CORPORATION,
a corporation,
PARTNERSHIP PROPERTIES CO.,
a Colorado general partnership, and
NEW MEXICO OIL CONSERVATION COMMISSION,

Respondents

ACCEPTANCE OF SERVICE

COMES NOW the undersigned Attorney for New Mexico Oil Conservation Commission, and hereby acknowledges receipt of a copy of the Petition filed herein, and accepts service thereof and waives service as provided by law.

DATED this 17th day of July, 1974.

NEW MEXICO OIL CONSERVATION
COMMISSION

By


William F. Carr

Attorney for New Mexico Oil
Conservation Commission

For Court Use Only
Do Not Write In This Space

THIRTEENTH
IN THE ~~XXXXX~~ JUDICIAL DISTRICT COURT,
~~XXXXXXXX~~ COUNTY OF ~~XXXXXX~~ SANDOVAL
STATE OF NEW MEXICO

JOHN K. REIMER and

R. E. McKENZIE, JR.
~~XXXXXXXXXX~~ PETITIONERS

NO. 00075

VS.
FLUID POWER PUMP COMPANY, a corporation,
PETRO-LEWIS CORPORATION, a corporation,
PARTNERSHIP PROPERTIES CO., a Colorado general partnership,
NEW MEXICO OIL CONSERVATION COMMISSION

SUMMONS

~~XXXXXXXXXX~~ RESPONDENTS

THE STATE OF NEW MEXICO

TO FLUID POWER PUMP COMPANY, a corporation,
PETRO-LEWIS CORPORATION, a corporation,
PARTNERSHIP PROPERTIES CO., a Colorado general partnership,
NEW MEXICO OIL CONSERVATION COMMISSION

RESPONDENTS
~~XXXXXXXXXX~~

GREETING:

YOU ARE HEREBY DIRECTED to serve a pleading or motion in response to the complaint within 30 days after service of this summons, and file the same, all as provided by law.

YOU ARE NOTIFIED that, unless you so serve and file a responsive pleading or motion, the plaintiff will apply to the court for the relief demanded in the complaint.

HUNKER, FEDRIC & HIGGINBOTHAM, P.A., P.O. Box 1837, Roswell, New Mexico
ADDRESS OF ATTORNEYS FOR ~~XXXXXXXX~~ (OR OF PLAINTIFF, IF NO ATTORNEY) 88201
PETITIONERS

WITNESS THE HONORABLE George H. Perry
DISTRICT JUDGE OF THE ~~XXXXX~~ JUDICIAL DISTRICT COURT, DIVISION II, OF THE STATE
OF NEW MEXICO, AND THE SEAL OF THE DISTRICT COURT OF ~~CHAYES~~ COUNTY, THIS
SANDOVAL

8th DAY OF July, 1974.

Margaret F. Seery
~~XXXXXXXXXX~~, CLERK

(SEAL)

BY: Barbara Ching
DEPUTY

(Sheriff's return when service is made personally on defendants.)

STATE OF NEW MEXICO,

} ss.

County of _____

I, _____ Sheriff of _____ County,
State of New Mexico, do hereby certify, that I served the within summons by delivering a copy thereof,
with copy of complaint attached, in the county aforesaid, in person to _____

Dated: _____, Sheriff

Fees: _____ By _____, Deputy

(Sheriff's return when service is made on defendants by leaving a copy at usual place of abode.)

STATE OF NEW MEXICO,

} ss.

County of _____

I, _____ Sheriff of _____ County,
State of New Mexico, do hereby certify, that I served the within summons _____

Date

by delivering a copy thereof, with copy of complaint attached, in the county aforesaid, to _____
_____ a person over fifteen years of age, residing at
the usual place of abode of defendant _____
_____, who at the time of such service was absent therefrom.

Dated: _____, Sheriff

Fees: _____ By _____, Deputy

(Return when service is made personally on defendants by other than Sheriff.)

STATE OF NEW MEXICO,

} ss.

