

ASE 1615: Stanley Jones, et al, applica-
tion for order requiring Malco Refineries
to purchase oil produced from Dayton-Abn
Pool, Eddy Co., Common Purchaser Act.

Case No.

1615

Application, Transcript,
Small Exhibits, Etc.

DOCKET: REGULAR HEARING JULY 15, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

- ALLOWABLE:
- (1) Consideration of the oil allowable for August, 1959.
 - (2) Consideration of the allowable production of gas for August, 1959, from six prorated pools in Lea County, New Mexico, also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for August, 1959.

CONTINUED CASES, REHEARINGS, AND HEARINGS DE NOVO

CASE 1600: (continued) In the matter of the application of M. A. Romero and Robert Critchfield concerning the operation of gas prorationing in the Blanco Mesaverde Gas Pool and the ratable taking of gas from said Blanco Mesaverde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as well as from the Choza Mesa-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico.

CASE 1615: (Rehearing) In the matter of the rehearing requested by Continental Oil Company and/or Continental Pipeline Company, as successor in interest to Malco Refineries, Inc., for reconsideration by the Commission of Case No. 1615, Order R-1363. Case 1615 was an application by Stanley Jones, et al, for an order requiring Malco Refineries, Inc. to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act. Case 1615 culminated in the entry of Order No. R-1363 which required Malco Refineries, Inc. to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

CASE 1634: (Rehearing) In the matter of the rehearing requested by The Pure Oil Company for reconsideration by the Commission of Case 1634 which was an application for an order promulgating temporary special rules and regulations for the South Vacuum-Devonian Pool in Lea County, New Mexico, to provide for 80-acre proration units and for permission to shut-in one South Vacuum-Devonian well and transfer its allowable to one or more South Vacuum-Devonian wells on the same basic lease. The rehearing will be limited solely to the transfer of allowable issue.

CASE 1637: (Rehearing) In the matter of the rehearing requested by The Atlantic Refining Company for reconsideration by the Commission of Case 1637 which was an application for an order combining the Allison-Pennsylvanian and the North Allison-Pennsylvanian Pools in Lea and Roosevelt Counties, New Mexico, and for the promulgation of special rules and regulations in connection therewith to provide for 80-acre proration units.

CASE 1641: (Hearing De Novo) Application of El Paso Natural Gas Company for a hearing de novo before the Oil Conservation Commission in Case No. 1641, Order R-1410, which was an application by W. R. Weaver for the promulgation of special rules and regulations governing the drilling, spacing, and production of wells in the Angels Peak-Gallup Oil Pool, San Juan County, New Mexico.

*Wrote
mailed
6-29-59*

CASE 1420: (Hearing De Novo) Application of Caulkins Oil Company for a hearing de novo before the Oil Conservation Commission of New Mexico in Case No. 1420. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Well No. T-123, located 700 feet from the North line and 1800 feet from the East line of Section 7, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Dakota formation and water injection into the Tocio formation.

NEW CASES

CASE 1722: Application of Caulkins Oil Company for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Breech Well No. PMD-224, located in the NE/4 NE/4 of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool, gas from the Mesaverde formation, and gas from the Greenhorn formation within the vertical limits of the Dakota Producing Interval through parallel strings of tubing.

CASE 1723: Southeastern New Mexico Nomenclature case calling for an order creating and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

- (a) Create a new oil pool for Mississippian production, designated as the Bronco-Mississippian Pool, and described as:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 11: SE/4

- (b) Extend the Bluit-Pennsylvanian Pool to include,

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 20: S/2

- (c) Extend the Caprock-Queen Pool to include,

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 29: W/2 NE/4

- (d) Extend the Coyote-Queen Pool to include,

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 22: NW/4

- (e) Extend the Dayton-Abo Pool to include,

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2 SE/4

- (f) Extend the Justis-Drinkard Pool to include,

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 26: NE/4

- (g) Extend the Ranger Lake Pennsylvanian Pool to include,

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

Section 23: SW/4

Section 26: NW/4

Section 27: E/2

- (h) Extend the Robinson Pool to include,

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: S/2

Section 2: SE/4

- (i) Extend the Shoe Bar-Pennsylvanian Pool to include,

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: SE/4

CASE 1724:

Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan, Sandoval, and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include,

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 14: S/2

Section 15: NE/4

- (b) Extend Ballard-Pictured Cliffs Pool to include,

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 23: E/2

Section 24: W/2 and SE/4

Section 25: All

Section 26: N/2 and SE/4

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 30: S/2

- (c) Extend The Fulcher Kutz-Pictured Cliffs Pool to include,

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 24: NW/4

- (d) Extend the South Blanco-Pictured Cliffs Pool to include,

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 18: W/2

Section 25: SW/4

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 27: NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 29: N/2

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 6: E/2

Section 7: E/2

Section 10: W/2 and SE/4
Section 14: W/2
Section 15: N/2 and SW/4
Section 16: S/2 and NW/4

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 5: W/2

- (e) Extend the Blanco-Mesaverde Pool to include,

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 12: All
Section 13: N/2

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
Section 34: All
Section 35: All
Section 35: All

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2
Section 19: W/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 13: E/2

- (f) Extend the Bisti-Lower Gallup Oil Pool to include,

TOWNSHIP 26 NORTH, RANGE 14 WEST, NMPM
Section 13: S/2 NE/4

- (g) Extend the Chimney Rock-Gallup Oil Pool to include,

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 9: E/2 NW/4, W/2 NE/4, SE/4 NE/4, NE/4 SE/4
Section 10: S/2 NE/4, SE/4, S/2 SW/4
Section 11: SW/4
Section 15: NE/4 NE/4

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 33: SW/4 SW/4

- (h) Extend the Horseshoe-Gallup Oil Pool to include,

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
Section 14: S/2 NE/4, N/2 SE/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 13: SW/4 SW/4

- (i) Extend the Angel Peak-Dakota Pool to include,

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
Section 28: All
Section 29: E/2
Section 33: E/2

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(j) Extend the Otero Gallup Oil Pool, Rio Arriba County, to include,

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 27: S/2 SW/4
Section 28: SE/4 and SE/4 NE/4
Section 32: NE/4 NE/4
Section 33: N/2
Section 34: N/2
Section 35: SW/4 NW/4 and NW/4 SW/4

DOCKET: REGULAR HEARING MAY 13, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

ALLOWABLE:

(1) Consideration of the oil allowable for June, 1959.

