Oil and Gas



OVERVIEW

Our representation of oil and gas producers, midstream entities, and natural gas pipelines has been a mainstay of Modrall Sperling's natural resources practice since the early days of the firm. Over the years, some of the firm's largest and most complex litigation matters have arisen from disputes involving oil and gas leases and contracts relating to the development, production and transportation of oil, natural gas and carbon dioxide. The firm's clients include major and independent oil and gas companies.

Transaction and Regulatory Practice

We represent our oil and gas clients in all aspects of business transactions, from acquisitions, regulatory due diligence and tax advice for properties located on fee, state, federal and Indian lands. We assist clients in identifying and assessing environmental risks when acquiring oil and gas properties in New Mexico, negotiate indemnity agreements to minimize risk, and defend against agency enforcement actions. Our transactional experience includes review and drafting of agreements relating to the acquisition, exploration, financing, development, operation and transfer of oil and gas properties, including leases, joint operating agreements, master service agreements, farmouts, communitization and unitization agreements, Indian mineral development agreements, liens, and gas sales, gathering and transportation contracts.

Our oil and gas lawyers represent clients before state and federal administrative agencies charged with responsibility for the development and taxation of the state's oil and gas resources, as well as the gathering and distribution of those resources, including the New Mexico Oil Conservation Division and Commission, Public Regulation Commission, Commissioner of Public Lands, New Mexico Taxation and Revenue Department, Bureau of Land Management, Office of Natural Resources Revenue, Bureau of Indian Affairs, Federal Energy Regulatory Commission, and Interior Board of Land Appeals.

Title Practice

We provide our clients with comprehensive and detailed title examination services based on abstracts, our own stand-up courthouse research and opinions provided by our clients. Our title attorneys are licensed in New Mexico and Texas and are well-versed in the oil and gas laws and title regimes of both states. Our clients include both large and independent oil and gas operators as well as hard rock and precious metals mining companies. We provide drilling title opinions, division order title opinions, acquisition title opinions, mineral title opinions, and mortgage title opinions. We also draft the instruments required to transfer title to oil, gas and mineral rights on behalf of our clients and institute probate proceedings required to perfect title in our clients.

Litigation

We have represented producers in a variety of complex litigation matters including royalty class actions, multi-party environmental contamination and toxic tort cases, gas sales contract disputes and oilfield personal injury and wrongful death

©2026 Modrall Sperling, All Rights Reserved

suits. We also have substantial experience representing oil and gas producers and other mineral interest owners in a range of ownership disputes arising from claims of lease expiration, options to repurchase oil and gas leases, preferential purchase rights under joint operating agreements and mineral development agreements, and title disputes concerning conflicting claims to mineral interests.

Right-of-Way Acquisition

We represent pipeline and midstream companies in acquiring rights-of-way over fee, federal, state and Indian lands through federal statutes, New Mexico's eminent domain code and the Gathering Line Acquisition Act. We also assist oil and gas producers in negotiations with fee land owners for surface use agreements under the Surface Owners Protection Act.

Industry Participation

Our oil and gas lawyers are active in several industry and professional groups and have presented papers at many seminars and institutes. Our lawyers have served as President and Trustees of the Rocky Mountain Mineral Law Foundation, are members of the Advisory Board for the Institute for Energy Law and are actively involved in New Mexico Oil and Gas Association committees and working groups.