County of _____

_____ being duly sworn, upon his oath, says, I am over the age of
eighteen years, I served the within summons by delivering a copy thereof, with copy of complaint at-
tached, in the county aforesaid, in person to _____

Fees: _____

Subscribed and sworn to before me this _____ day of _____, 19 _____,

(Return when service is made on defendants by other than Sheriff by serving some one residing at usual
place of abode of defendant who is then absent.)

STATE OF NEW MEXICO,

} ss.

County of _____

_____ being duly sworn, upon his oath says, I am over the age of
eighteen years, I served the within summons _____
by delivering a copy thereof, with copy of complaint attached, in the county aforesaid to _____
_____ a person over fifteen years of age, residing at the
usual place of abode of defendant _____
_____, who at the time of such service was absent therefrom.

Fees: _____

Subscribed and sworn to before me this _____ day of _____, 19 _____.

IN THE DISTRICT COURT OF SANDOVAL COUNTY
STATE OF NEW MEXICO

JOHN K. REIMER and
R. E. MCKENZIE, JR.,

Petitioners

vs.

No. 6025

FLUID POWER PUMP COMPANY,
a corporation,
PETRO-LEWIS CORPORATION,
a corporation,
PARTNERSHIP PROPERTIES CO.,
a Colorado general partnership,
NEW MEXICO OIL CONSERVATION COMMISSION,

Respondents

P E T I T I O N

COME NOW the Petitioners and state:

Admit
1. Petitioner John K. Reimer is a resident of Bernalillo County, New Mexico. Petitioner R. E. McKenzie, Jr. is a resident of Chaves County, New Mexico. Respondents, Fluid Power Pump Company, Petro-Lewis Corporation and Partnership Properties Co., as adverse parties, are engaged in the transaction of business within the State of New Mexico and, therefore, are subject to service of process within or without the State of New Mexico pursuant to Sec. 21-3-16 NMSA, 1953 comp. The New Mexico Oil Conservation Commission is an administrative agency of the State Government of New Mexico and is subject to service of process in this matter pursuant to Sec. 65-3-22(b) NMSA 1953 comp. The property involved in this matter is located in Sandoval County, New Mexico, and said County is where this action must be brought pursuant to Sec. 65-3-22(b) NMSA 1953 comp.

2. Petitioners, as overriding royalty interest holders under certain leases located within the Media-Entrada Oil Pool, Sandoval County, New Mexico, made an Application to Respondent Oil Conservation Commission for 40-acre oil well spacing, revocation of non-standard oil well proration units, and re-establishment of 40-acre oil well allowables with reference to the Media-Entrada Pool, Sandoval County, and had a hearing before said Respondent on April 23, 1974, in Case No. 5218.

3. As the result of said hearing, Respondent Oil Conservation Commission issued its Order No. R-4783 on May 21, 1974, which rejected each request of the Petitioners. Order No. R-4783 is attached hereto as Exhibit "A".

4. Petitioners filed an Application for Rehearing with Respondent Oil Conservation Commission on June 7, 1974, pursuant to Section 65-3-22 NMSA (1953). A copy of said Application is attached hereto as Exhibit "B".

5. Respondent, Oil Conservation Commission, took no action on said Application within ten (10) days of filing and, therefore, pursuant to Section 65-3-22(a) NMSA (1953), Petitioners' Application for Rehearing was deemed denied.

6. Petitioners sought relief from Respondent Oil Conservation Commission from several previously entered Orders affecting the production of oil from the Media-Entrada Oil Pool. The specific relief sought is outlined in Exhibit "B" hereto. The Commission Order No. R-4783 was not responsive to the relief sought by Petitioners and the merits of Petitioners' Application were not properly considered.

7. Petitioners' uncontroverted evidence before the Commission showed that damage was occurring in the Media-Entrada Pool, and that the correlative rights of Petitioners were being impaired by the excessive production of Respondent Fluid Power

Pump Company's Well No. 1, located in said pool, and as the result of such permitted excesses, the correlative rights of the Petitioners were adversely affected and waste was occurring.