(2) Consideration of the allowable production of gas for June, 1959, for six prorated pools in Lea County, New Mexico, and also presentation of purchasers' nominations for the six-month period beginning July 1, 1959; consideration of the allowable production of gas for seven prorated pools in San Juan and Rio Arriba Counties, New Mexico, for June, 1959.

CONTINUED CASES AND REHEARING

CASE 1615:

(Rehearing)

In the matter of the rehearing requested by Malco Refineries, Inc. for reconsideration by the Commission of Case No. 1615, Order R-1363. Case 1615 was an application by Stanley Jones, et al, for an order requiring Malco Refineries, Inc. to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act. Case 1615 culminated in the entry of Order No. R-1363 which required Malco Refineries, Inc. to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

CASE 1522:

Application of General Petroleum, Inc., for an amendment to Order No. R-1299. Applicant, in the above-styled cause, seeks an order amending Order No. R-1299 to provide that any merchantable oil recovered from sediment oil shall not be charged against the allowable for wells on the originating lease, which amendment would revise Rule 311.

CASE 1635:

Application of Mapenza Oil Company for an exception to the requirements of Order No. R-1224-A. Applicant, in the above-styled cause, seeks an order authorizing an exception to the salt water disposal requirements of Order No. R-1224-A for its State No. 1-A Well, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 37 East, Hobbs Pool, Lea County, New Mexico.

NEW CASES

CASE 278:

Application of Farm Chemical Resources Development Corporation and National Potash Company for an extension of the Potash-Oil Area as set forth in Order R-111-A. Applicants, in the above-styled cause, seek an order extending the Potash-Oil Area as defined in Order R-111-A to include additional acreage in Townships 19, 20, and 21 South, Ranges 29, 31, and 32 East, Lea and Eddy Counties, New Mexico.

CASE 1668:

Application of Phillips Petroleum Company for an order promulgating temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool and certain adjacent acreage in Lea County, New Mexico, to provide for 80-acre spacing units and well location requirements, and such other provisions as the Commission deems necessary.

CASE 1669: Application of Pan American Petroleum Corporation for the promulgation of temporary special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to provide for 320-acre spacing units and for well location requirements.

CASE 1670: Southeastern New Mexico nomenclature case calling for an order creating new pools, deleting a portion of a pool, and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

(a) Create a new oil pool for Queen production, designated as the Chisum-Queen Oil Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 16: SW/4
Section 21: N/2

(b) Create a new gas pool for Yates production, designated as the Chisum-Yates Gas Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 13: SE/4

(c) Create a new oil pool for Delaware production, designated as the Loving-Delaware Oil Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 1: SW/4

(d) Create a new oil pool for San Andres production, designated as the Prairie-San Andres Oil Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 8: SW/4

(e) Delete a portion of the Square Lake Oil Pool described as:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 3: W/2 NW/4

(f) Extend the Cave Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 3: W/2 NW/4

(g) Extend the Allison-Pennsylvanian Oil Pool to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 14: NW/4
Section 15: NE/4

(h) Extend the Crosby-Devonian Gas Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 21: SW/4

- (i) Extend the Dean Permo-Pennsylvanian Pool to include:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 4: Lots 3, 4, 5, & 6

- (j) Extend the Empire-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 2: NE/4
Section 3: SW/4

- (k) Extend the Eumont Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 29

- (l) Extend the Gladiola-Wolfcamp Pool to include:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4

- (m) Extend the Jalmat Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 2: SW/4

- (n) Extend the Justis Blinebry Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 24: NW/4

- (o) Extend the Justis Fusselman Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

- (p) Extend the Justis McKee Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: NE/4

- (q) Extend the Leamex-Pennsylvanian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

- (r) Extend the Maljamar Pool to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4

- (s) Extend the North Mason-Delaware Pool to include:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 18: NE/4

- (t) Extend the East Millman Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 12: SE/4

- (u) Extend the Milnesand-San Andres Pool to include:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 14: E/2

- (v) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

- (w) Extend the Saunders Pool to include:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4
Section 29: SE/4

- (x) Extend the South Sawyer-San Andres Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 28: SW/4 SW/4
Section 33: W/2 NW/4

- (y) Extend the Shugart Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 25: W/2 SW/4
Section 26: SE/4

- (z) Extend the North Shugart Queen-Grayburg Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 32: W/2
Section 29: SW/4

- (aa) Extend the Shugart-Delaware Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: NW/4

- (bb) Extend the Square Lake Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 9: S/2

- (cc) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/4

CASE 1671:

Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan, Sandoval and Rio Arriba Counties, New Mexico.

(a) Extend the Ballard-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 17: All
Section 18: All
Section 20: All
Section 28: W/2
Section 29: N/2
Section 33: N/2
Section 34: N/2 & SE/4
Section 35: SW/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 11: SE/4
Sections 12 thru 15 inclusive: All
Section 19: N/2

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 21: NW/4

(b) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 6: W/2
Section 19: W/2
Section 30: NW/4

(c) Extend the Chimney Rock-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 5: SE/4 SE/4
Section 9: NE/4 NE/4

(d) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 4: W/2 SW/4
Section 6: NE/4 NE/4
Section 10: N/2 SW/4 & SE/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 19: N/2 SE/4
Section 20: S/2 SW/4
Section 29: W/2 NE/4
Section 33: NW/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 23: NE/4 SE/4
Section 24: NW/4

(e) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM

Section 26: N/2 NE/4
Section 34: NE/4 & NW/4 SE/4

(f) Extend the Angels Peak-Dakota Pool to include:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 26: SW/4
Section 35: NW/4

Case file
1615

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. 1615

APPLICATION OF STANLEY JONES,
ET AL, FOR AN ORDER REQUIRING
MALCO REFINERIES INC., TO
PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY,
NEW MEXICO

ORDER NO. E-1363

MOTION FOR CONTINUANCE

COMES NOW, Continental Pipe Line Company by its attorneys,
Seth, Montgomery, Federici & Andrews, and R. C. Hawley, and
hereby moves that the rehearing in respect to the matters
determined in this Commission's Order No. E-1363 be continued
from May 14, 1959, to a later date to be determined by this
Commission, and as grounds for this Motion states:

1. On May 1, 1959, Continental Pipe Line Company, a
Delaware corporation, authorized to do and doing business in
the State of New Mexico, for good and sufficient consideration
purchased the crude oil pipeline system in Eddy and Chaves
Counties, New Mexico owned by Malco Refineries Inc., from said
Malco Refineries Inc.