EXPERIENCE

- Represented oil and gas producer in a suit arising from alleged breaches of a preferential purchase right ("PPR") provision in a Joint Operating Agreement and the formation of a federal Unit Agreement. *See Central Texas Operating, Inc., et al., v. Marbob Energy Corporation, et al., Fifth Judicial District Court, No. D-503-CV-2011-443.*
- Represented an oil and gas operator in suit alleging that hydraulic fracturing of horizontal wells had damaged vertical wells of another operator and caused a surface release of fluids and hydrocarbons.
- Assisted with royalty audits administered by ONRR and New Mexico State Land Office and prosecuted appeals of royalty assessments and orders to pay.
- Represented oil producer with substantial horizontal drilling and hydraulic fracturing activity in its review of BLM's proposed hydraulic fracturing rule-making, applicable to federal and Indian lands projects. Drafted extensive comments submitted by the client to BLM within the public comment period. As part of this undertaking, the firm participated in the working group of oil and gas trade organization involved with considering the rule, reviewed a variety of state-based hydraulic fracturing regimes and interviewed key technical managers of the client's well-drilling and hydraulic fracturing operations, vetted draft comments with legal and technical staff.
- Represented oil and gas producer in three lawsuits regarding competing claims to ownership of oil and gas properties in the joint operating agreements containing a preferential purchase right provision. Modrall Sperling successfully opposed a motion for preliminary injunction sought by plaintiffs seeking to suspend an obligation to make an approximately $183 million performance deposit required if the PPR were properly exercised. *See Marbob Energy Corporation, et al., v. BP America Inc., et al., Fifth Judicial District Court, Lea County Cause No. CV-2010-755.*
- Represented an oil and gas producer in a suit regarding assignments of leases and interests in a Unit Agreement, claiming entitlement to proceeds allegedly due for working interests and overriding royalty interests. *See The Lowe Foundation, et al., v. Marathon Oil Company, Fifth Judicial District Court, Eddy County Cause No. D-503-CV-2010-49.*
- Represented an exploration and production company in a putative class action seeking compensation for alleged underpayment of royalties from natural gas production. The case was successfully removed from state court to federal court in Colorado under the federal Class Action Fairness Act. *See LLH Operations LLP, et al., v. Samson Resources Company U.S. District Court, District of Colorado Cause No. 09-CV-00673.*

©2026 Modrall Sperling, All Rights Reserved

- Represented the operator of a gas well in a wrongful death suit filed in Lea County arising out of an oilfield accident in the Permian basin. An employee of the drilling company was killed and two other employees were injured when a wellhead was blown off while they were attempting to remove it. *See Olivas, et al., v. Riverside Transportation, Inc., et al.,* D-406-CV-2009-00285 (Lea County, New Mexico).
- Represented an oil and gas operator in an oilfield accident wrongful death suit where Plaintiff's decedent was electrocuted when moving a rig off location under a high voltage power line. *See Sakura v. Lea County Electric Cooperative, Inc., et al.,* 101-CV-2008-00240 (Santa Fe County).
- Represented oil producing company in defending against a title claim to a 70 year old producing property, winning summary judgment. *See Fred R. Skaggs, et al., v. Conoco Inc., et al.,* 125 N.M. 97.
- Advised oil and gas producer in matters regarding compliance with federal environmental laws and regulations on several oil and gas pipeline projects involving Section 404 Clean Water Act permitting, resolution of enforcement matters, compliance with the National Historic Preservation Act, and national wildlife laws.
- Represented oil and gas operators in Oil Conservation Division proceedings involving rulemakings, compulsory pooling, change in pool rules, allowables, commingling, unitization and injection.

KEY CONTACT

Earl E. DeBrine, Jr.
505.848.1810
earl.debrine@modrall.com

Christopher H. Killion
505.848.1824
christopher.killion@modrall.com

RELATED ATTORNEYS

Deana M. Bennett
Jack F. Cahill
Marrisa E. Casados
Earl E. DeBrine, Jr.
Joan E. Drake
Jeffrey H. Goodwin
Stan N. Harris
Christopher H. Killion
Margaret Lewis Meister
Caleb G. Ritzheimer
Lynn H. Slade
Walter E. Stern

RELATED INDUSTRIES

Business in Indian Country
Construction and Design
Energy
Ranching and Agriculture

©2026 Modrall Sperling, All Rights Reserved

CASE STORIES

Regulatory obstacles overcome for successful oil pipeline approval

©2026 Modrall Sperling, All Rights Reserved