8. Finding No. 6 of Order R-4783 (Exhibit "A") by Respondent, Commission, is clearly erroneous, in that Petitioners' uncontroverted testimony showed that the actions of the operator would result in a drowning by water of the Media-Entrada stratum and would result in the premature encroachment of water, reducing or tending to reduce total ultimate recovery of crude petroleum oil from the said pool.

9. Petitioners established that previously issued Orders of the Respondent, Commission, R-4277, R-4274 and R-4282, were issued without actual notice to the Petitioners; that the constructive notice by publication in connection with the cases which resulted in said Orders did not name the Petitioners or purport to affect the property rights of overriding royalty interest owners, and hence, the Orders could not be considered as affecting the rights of the Petitioners.

10. The Respondent Commission erroneously placed the burden on the Petitioners to show that the Commission established non-standard proration units were unreasonable, unjustified, illegal and presumably not productive throughout their horizontal extent. Petitioners' uncontroverted testimony did show that oil was moving across lease lines, drowning the formation in the Media-Entrada Pool, and that the correlative rights of Petitioners were being impaired. The Respondent Commission erred in not recognizing its statutory duty at this time and from time to time to protect correlative rights of persons similarly situated and to prevent waste. The uncontroverted testimony of the Petitioners showed waste and impairment, and the Respondent Commission erred in not responding to Petitioners' pray for relief.

WHEREFORE, Petitioners pray that the Court determine Commission Order R-4783 to be invalid, and proceed to adjudicate Petitioners' Application for 40-acre spacing, revocation of non-standard proration units and re-establishment of 40-acre allowables in the Media-Entrada Pool with respect to the property whose interests are held by the Petitioners and by Respondents Fluid Power Pump Company, Petro-Lewis Corporation and Partnership Properties Co. Petitioners also seek their costs and all further proper relief herein.

DATED at Roswell, New Mexico, this 5th day of July, 1974.

HUNKER, FEDRIC & HIGGINBOTHAM, P.A.

By _____
George H. Hunker, Jr.
P. O. Box 1837
Roswell, New Mexico 88201

Attorneys for John K. Reimer
and R. E. McKenzie, Jr.,
Petitioners

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. 5218
Order No. R-4783

APPLICATION OF JOHN K. REIMER AND
R. E. MCKENZIE JR. FOR A 40-ACRE
SPACING, REVOCATION OF NON-STANDARD
PRORATION UNITS, AND REESTABLISHMENT
OF 40-ACRE ALLOWABLES, SANDOVAL COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1974, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of May, 1974, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 applicants, John K. Reimer and R. E. McKenzie Jr. seek to reopen three cases previously heard by the Commission to set aside orders previously entered by the Commission pursuant to those hearings, alleging the existence of reservoir information now available, but not available at the time of those hearings.

(3) That the Commission orders sought to be set aside are:

- a. That portion of Order No. R-4277, entered March 15, 1972, which authorized 160-acre spacing units for the Media-Entrada Oil Pool, Sandoval County, New Mexico.

EXHIBIT "A"

- b. Order Nos. R-4274 and R-4287, entered March 15, 1972 and April 17, 1972 respectively, which authorized four 160-acre non-standard oil proration units in the Media-Entrada Oil Pool, Sandoval County, New Mexico.
- c. Order No. R-4713, entered January 24, 1974, which authorized a special depth bracket allowable for the Media-Entrada Oil Pool, Sandoval County, New Mexico, of 750 barrels of oil per day.

(4) That the evidence adduced at the hearing of this case does not establish that one well in the subject pool could not drain 160 acres or that 160-acre spacing as authorized by Commission Order No. R-4277, would not efficiently and economically develop the subject pool without waste.

(5) That the evidence adduced at the hearing of this case does not establish that the four non-standard proration units authorized by Commission Orders Nos. R-4274 and R-4287 could not reasonably be presumed productive of oil throughout their horizontal extent or that they were otherwise improperly authorized.