2. That prior to such purchase Continental Pipe Line
Company did not have sufficient knowledge, information or
interest in Case No. 1615 to fully advise itself as to whether
its rights as a purchaser of such crude oil pipeline system
would be affected by Order No. E-1363 of this Commission.

3. That in the event the rights of Continental Pipe
Line Company will be adversely affected by the terms and provi-
sions of said Order, Continental Pipe Line Company is entitled
to sufficient time to make a thorough investigation of the matter

and adequately prepare for the protection of its rights at any rehearing before this Commission.

3. That a denial of sufficient time in which to prepare an adequate defense of its rights would be in violation of the due process of law provisions of the Constitution of the State of New Mexico and of the United States Constitution.

4. That additional time is necessary in order to allow Continental Pipe Line Company to make investigation for the purpose of determining what position it will take in regard to the rehearing of this matter.

WHEREFORE, Continental Pipe Line Company respectfully moves the Commission to grant this Motion allowing a continuance of the rehearing in this case for May 14, 1959, to a later date to be determined by this Commission, which later date shall permit Continental Pipe Line Company to make full investigation of the matters involved in this case and determine what course it should follow in order to adequately protect its rights.

Respectfully submitted,
CONTINENTAL PIPE LINE COMPANY

BY:

Seth, Montgomery, Federici &
Andrews

By *Allen Seth*

R. C. Hawley, Room 841
Continental Oil Building
Denver, Colorado

R. C. Hawley

Attorneys for Continental
Pipe Line Company

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. 1615
Order No. R-1363

APPLICATION OF STANLEY JONES, ET AL,
FOR AN ORDER REQUIRING MALCO REFINERIES,
INC., TO PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 18, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of April, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced 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 Malco Refineries, Inc., is now engaged in the business of purchasing oil to be transported through pipelines and is thus a common purchaser of oil under the definition set forth in Section 65-3-15, N.M.S.A., 1953 Compilation.

(3) That Section 65-3-15, supra, requires that a common purchaser shall, without discrimination in favor of one producer as against another in the same field, purchase all oil tendered to it which has been lawfully produced in the vicinity of, or which may be reasonably reached by pipelines through which it is transporting oil, or the gathering branches thereof, or which may be delivered to the pipeline or the gathering branches thereof by truck or otherwise.

(4) That Section 65-3-29 (c), N.M.S.A., 1953 Compilation defines "field" as follows:

" 'Field' means the general area which is underlaid or appears to be underlaid by at least one pool; and 'field' also includes

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Case No. 1015
Order No. R-1363

the underground reservoir or reservoirs containing such crude petroleum oil or natural gas, or both. The words 'field' and 'pool' mean the same thing when only one underground reservoir is involved; however, 'field' unlike 'pool' may relate to two or more pools."

(5) That the oil production which applicants seek to require Malco Refineries, Inc., to purchase is from the Dayton Field in Eddy County, New Mexico, and that Malco Refineries, Inc., presently purchases oil produced from said Dayton Field as the term "field" is defined in Section 65-3-29(c), supra.

(6) That accordingly, under the express mandate of Section 65-3-15, supra, Malco Refineries, Inc., is obligated to purchase all oil tendered to it which is produced from the Dayton Field.

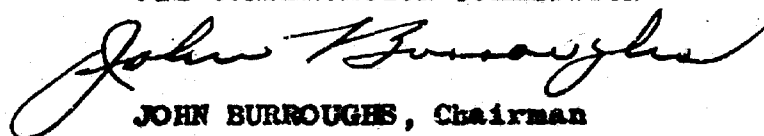
(7) That should Malco Refineries, Inc., find it necessary to institute purchaser prorationing and should such prorationing be approved by the Commission, Malco Refineries, Inc., will be required to purchase ratably from each producer in the Dayton Field.

IT IS THEREFORE ORDERED:

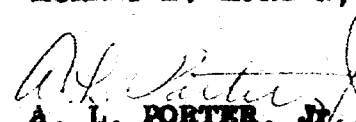
That Malco Refineries be and the same is hereby ordered to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

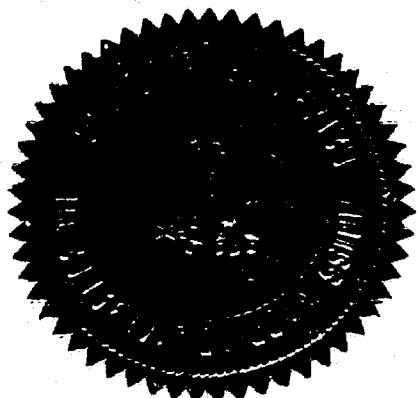
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURNAY E. MORGAN, Member


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



ir/

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 2, 1959

Mr. Stanley Jones
P.O. Box 464
Artesia, New Mexico

Dear Mr. Jones:

We enclose a copy of Order R-1363 issued April 2, 1959, by the Oil Conservation Commission in Case 1615, which was heard on March 18th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

*Order sent to
Bill McCombs,
Malco 4-2-59
BP*

*Packet
mailed
to Stanley
5-1-59
JH*

C
O
P
Y

CLASS OF SERVICE
This is a fast message
unless its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1220
(211-54)

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International
Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA206 KB231

(18).

K AZA022 LONG DL PD=ALAMOSA COLO 26 114 PMM= 1959 FEB 26 PM 1 40
NEW MEXICO OIL CONSERVATION COMMISSION, ATTN MR PAYNE
ATTORNEY OF THE OIL CONSERVATION COMM=
SANTA FE NMEX=

I HEREBY REQUEST A HEARING NO LATER THAN MARCH 18TH 1959
THE PURPOSE OF THE HEARING IS TO ESTABLISH A SALE FOR MY
OIL IN THE NEW FIELD DISCOVERED IN THE ABBO REEF LOCATED
IN NE NE SECTION 34, TWP. 18S., R. 26E. EDDY COUNTY NEW
MEXICO BY LAYING PIPELINE TO NEAREST CONNECTION MALCO OIL
REFINING CO TO THE NORTH IN THE ATOCKA FIELD. ALSO TO
ESTABLISH THAT THIS NEW DISCOVERY IS THE SAME AS THE
EMPIRE ABBO REEF FIELD TO THE NE LOCATED TOWNSHIP 18S, R.
27E EDDY COUNTY NEW MEXICO NEW FIELD AND EMPIRE SHOULD BE
ONE FIELD ONLY=

STANLEY L JONES CARLSBAD NMEX==

1959 FEB 26 PM 1 35

Docket 3-5-59 P

*also mailed
Docket to
malco*

*Mailed Docket
800 May 13 hearing
5-1-59 gh*

18 1959 34 TWP 18S R 26E 18S R 27E=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	<input type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT LETTER	<input type="checkbox"/>

WESTERN UNION TELEGRAM

1206 (4-55)

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	<input type="checkbox"/>
LETTER TELEGRAM	<input type="checkbox"/>
SHORE-SHIP	<input type="checkbox"/>

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	COLLECT			9:40 a.m.

Send the following message, subject to the terms on back hereof, which are hereby agreed to

APRIL 2, 1959

BILL MC COMBS
MALCO REFINERIES, INC.
ROS WELL, NEW MEXICO

ORDER SIGNED TODAY REQUIRING MALCO TO TAKE OIL TENDERED
TO IT WHICH IS PRODUCED FROM DAYTON FIELD.

A. L. PORTER, JR.
OIL CONSERVATION COMMISSION

DOCKET: REGULAR HEARING MARCH 18, 1959

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE: (1) Consideration of the oil allowable for April 1959
- (2) Consideration of the allowable production of gas for April 1959 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan and Rio Arriba Counties, New Mexico, for April 1959.

NEW CASES

CASE 1603: In the matter of the application of Gulf Oil Corporation for an order authorizing it to prorate the purchase of sour crudes only from twenty-five pools in Lea and Eddy Counties, New Mexico, during the course of the Port Arthur Refinery strike.

CASE 1615: Application of Stanley Jones, et al, for an order requiring Malco Refineries, Inc., to purchase oil produced from the Dayton-Abo Pool in Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order requiring Malco Refineries, Inc., to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act.

CASE 1616: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the reclassification of the Angels Peak-Gallup Pool in San Juan County, New Mexico, from a gas pool to an oil pool.

CASE 1617: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the extension of the Ballard-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, a prorated gas pool, to include the Canyon Largo-Pictured Cliffs Pool and the Otero-Pictured Cliffs Pool, both in Rio Arriba County, New Mexico, and both of which are non-prorated gas pools, and to include such other adjacent acreage in Rio Arriba County, New Mexico, as is necessary to form a common boundary.

CASE 1618: Southeastern New Mexico nomenclature case calling for an order creating, abolishing, extending and redefining certain pools in Lea, Eddy, and Roosevelt Counties, New Mexico:

- (a) Create a new oil pool for San Andres production, designated as the Bishop Canyon-San Andres Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: NE/4

- (b) Create a new oil pool for Pennsylvanian production, designated as the Bluitt-Pennsylvanian Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 20: NW/4

- (c) Create a new oil pool for Delaware production, designated as the Bradley-Delaware Pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 19: NW/4

- (d) Create a new oil pool for Delaware production, designated as the Brushy Draw-Delaware Pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 13: SW/4

- (e) Create a new oil pool for Devonian production, designated as the Crosby-Devonian Oil Pool, and described as:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 21: SW/4

- (f) Create a new oil pool for Wolfcamp production, designated as the Leamex-Wolfcamp Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 22: NE/4

- (g) Abolish the East Leo-Grayburg Pool described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 20: SE/4

- (h) Abolish the North Shugart-Grayburg Pool described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 9: SE/4
Section 10: S/2
Section 15: N/2 NW/4

- (i) Extend the vertical limits of the North Shugart-Queen Pool in Eddy County, New Mexico, to include the Grayburg formation and to rename said pool North Shugart Queen-Grayburg Pool. Further, to extend the horizontal limits of said North Shugart Queen-Grayburg Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 22: SW/4

- (j) Extend the Dayton-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 35: NW/4 NW/4

- (k) Extend the Empire-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 2: NW/4
Section 10: NW/4

- (l) Extend the Eumont Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 3: S/2

- (m) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 3: SE/4, N/2 SW/4 & SE/4 SW/4

- (n) Extend the Harkey-Pennsylvanian Gas Pool to include:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4

- (o) Extend the Justis-Drinkard Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: S/2

- (p) Extend the Justis-Fusselman Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: S/2

- (q) Extend the Lynch Pool to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

- (r) Extend the East Millman Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 14: N/2

- (s) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 32: N/2

- (t) Extend the Roberts Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 9: E/2 SW/4

- (u) Extend the Robinson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

- (v) Extend the Tubb Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 31: NW/4

- (w) Extend the Wantz-Abo Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

CASE 1619:

Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 32: All
Section 33: W/2

- (b) Extend the West Kutz-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 20: NW/4

- (c) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 3: SE/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 14: SW/4

- (d) Extend the Gallegos-Gallup Oil Pool to include:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM
Section 4: SW/4
Section 8: NE/4
Section 9: NW/4 & SE/4
Section 10: S/2
Section 11: S/2

(e) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 3: SE/4

Section 4: SE/4 SW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 30: SW/4

Section 31: NW/4

Section 34: SW/4 SE/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 24: NE/4 & SW/4

(f) Extend the Otero-Gallup Oil Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 31: W/2

Section 33: SW/4

(g) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 29: NE/4

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM

Section 33: E/2

(h) Extend the West Kutz-Dakota Pool to include:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 26: N/2

CONTINUED CASES

CASE 1569: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the promulgation of an order prohibiting the flaring of casinghead gas from oil wells in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico.

CASE 1597: Application of the Atlantic Refining Company for an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico, to provide for 80-acre proration units in said pool.

-6-

Docket No. 9-59

CASE 1600: In the matter of the application of M. A. Romero and Robert Critchfield concerning the operation of gas prorationing in the Blanco Mesaverde Gas Pool and the ratable taking of gas from said Blanco Mesaverde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as well as from the Choza Mesa-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico.

ir/

CORINE FOSTER OIL COMPANY

~~1506 Great Plains Life Bldg.~~

Telephone PO 2-5648

Lubbock, Texas

February 27, 1959

file

Mr. Burl Payne
Attorney - Oil Conservation Commission
Sante Fe, New Mexico

Re: Goodrich Lease
NW/4 of NW/4 of Sec. 35
T-18-S, R-26-E Eddy,
County, New Mexico

Dear Sir:

We only have a temporary market for the sale of oil from the above captioned lease to Cactus Petroleum Company and are having to sell under posted price. We are only receiving \$2.20 per barrel for this 46 to 48 gravity sweet crude oil.

We hope that a definite and better market can be worked out with your assistance.