(6) That the evidence adduced at the hearing of this case does not establish that the special depth bracket allowable authorized by Commission Order No. R-4713 has resulted or will result in waste or violation of correlative rights.

(7) That the application of John K. Reimer and R. E. McKenzie, Jr. for 40-acre allowables, revocation of non-standard proration units, and reestablishment of 40-acre allowables for the Media-Entrada Pool, Sandoval County, New Mexico, should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of John K. Reimer and R. E. McKenzie, Jr. for 40-acre spacing, revocation of non-standard proration units, and reestablishment of 40-acre allowables for the Media-Entrada Pool, Sandoval County, New Mexico, is hereby denied.

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


-3-
Case No. 5218
Order No. R-4783

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L

dr/

*Original Copy
LHM: 12/1-7-74*

DIVISION OF OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
ORDERED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5216
Order No. R-4783

APPLICATION OF JOHN K. REIMER AND
R. E. MCKENZIE, JR., FOR A 40-ACRE
SPACING, REVOCATION OF NON-STANDARD
PRORATION UNITS, AND RE-ESTABLISHMENT
OF 40-ACRE ALLOWABLES, SANDOVAL
COUNTY, NEW MEXICO.

APPLICATION FOR REHEARING

COME NOW John K. Reimer and R. E. McKenzie, Jr., Applicants
in the above entitled matter, and with reference to Commission
Order R-4783 dated May 21, 1974, apply to the Oil Conservation
Commission pursuant to Section 65-3-22 NMSA 1953, for a rehearing.

Applicants sought relief from the Commission from Orders
previously entered by it in (1) Case No. 4642 (Order R-4277)
wherein 160-acre spacing units were established for the Media
Entrada Oil Pool; (2) Case No. 4685 (Order 4287) establishing
non-standard units for two of the wells in the pool; and (3)
Case No. 5152 (Order R-4715) establishing a special 750 barrels
of oil per day depth bracket allowable. In seeking relief,
Applicants contended that it was the duty of the Commission
under the statute to prevent waste, prevent impairment of
correlative rights, and that it was incumbent upon the Commission
to establish a formula or rule which so far as can be practicable,
would permit Applicants to produce substantially in proportion
that quantity of the recoverable oil under the Applicants'
property as such quantity bears to the total recoverable oil

in the pool. The Commission erred in not offering relief to Applicants on the merits of their case and in the following particulars:

1. The Order entered in this matter is not responsive to the Application in that the desires and requests for relief made by Applicants on the merits of the matter were not considered.

2. Applicants' uncontroverted evidence showed that damage was occurring in the pool, and that the correlative rights of Applicants were being impaired by the excessive production of the Fluid Power Pump Company Well No. 1, and as a result of such permitted excesses, the correlative rights of Applicants were adversely affected and waste was occurring.

3. Finding No. 6 is clearly erroneous in that Applicants' uncontroverted testimony showed that the actions of operator would result in a drowning by water of the Media-Entrada stratum and would result in the premature encroachment of water, reducing or tending to reduce the total ultimate recovery of crude petroleum oil from said pool.

4. Applicants established that the Orders of the Commission R-4277, R-4274 and R-4282 were issued without actual notice to Applicants; that the constructive notice by publication in connection with the cases which resulted in said Orders did not name Applicants or purport to affect the property rights of overriding royalty interest owners, and hence the Orders could not be considered as affecting the rights of Applicants.

5. The Commission erroneously put the burden on Applicants to show that Commission established non-standard proration units were unreasonable, unjustified, illegal and presumably not productive throughout their horizontal extent. Applicants'

uncontroverted testimony and show that oil was moving across lease lines, drowning the formation in the Media Encrada Pool, and that the correlative rights of Applicants were being impaired. The Commission erred in not recognizing its statutory duty at this time and from time to time to protect the correlative rights of persons similarly situated and to prevent waste. The uncontroverted testimony of Applicants showed waste and impairment, and the Commission erred in not responding to Applicants' prayer for relief.