Very truly yours,

Melvin F. Mitchell

Melvin F. Mitchell
CORINE FOSTER OIL COMPANY

MFM:ps

CC: Mr. M. L. Armstrong
Oil Conservation Commission
Artesia, New Mexico

Mr. Stanley L. Jones
Carlsbad, New Mexico

Ed
3-5-59
BT

Application of Stanley Jones for an order requiring Males Refineries to purchase oil produced from ~~the~~^a Abo Pool in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order requiring Males Refineries to purchase oil produced from ~~the~~^a Abo Pool in Eddy County, New Mexico, under the provision of the Common Purchaser Act. Applicant will further seek to establish that said undesignated pool is a part of the Empire-Abo Pool.

[Handwritten mark]

for reconsideration by Commission of
Case 1815, requiring sale to
purchase oil produced from Dayton-
Abo Pool - Eddy Co. (Stanley Jones)
(May 13, 1939 hearing) Common Purch.
Act

Case No.

1615

Application, Transcript,
Small Exhibits, Etc.

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. 1615
Order No. R-1363-B

APPLICATION OF STANLEY JONES,
ET AL, FOR AN ORDER REQUIRING
MALCO REFINERIES, INC., TO
PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 18, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1363 was entered. Malco Refineries, Inc., thereupon applied for a rehearing and the rehearing was docketed for May 13, 1959. Continental Oil Company and Continental Pipeline Company, as successors in interest to Malco Refineries, Inc., requested that the rehearing be continued until July 15, 1959, at which time the cause came on for rehearing before the Commission.

NOW, on this 11th day of August, 1959, the Commission, a quorum being present, having considered the petition for rehearing 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 Continental Oil Company and Continental Pipeline Company, as successors in interest to Malco Refineries, Inc., requested that the petition for rehearing be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1615 be and the same is hereby dismissed.

-2-

Case No. 1615
Order No. R-1363-B

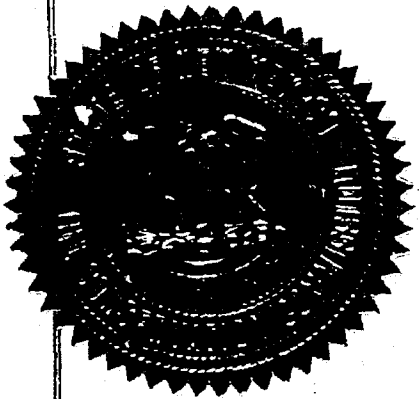
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



VCM/

J. O. SETH
A. K. MONTGOMERY
OLIVER SETH
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS

11 AM JUL 14 1959
SETH, MONTGOMERY, FEDERICI & ANDREWS
ATTORNEYS AND COUNSELORS AT LAW
301 DON GASPAR AVENUE
SANTA FE, NEW MEXICO

POST OFFICE BOX 828
TELEPHONE YU 3-7315

July 14, 1959

RE: Case No. 1615
Order No. R-1363

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

As I have just advised your Mr. Porter on the telephone, Continental Oil Company and Continental Pipeline Company, as successors in interest to Malco Refineries, Inc., do hereby withdraw and dismiss its application and motion for rehearing in the matter involved under your above captioned case and order number.

Very truly yours,

A. K. Montgomery
Attorney for said applicants.

AKM:ms

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1615

TRANSCRIPT OF HEARING

MAY 13, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 13, 1959

IN THE MATTER OF:

CASE 1615 In the matter of the rehearing requested by :
Malco Refineries, Inc. for reconsideration by :
the Commission of Case No. 1615, Order R-1363.:
Case 1615 was an application by Stanley Jones,:
et al, for an order requiring Malco Refiner- :
ies, Inc. to purchase oil produced from wells :
in the Dayton-Abo Pool in Eddy County, New :
Mexico, under the provisions of the Common :
Purchaser Act. Case 1615 culminated in the :
entry of Order No. R-1363 which required Malco :
Refineries, Inc. to purchase all oil tendered :
to it which is produced from the Dayton Field :
in Eddy County, New Mexico. :

BEFORE:

Mr. Murray Morgan
Gov. John Burroughs
Mr. A. L. Porter

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: Next case on the docket will be Case
1615 for rehearing.

MR. PAYNE: Case 1615. In the matter of the rehear-
ing requested by Malco Refineries, Inc. for reconsideration by the
Commission of Case No. 1615, Order R-1363.

May it please the Commission, we have received a request
from Continental Pipeline Company as the successor in interest
to Malco Refineries, Inc., that this case be continued until the

regular hearing in July, inasmuch as Continental Pipeline Company has not had sufficient time to consider what possible effects the order may have on its operations.

MR. PORTER: You have heard the request for continuance made by the Continental Pipeline Company to the month of July. Is there any discussion of this motion or any objection to it?

MR. CAMPBELL: If the Commission please, I would like to enter an appearance in this case on behalf of E. P. Campbell and Western Drilling Company at Lubbock, Texas, and also enter an appearance in the case on behalf of the Independent Producers and Royalty Owners Association of New Mexico, and I would like to inquire if the order is now in effect?

MR. PAYNE: Yes, sir.

MR. PORTER: The order is, yes.

MR. CAMPBELL: I presume it will remain in effect until it is heard?

MR. PORTER: Yes.

MR. CAMPBELL: In that event, so far as those appearances I have entered, have no objection to the continuance.

MR. PORTER: Order R-1363 will remain in effect and the case will be heard on the regular July docket.

44

WITNESS my Hand and Seal this, the 26th day of May,
1959, in the City of Albuquerque, County of Bernalillo, State of
New Mexico.

Joseph A. Tuzile
NOTARY PUBLIC

October 5, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1615

TRANSCRIPT OF HEARING

JULY 15, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JULY 15, 1958

IN THE MATTER OF:

CASE 1615 (Rehearing) In the matter of the rehearing :
requested by Continental Oil Company and/or :
Continental Pipeline Company, as successor in :
interest to Malco Refineries, Inc., for re- :
consideration by the Commission of Case No. :
1615, Order R-1363. Case 1615 was an appli- :
cation by Stanley Jones, et al, for an order :
requiring Malco Refineries, Inc. to purchase :
oil produced from wells in the Dayton-Abo :
Pool in Eddy County, New Mexico, under the :
provisions of the Common Purchaser Act. Case :
1615 culminated in the entry of Order No. :
R-1363 which required Malco Refineries, Inc. :
to purchase all oil tendered to it which is :
produced from the Dayton Field in Eddy County :
New Mexico. :

BEFORE.

Gov. Burroughs
Murray Morgan
A. L. Porter

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: At this time I'm going to call Case 1600 --
just a minute. It is not the one I want to call. Case 1615, and
I'll ask Mr. Payne to read a letter which we have received from
Continental Oil Company in regard to Case 1615.

MR. PAYNE: Case 1615. (Rehearing) In the matter of
the rehearing requested by Continental Oil Company and/or Contin-



ental Pipeline Company, as successor in interest to Malco Refineries, Inc., for reconsideration by the Commission of Case No. 1615, Order R-1363.

Mr. Examiner, we have received the following communication from A. K. Montgomery, attorney for Continental Oil Company in this case, which reads as follows:

"As I have just advised your Mr. Porter on the telephone, Continental Oil Company and Continental Pipeline Company, as successors in interest to Malco Refineries, Inc., do hereby withdraw and dismiss its application and motion for rehearing in the matter involved under your above captioned case and order number."

MR. PORTER: He refers to a telephone conversation of yesterday at which time he called me and told me that the letter would follow. Does anyone have any objection to the counsel's motion for dismissal of this case? Case 1615 will be dismissed.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 23rd day of July, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DOCKET: REGULAR HEARING JULY 15, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

ALLOWABLE:

- (1) Consideration of the oil allowable for August, 1959.
- (2) Consideration of the allowable production of gas for August, 1959, from six prorated pools in Lea County, New Mexico, also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for August, 1959.

CONTINUED CASES, REHEARINGS, AND HEARINGS DE NOVO

CASE 1600: (continued) In the matter of the application of M. A. Romero and Robert Critchfield concerning the operation of gas prorationing in the Blanco Mesaverde Gas Pool and the ratable taking of gas from said Blanco Mesaverde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as well as from the Choza Mesa-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico.

CASE 1615: (Rehearing) In the matter of the rehearing requested by Continental Oil Company and/or Continental Pipeline Company, as successor in interest to Malco Refineries, Inc., for reconsideration by the Commission of Case No. 1615, Order R-1363. Case 1615 was an application by Stanley Jones, et al, for an order requiring Malco Refineries, Inc. to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act. Case 1615 culminated in the entry of Order No. R-1363 which required Malco Refineries, Inc. to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

CASE 1634: (Rehearing) In the matter of the rehearing requested by The Pure Oil Company for reconsideration by the Commission of Case 1634 which was an application for an order promulgating temporary special rules and regulations for the South Vacuum-Devonian Pool in Lea County, New Mexico, to provide for 80-acre proration units and for permission to shut-in one South Vacuum-Devonian well and transfer its allowable to one or more South Vacuum-Devonian wells on the same basic lease. The rehearing will be limited solely to the transfer of allowable issue.

CASE 1637: (Rehearing) In the matter of the rehearing requested by The Atlantic Refining Company for reconsideration by the Commission of Case 1637 which was an application for an order combining the Allison-Pennsylvanian and the North Allison-Pennsylvanian Pools in Lea and Roosevelt Counties, New Mexico, and for the promulgation of special rules and regulations in connection therewith to provide for 80-acre proration units.

CASE 1641: (Hearing De Novo) Application of El Paso Natural Gas Company for a hearing de novo before the Oil Conservation Commission in Case No. 1641, Order R-1410, which was an application by W. R. Weaver for the promulgation of special rules and regulations governing the drilling, spacing, and production of wells in the Angels Peak-Gallup Oil Pool, San Juan County, New Mexico.

*Docket
mailed 6-29-59*

CASE 1420: (Hearing De Novo) Application of Caulkins Oil Company for a hearing de novo before the Oil Conservation Commission of New Mexico in Case No. 1420. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Well No. T-123, located 700 feet from the North line and 1800 feet from the East line of Section 7, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Dakota formation and water injection into the Tocio formation.

NEW CASES

CASE 1722: Application of Caulkins Oil Company for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Breech Well No. PMD-224, located in the NE/4 NE/4 of Section 13, Township 26 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool, gas from the Mesaverde formation, and gas from the Greenhorn formation within the vertical limits of the Dakota Producing Interval through parallel strings of tubing.

CASE 1723: Southeastern New Mexico Nomenclature case calling for an order creating and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

- (a) Create a new oil pool for Mississippian production, designated as the Bronco-Mississippian Pool, and described as:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 11: SE/4

- (b) Extend the Bluit-Pennsylvanian Pool to include,

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 20: S/2

- (c) Extend the Caprock-Queen Pool to include,

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 29: W/2 NE/4

- (d) Extend the Coyote-Queen Pool to include,

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 22: NW/4

- (e) Extend the Dayton-Abo Pool to include,

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2 SE/4

- (f) Extend the Justis-Drinkard Pool to include,

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 26: NE/4

- (g) Extend the Ranger Lake Pennsylvanian Pool to include,

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

Section 23: SW/4

Section 26: NW/4

Section 27: E/2

- (h) Extend the Robinson Pool to include,

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 1: S/2

Section 2: SE/4

- (i) Extend the Shoe Bar-Pennsylvanian Pool to include,

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: SE/4

CASE 1724:

Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan, Sandoval, and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include,

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 14: S/2

Section 15: NE/4

- (b) Extend Ballard-Pictured Cliffs Pool to include,

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 23: E/2

Section 24: W/2 and SE/4

Section 25: All

Section 26: N/2 and SE/4

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 30: S/2

- (c) Extend The Fulcher Kutz-Pictured Cliffs Pool to include,

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 24: NW/4

- (d) Extend the South Blanco-Pictured Cliffs Pool to include,

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 18: W/2

Section 25: SW/4

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 27: NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 29: N/2

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 6: E/2

Section 7: E/2

Section 10: W/2 and SE/4
Section 14: W/2
Section 15: N/2 and SW/4
Section 16: S/2 and NW/4

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 5: W/2

- (e) Extend the Blanco-Mesaverde Pool to include,

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 12: All
Section 13: N/2

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
Section 34: All
Section 35: All
Section 35: All

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2
Section 19: W/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 13: E/2

- (f) Extend the Bisti-Lower Gallup Oil Pool to include,

TOWNSHIP 26 NORTH, RANGE 14 WEST, NMPM
Section 13: S/2 NE/4

- (g) Extend the Chimney Rock-Gallup Oil Pool to include,

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 9: E/2 NW/4, W/2 NE/4, SE/4 NE/4, NE/4 SE/4
Section 10: S/2 NE/4, SE/4, S/2 SW/4
Section 11: SW/4
Section 15: NE/4 NE/4

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 33: SW/4 SW/4

- (h) Extend the Horseshoe-Gallup Oil Pool to include,

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
Section 14: S/2 NE/4, N/2 SE/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 13: SW/4 SW/4

- (i) Extend the Angel Peak-Dakota Pool to include,

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
Section 28: All
Section 29: E/2
Section 33: E/2

~~-5-~~
Docket No. 25-59

(j) Extend the Otero Gallup Oil Pool, Rio Arriba County, to include, .