It is respectfully requested that a rehearing be granted to Applicants before the full Commission at an early date. Fluid Power Pump Company, 1420 Carlisle Boulevard, N.E., Albuquerque, New Mexico 87110, and Partnership Properties Co., a Colorado general partnership, 1400 Colorado State Bank Building, Denver, Colorado 80202, and Petro-Lewis Corporation, 1400 Colorado State Bank Building, Denver, Colorado 80202, are interested parties, and a copy of this Rehearing Application is being forwarded to their attorneys of record.

DATED at Roswell, New Mexico, this 7th day of June, 1974.

George E. Hunker, Jr.
Attorney for John K. Reimer and
R. E. McKensie, Jr., Applicants
HUNKER, FREDIC & HIGGINBOTHAM, P.A.
P. O. Box 1837
Roswell, New Mexico 88201

This is to certify that a true and correct copy of the foregoing Application for Rehearing was mailed to William C. Cooley, Attorney for Fluid Power Pump Company, and to Jason W. Kellakin, Attorney for Petro-Lewis Corporation and Partnership Properties Co., this 7th day of June, 1974, said Attorneys representing the Respondents.

George E. Hunker, Jr.

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

August 5, 1974

C
O
P
Y
Mrs. Marybel Seery
District Court Clerk
Sandoval County District Court
Los Lunas, New Mexico 87031

Re: Reimer & McKenzie vs.
Fluid Power Pump Company, et al.,
Sandoval County District Court
Cause Nos. 05025 & 06026

Dear Mrs. Seery:

Please file the enclosed Answers of Petro-Lewis Corporation and Partnership Properties Company in the above referenced actions.

Very truly yours,

W. Thomas Kellahin

WTK:ks

Enclosure

cc: Mr. Mac Moore
✓ Mr. George Hunker
Mr. Bill Carr
Mr. William J. Cooley

STATE OF NEW MEXICO

COUNTY OF SANDOVAL

IN THE DISTRICT COURT

JOHN K. REIMER and
R. E. MCKENZIE, JR.,

Petitioners,

vs.

NO. 6025

FLUID POWER PUMP COMPANY,
a Corporation,
PETRO-LEWIS CORPORATION,
a Corporation,
PARTNERSHIP PROPERTIES CO.,
a Colorado General Partnership,
NEW MEXICO OIL CONSERVATION COMMISSION,

Respondents.

RESPONSE TO PETITION FOR REVIEW

COMES NOW PETRO-LEWIS CORPORATION, a Corporation,
and PARTNERSHIP PROPERTIES CO., a Colorado general part-
nership, acting by and through its attorneys of record,
KELLAHIN & FOX, Santa Fe, New Mexico, and for its Answer
to the Petition for Review states:

FIRST DEFENSE

1. Respondent admits the allegations contained in
Paragraphs One (1), Two (2), Three (3), Four (4) and
Five (5) of the Petition for Review.

2. Respondent admits the allegations contained in
Paragraph Six (6), only in so much as it alleges that
"Petitioners sought relief from Respondent Oil Conserva-

tion Commission from several previously entered Orders affecting the production of oil from the Medea-Entrada Oil Pool." and denies the balance of said paragraph.

3. Respondent denies each and every allegation contained in Paragraphs Seven (7), Eight (8), and Ten (10).

4. Respondent is without sufficient knowledge of the items alleged in Paragraph Nine (9), and therefore denies the same.

SECOND DEFENSE

Petitioner fails to state a claim upon which relief can be granted.

THIRD DEFENSE

1. That the Court lacks jurisdiction to grant Petitioners the relief sought in their prayer in so far as Petitioners seek to have the Court proceed to adjudicate the substantive matters of Petitioners' original application before the New Mexico Oil Conservation Commission.

2. That in reviewing the New Mexico Oil Conservation Commission Order No. R-4783, the Court is jurisdictionally limited to either affirming or vacating the said Order.

WHEREFORE, Respondent prays:

1. That the Petition for Review be dismissed.
2. That New Mexico Oil Conservation Commission Order No. R-4783 be affirmed

3. That the Court grant Respondent such other and further relief as the Court deems just.

KELLAHIN & FOX

BY

P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR RESPONDENT,
PETRO-LEWIS CORPORATION and
PARTNERSHIP PROPERTIES COMPANY.

I hereby certify that a
true copy of the fore-
going instrument was
mailed to opposing
counsel of record this
_____ day of _____,
1974.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

August 9, 1974

Mrs. Marybel Seery
District Court Clerk
Sandoval County District Court
Los Lunas, New Mexico 87031

Re: Reimer & McKenzie v.
Fluid Power Pump Company
et al., Sandoval County
District Court Cause No.
06025 and 06026

Dear Mrs. Seery:

Please file the enclosed Answers to Petition for Review
in the above captioned cases.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/jr

Enc.

cc: Mr. George Hunker
Mr. William J. Cooley
Mr. W. Thomas Kellahin

IN THE DISTRICT COURT OF SANDOVAL COUNTY
STATE OF NEW MEXICO

JOHN K. REIMER and
R. E. MCKENZIE, Jr.,

Petitioners,

vs.

No. 6025

FLUID POWER PUMP COMPANY,
a corporation,

PETRO-LEWIS CORPORATION,
a corporation,

PARTNERSHIP PROPERTIES CO.,
a Colorado general partnership,
and

NEW MEXICO OIL CONSERVATION COMMISSION,

Respondents,

RESPONSE TO PETITION FOR REVIEW

COMES NOW THE NEW MEXICO OIL CONSERVATION COMMISSION,
acting by and through its attorneys William F. Carr and Thomas W.
Derryberry, Special Assistant Attorneys General, and for its
Answer to the Petition for Review states:

FIRST DEFENSE

1. Respondent admits the allegations contained in
Paragraphs 1, 2, 3, 4 and 5 of the Petition for Review.

2. Respondent denies each and every allegation contained
in Paragraphs 6, 7, 8, 9, and 10 of the Petition for Review.

SECOND DEFENSE

1. That the court lacks jurisdiction to grant the relief
sought by Petitioners inasmuch as the court is jurisdictionally
limited to either affirming or vacating the order challenged
herein and may not substitute its judgment on substantive matters
for that of the New Mexico Oil Conservation Commission.

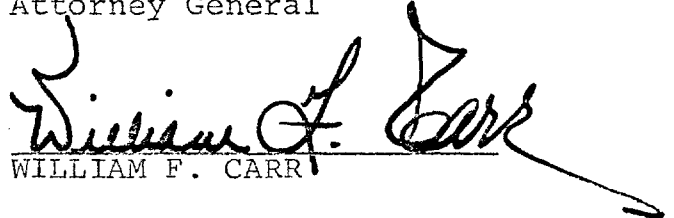
THIRD DEFENSE

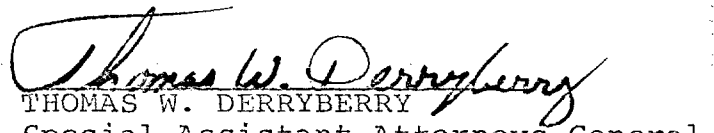
1. Petitioner fails to state a claim upon which relief may be granted.

WHEREFORE, Respondent prays:

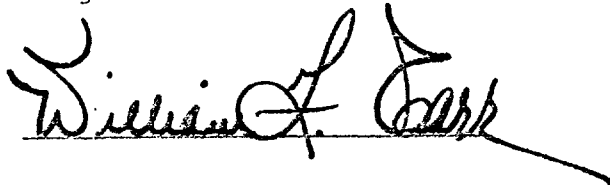
1. That the Petition for Review be dismissed.
2. That Commission Order No. R-4783 be affirmed.
3. That the court grant Respondent such other relief as the court deems just.