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 27: S/2 SW/4
Section 28: SE/4 and SE/4 NE/4
Section 32: NE/4 NE/4
Section 33: N/2
Section 34: N/2
Section 35: SW/4 NW/4 and NW/4 SW/4

BEFORE THE
OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
STANLEY JONES, ET AL, FOR AN ORDER
REQUIRING MALCO REFINERIES, INC.,
TO PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY,
NEW MEXICO. APPLICANTS, IN THE
ABOVE-STYLED CAUSE, SEEK AN ORDER
REQUIRING MALCO REFINERIES, INC.,
TO PURCHASE OIL PRODUCED FROM WELLS
IN THE DAYTON-ABO POOL IN EDDY
COUNTY, NEW MEXICO, UNDER THE
PROVISIONS OF THE COMMON PURCHASER
ACT.

CASE NO.
1615

APPLICATION FOR REHEARING

Comes now Malco Refineries, Inc., which is affected by the entry of the Order of the Commission described as Order No. R-1363, heretofore entered in this case, and hereby makes application for rehearing in respect to the matters determined by such Order, and Applicant for rehearing does hereinafter set forth the respect in which such Order is believed to be erroneous:

1. Malco Refineries, Inc. is not a common purchaser from the Dayton-Abo Pool in Eddy County, New Mexico.
2. The original Application in this case was limited to production from the Dayton-Abo Pool and did not include production from any other pools in Eddy County, New Mexico.
3. The Commission in its Order requires Malco Refineries, Inc. to purchase all oil produced from the "Dayton Field" in Eddy County, New Mexico and there is no formal designation by any agency of the State of New Mexico, nor is there any clearly defined area in common usage known as the "Dayton Field".
4. The action was taken in this action with regard to

what the Commission has termed in this Order the "Dayton Field", although all interested parties in such an enlarged area were not properly before the Commission.

5. If it is found that Malco Refineries, Inc. is a common purchaser, then there are other corporations, partnerships or individuals who are likewise common purchasers. Such other parties actually have facilities in the area to take oil from the Dayton-Abo Pool which Malco Refineries, Inc. does not have. It is erroneous to order one of the several common purchasers to take the entire production of any one pool and to thereby deprive others of their existing connections in the pool. The ratable take provisions of the New Mexico statute contemplate that there be one purchaser in the field and the provisions thereof as to taking all of the production can only be operative in situations where there is but one purchaser. To hold otherwise will be to completely disrupt marketing arrangements in many fields in the State of New Mexico where there are more than one purchaser. And to hold otherwise is also in abuse of the ratable take statute.

6. Under the existing Order of the Commission heretofore entered, it will require that there be more than one connection to several of the wells here involved, contrary to the express provision of the statute.

7. The Order of the Commission constitutes a serious interference with contract rights with no basis for the action in conservation nor prevention of waste.

8. The Commission by administrative construction has construed the words "pool" and "field" to be synonymous and the statutes relating to the conservation of oil and they have thereby assumed this meaning.

9. To construe the ratable take statute (Section 65-3-15,

New Mexico Statutes Annotated 1953) to require a purchaser to take from different and distinct pools as if they were one and the same is to render the statute unconstitutional. There is no basis in conservation or the prevention of waste and no basis for the jurisdiction of the Commission to require a purchaser to take all oil from a number of separate and distinct pools under the circumstances in this case.

10. The Statute as it is construed in accordance with the Order of the Commission entered in this case is also invalid when a purchaser already within the field and who as a matter of fact is the only purchaser from the particular pool can be excluded completely and another separate and distinct purchaser who has never purchased oil as a common purchaser can be substituted. Further, the ratable take statute is unconstitutional.

11. The evidence in this action shows that the Applicant in the original proceeding has a present and existing market for his oil and that he is attempting to use the ratable take statute to exclude from the pool the purchaser with whom he is presently dealing.

12. The testimony in the original hearing shows beyond question that there is but one purchaser in the Dayton-Abo Pool at the present time and that such purchaser is not Malco Refineries, Inc., but nevertheless Malco Refineries, Inc. has been ordered to purchase all the oil tendered to it from the Dayton-Abo Pool and from any other pools within an area which has no definitely ascertainable boundaries.

13. It is not a protection of correlative rights nor in the interest of conservation and consequently not within the jurisdiction of the Commission to impose ratable taking under

these circumstances and to thereby bring about purchaser pro-
ration from the area concerned which will affect other pro-
ducers not before the Commission in this action and will per-
mit and give undue advantage to other producers within the
same pool as those pro rated which have other means of dis-
posing of their production.

WHEREFORE, the Applicant for rehearing respectfully moves
the Commission to grant a rehearing in this action and to re-
voke and set aside its Order No. R-1363 heretofore entered.


Respectfully submitted,

MALCO REFINERIES, INC.

BY:

SETH, MONTGOMERY, FEDERICI & ANDREWS

BY:


Its Attorneys

DOCKET: REGULAR HEARING MAY 13, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE:
- (1) Consideration of the oil allowable for June, 1959.
 - (2) Consideration of the allowable production of gas for June, 1959, for six prorated pools in Lea County, New Mexico, and also presentation of purchasers' nominations for the six-month period beginning July 1, 1959; consideration of the allowable production of gas for seven prorated pools in San Juan and Rio Arriba Counties, New Mexico, for June, 1959.

CONTINUED CASES AND REHEARING

CASE 1615: (Rehearing)

In the matter of the rehearing requested by Malco Refineries, Inc. for reconsideration by the Commission of Case No. 1615, Order R-1363. Case 1615 was an application by Stanley Jones, et al, for an order requiring Malco Refineries, Inc. to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act. Case 1615 culminated in the entry of Order No. R-1363 which required Malco Refineries, Inc. to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

CASE 1522: Application of General Petroleum, Inc., for an amendment to Order No. R-1299. Applicant, in the above-styled cause, seeks an order amending Order No. R-1299 to provide that any merchantable oil recovered from sediment oil shall not be charged against the allowable for wells on the originating lease, which amendment would revise Rule 311.