DAVID L. NORVELL
Attorney General


WILLIAM F. CARR


THOMAS W. DERRYBERRY
Special Assistant Attorneys General
representing the Oil Conservation
Commission of New Mexico, P. O.
Box 2088, Santa Fe, New Mexico
87501

I hereby certify that on the
9th day of August, 1974, a copy of
the foregoing pleading was mailed
to opposing counsel of record.


WILLIAM F. CARR

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 26, 1976

George H. Hunker, Jr.
Hunker-Fedric, P.A.
P. O. Box 1837
Roswell, New Mexico 88201

Re: No. 6025 and 6026, Sandoval
County, New Mexico, Reimer and
McKenzie v. Fluid Power and
Petro-Lewis

Dear George:

Enclosed are signed copies of the Stipulations
for Dismissal in the above-captioned causes.

I hope we see you in Santa Fe sometime in the near
future.

Best personal regards.

Very truly yours,

WILLIAM F. CARR
General Counsel

WFC/dr
enc.

IN THE DISTRICT COURT OF SANDOVAL COUNTY

STATE OF NEW MEXICO

JOHN K. REIMER and
R.E. MCKENZIE, JR.

Petitioners

vs.

FLUID POWER PUMP COMPANY,
a corporation,
PETRO-LEWIS CORPORATION,
a corporation,
PARTNERSHIP PROPERTIES CO.,
a Colorado general partnership,
NEW MEXICO OIL CONSERVATION
COMMISSION

Respondents

No. 6025

STIPULATION FOR DISMISSAL

COME NOW the parties herein, state that the matters in dispute have been amicably resolved and stipulate that the Plaintiff's cause of action herein be dismissed with prejudice.

HUNKER-FEDRIC, P.A.

BURR & COOLEY

By: George H. Hunker, Jr.
George H. Hunker, Jr.
Attorney for John K. Reimer
and R. E. McKenzie, Jr.,
Petitioners
P.O. Box 1837
Roswell, New Mexico 88201

By: William J. Cooley
William J. Cooley
Attorney for Respondent
Fluid Power Pump Co.
152 Petroleum Center Bldg.
Farmington, New Mexico 87401

KELLAHIN & FOX

NEW MEXICO OIL CONSERVATION COMMISSION

By: Jason W. Kellahin
Jason W. Kellahin
Attorney for Respondents
Petro-Lewis Corp. and
Partnership Properties Co.
Santa Fe, New Mexico 87501

By: William F. Carr
William F. Carr
Attorney for New Mexico Oil
Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

LAW OFFICES OF
HUNKER-FEDRIC, P.A.

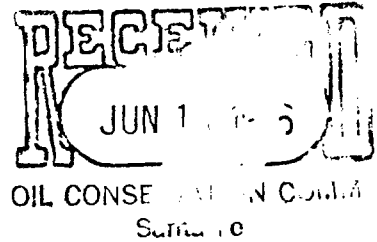
210 HINKLE BUILDING
POST OFFICE BOX 1837

ROSWELL, NEW MEXICO 88201

TELEPHONE 622-2700
AREA CODE 505

HUNKER JR
EDMAN

June 16, 1976



District Court Clerk
Sandoval County
Sandoval County Courthouse
Albuquerque, New Mexico 87004

Re: Reimer & McKenzie vs.
Fluid Power Pump Co., et al
Nos. 6025 and 6026
Sandoval County, New Mexico

Dear Madam:

In connection with dismissal of both of the above captioned cases, we enclose herewith duly executed "Stipulations For Dismissal". Please file these accordingly.

Thank you for your kind assistance.

Sincerely yours,

HUNKER - FEDRIC, P.A.

A handwritten signature in dark ink, appearing to read "George H. Hunker, Jr.", written in a cursive style.

George H. Hunker, Jr.

cc:dd
encls.

cc: Mr. Lloyd R. Wade, w/encls.
cc: Mr. John K. Reimer, w/encls.
cc: Mr. R.E. McKenzie, Jr., w/encls.
cc: Mr. William F. Carr ✓
cc: Mr. William J. Cooley
cc: Mr. Jason W. Kellahin