CASE 1635: Application of Mapenza Oil Company for an exception to the requirements of Order No. R-1224-A. Applicant, in the above-styled cause, seeks an order authorizing an exception to the salt water disposal requirements of Order No. R-1224-A for its State No. 1-A Well, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 37 East, Hobbs Pool, Lea County, New Mexico.

NEW CASES

CASE 278: Application of Farm Chemical Resources Development Corporation and National Potash Company for an extension of the Potash-Oil Area as set forth in Order R-111-A. Applicants, in the above-styled cause, seek an order extending the Potash-Oil Area as defined in Order R-111-A to include additional acreage in Townships 19, 20, and 21 South, Ranges 29, 31, and 32 East, Lea and Eddy Counties, New Mexico.

CASE 1668: Application of Phillips Petroleum Company for an order promulgating temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool and certain adjacent acreage in Lea County, New Mexico, to provide for 80-acre spacing units and well location requirements, and such other provisions as the Commission deems necessary.

CASE 1669: Application of Pan American Petroleum Corporation for the promulgation of temporary special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to provide for 320-acre spacing units and for well location requirements.

CASE 1670: Southeastern New Mexico nomenclature case calling for an order creating new pools, deleting a portion of a pool, and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

(a) Create a new oil pool for Queen production, designated as the Chisum-Queen Oil Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 16: SW/4

Section 21: N/2

(b) Create a new gas pool for Yates production, designated as the Chisum-Yates Gas Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 13: SE/4

(c) Create a new oil pool for Delaware production, designated as the Loving-Delaware Oil Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM

Section 1: SW/4

(d) Create a new oil pool for San Andres production, designated as the Prairie-San Andres Oil Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 8: SW/4

(e) Delete a portion of the Square Lake Oil Pool described as:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 3: W/2 NW/4

(f) Extend the Cave Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 3: W/2 NW/4

(g) Extend the Allison-Pennsylvanian Oil Pool to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 14: NW/4

Section 15: NE/4

(h) Extend the Crosby-Devonian Gas Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 21: SW/4

- (i) Extend the Dean Permo-Pennsylvanian Pool to include:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 4: Lots 3, 4, 5, & 6

- (j) Extend the Empire-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 2: NE/4
Section 3: SW/4

- (k) Extend the Eumont Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 29

- (l) Extend the Gladiola-Wolfcamp Pool to include:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4

- (m) Extend the Jalmat Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 2: SW/4

- (n) Extend the Justis Blinebry Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 24: NW/4

- (o) Extend the Justis Fusselman Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

- (p) Extend the Justis McKee Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: NE/4

- (q) Extend the Leamex-Pennsylvanian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

- (r) Extend the Maljamar Pool to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 13: SE/4

- (s) Extend the North Mason-Delaware Pool to include:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 18: NE/4

- (t) Extend the East Millman Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 12: SE/4

- (u) Extend the Milnesand-San Andres Pool to include:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 14: E/2

- (v) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

- (w) Extend the Saunders Pool to include:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4
Section 29: SE/4

- (x) Extend the South Sawyer-San Andres Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 28: SW/4 SW/4
Section 33: W/2 NW/4

- (y) Extend the Shugart Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 25: W/2 SW/4
Section 26: SE/4

- (z) Extend the North Shugart Queen-Grayburg Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 32: W/2
Section 29: SW/4

- (aa) Extend the Shugart-Delaware Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: NW/4

- (bb) Extend the Square Lake Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 9: S/2

- (cc) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/4

CASE 1671:

Northwestern v Mexico nomenclature case calling for an order extending existing pools in San Juan, Sandoval and Rio Arriba Counties, New Mexico.

- (a) Extend the Ballard-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 17: All
Section 18: All
Section 20: All
Section 28: W/2
Section 29: N/2
Section 33: N/2
Section 34: N/2 & SE/4
Section 35: SW/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 11: SE/4
Sections 12 thru 15 inclusive: All
Section 19: N/2

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 21: NW/4

- (b) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 6: W/2
Section 19: W/2
Section 30: NW/4

- (c) Extend the Chimney Rock-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 5: SE/4 SE/4
Section 9: NE/4 NE/4

- (d) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 4: W/2 SW/4
Section 6: NE/4 NE/4
Section 10: N/2 SW/4 & SE/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 19: N/2 SE/4
Section 20: S/2 SW/4
Section 29: W/2 NE/4
Section 33: NW/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 23: NE/4 SE/4
Section 24: NW/4

- (e) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM

Section 26: N/2 NE/4
Section 34: NE/4 & NW/4 SE/4

- (f) Extend the Angels Peak-Dakota Pool to include:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 26: SW/4
Section 35: NW/4

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 27, 1959

Mr. Oliver Seth
Seth, Montgomery, Federici & Andrews
P.O. Box 828
Santa Fe, New Mexico

Dear Mr. Seth:

On behalf of your client, Malco Refineries, Inc., we enclose two copies of Order R-1363-A, Order of the Commission for Rehearing, issued April 27, 1959, by the Oil Conservation Commission.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

*Mailed
Rocket
5-1-59
APR*

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. 1615
Order No. R-1363-A

APPLICATION OF STANLEY JONES, ET AL,
FOR AN ORDER REQUIRING MALCO REFINERIES,
INC., TO PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION FOR REHEARING

BY THE COMMISSION:

This cause came on for consideration upon the petition of
Malco Refineries, Inc., for a rehearing in Case No. 1615, Order No.
R-1363, heretofore entered by the Commission on April 2, 1959.

NOW, on this 27th day of April, 1959, the Commission,
a quorum being present, having considered the petition,

HEREBY ORDERS:

That the above-styled cause be reopened and a rehearing
be held at 9 o'clock a.m., on May 13, 1959, at Mabry Hall, State
Capitol, Santa Fe, New Mexico.

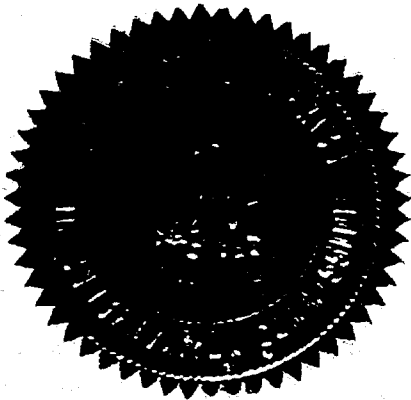
IT IS FURTHER ORDERED:

That the rehearing shall be limited to the issues raised in
the petition for rehearing.

IT IS FURTHER ORDERED:

That Order No. R-1363 shall remain in full force and effect
pending the issuance of any further order in this case.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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