

of which is certain oil lands in  
Charles & Eddy Counties (formerly own-  
ed by MALCOLM REFINERIES, INC.)

5-14-59

Deceased

Casa No.

1672

---

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE No. 1672  
Order No. R-1929

IN THE MATTER CONCERNING PURCHASER  
PRORATIONING BY CONTINENTAL OIL  
COMPANY OF WELLS IN CERTAIN OIL  
POOLS IN CHAVES AND EDDY COUNTIES,  
NEW MEXICO, WHICH WELLS ARE CONNECTED  
TO THE SYSTEM FORMERLY OWNED BY MALCO  
REFINERIES, INC.

ORDER OF THE COMMISSION

BY THE COMMISSION:

NOW, on this 3rd day of April, 1961, the Oil Conservation  
Commission of New Mexico, a quorum being present,

FINDS:

That this matter, having become moot, should be dismissed.

IT IS THEREFORE ORDERED:

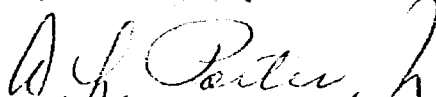
That Case No. 1672 is hereby dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman

  
E. S. WALKER, Member  
A. L. PORTER, JR., Member & Secretary

esr/

## CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

## SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

1220  
(R 11-54)

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

LA146 SSB408

L RWA076= PD=WUX ROSWELL NMEX 29: 327 PMM= 1959 APR 29 PM 3 45

A L PORTER JR=

SECRETARY- DIRECTOR NEW MEXICO OIL CONSERVATION  
COMMISSION SANTA FE NMEX=

EFFECTIVE MAY 1, 1959 CONTINENTAL OIL COMPANY WILL TAKE OVER MALCO REFINERIES INC PIPELINE AND REFINING FACILITIES. AT THIS TIME MALCO'S REFINERY IS SHUT DOWN FOR SPRING TURN-AROUND AND UNDER EMERGENCY ORDER E-16 MALCO IS PRESENTLY PRORATING ITS LEASE PURCHASES IN CHAVES AND EDDY COUNTIES, NEW MEXICO. IT IS ESTIMATED THAT THE REFINERY WILL CONTINUE TO BE OFF STREAM FOR APPROXIMATELY THE FIRST FIFTEEN DAYS IN MAY. THERE IS NOT SUFFICIENT STORAGE CAPACITY TO PERMIT CONTINENTAL PURCHASING ALL OF THE OIL PRODUCED FROM THE LEASES CONNECTED TO THE FORMER MALCO PIPELINE SYSTEM DURING THIS SHUT-DOWN PERIOD. THEREFORE, IT WILL BE NECESSARY FOR CONTINENTAL TO PRORATE LEASE PURCHASES IN CHAVES AND EDDY COUNTIES, NEW MEXICO ON THE FORMER MALCO PIPELINE SYSTEM DURING THE AFOREMENTIONED SHUT-DOWN PERIOD. THERE WILL BE NO EXCHANGE OF OIL BETWEEN CONTINENTAL PIPELINE AND THE FORMER MALCO PIPELINE SYSTEM DURING THE SHUT-DOWN PERIOD. WE WOULD APPRECIATE YOUR ISSUING AN EMERGENCY ORDER TO GIVE EFFECT TO THE ABOVE=  
N G PAYNE CONTINENTAL OIL COMPANY PONCA CITY OKLA=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

No. 19-59

DOCKET: SPECIAL COMMISSION HEARING MAY 14, 1959

OIL CONSERVATION COMMISSION, 1120 Cerrillos Road, Highway Department  
Auditorium, 9 a.m., Santa Fe, New Mexico

CASE 1672:

In the matter concerning purchaser prorationing by Continental Oil Company of wells in certain oil pools in Chaves and Eddy Counties, New Mexico, which are connected to the system formerly owned by Malco Refineries, Inc.

*Dismissed*

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 1, 1959

Continental Oil Company  
Ponca City, Oklahoma

Attention: Mr. F. E. Butterfield

Gentlemen:

Enclosed is a copy of Emergency Order E-17  
issued May 1, 1959, by the Oil Conservation Commission.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

1r

Enclosure

*Docket mailed  
5-1-59  
Copies mailed to  
OCC Tulsa & Artesia & to Mialao (Mr. Payne)  
Ronald -*

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

April 27, 1959

Mr. W. B. McCombs  
Malco Refineries, Inc.  
P.O. Box 660  
Roswell, New Mexico

Dear Mr. McCombs:

Enclosed are two copies of Emergency Order No. E-16 issued  
April 27, 1959, by the Oil Conservation Commission.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

C  
O  
P  
Y

*Archived  
Mailed  
5-1-59  
R*

**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

**IN THE MATTER CONCERNING PURCHASER  
PRORATIONING BY CONTINENTAL OIL  
COMPANY OF WELLS IN CERTAIN OIL  
POOLS IN CHAVES AND EDDY COUNTIES,  
NEW MEXICO, WHICH WELLS ARE CONNECTED  
TO THE SYSTEM FORMERLY OWNED BY MALCO  
REFINERIES, INC.**

**EMERGENCY ORDER NO. E-17**

NOW, on this 1st day of May, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Continental Oil Company for an emergency order and being fully advised in the premises,

**FINDS:**

(1) That Continental Oil Company has purchased from Malco Refineries, Inc., the latter's refinery and gathering and transportation system in Chaves and Eddy Counties, New Mexico.

(2) That an emergency order, necessitated by a refinery turn-around and lack of storage capacity, was granted to Malco Refineries, Inc., on April 27, 1959, allowing Malco to prorate its purchases in Chaves and Eddy Counties, New Mexico.

(3) That the emergency which required the promulgation of the emergency order for Malco Refineries, Inc., on April 27, 1959, still exists for Continental Oil Company, successor in interest to Malco Refineries, Inc.

(4) That accordingly Continental Oil Company should be granted an emergency order authorizing it to prorate the purchase of oil authorized to be produced from the proration units which are connected to the system formerly operated by Malco Refineries, Inc.

(5) That Continental Oil Company should be required to make its reductions in purchases of oil proportionately among all proration units from which Malco Refineries, Inc., formerly made its purchases; provided however, that Continental Oil Company should not be allowed to reduce its purchases from these proration units to an amount less than 10 barrels daily, provided the unit is capable of producing same.

(6) That in order to preclude premature abandonment, Continental Oil Company should be required to make 100 percent purchases from proration units with a daily oil production of 10 barrels or less.



Emergency Order No. E-17

(7) That Continental Oil Company should be required to make 100 percent purchases from all proration units located in a water flood project authorized by the Commission.

IT IS THEREFORE ORDERED:

(1) That Continental Oil Company be and the same is hereby authorized to reduce its purchases of oil in the State of New Mexico below the amount legally authorized to be produced from the proration units from which Malco Refineries, Inc., formerly purchased.

PROVIDED HOWEVER, That Continental Oil Company shall make the reduction in purchases of oil proportionately among all of said proration units.

PROVIDED FURTHER, That Continental Oil Company shall not reduce its purchases from any of said proration units to an amount less than 10 barrels daily, provided that the unit is capable of producing same.

PROVIDED FURTHER, That Continental Oil Company shall purchase 100 percent of the oil produced from any of said proration units which produce 10 barrels or less daily.

PROVIDED FURTHER, That Continental Oil Company shall purchase all of the oil produced from said proration units which are located in an authorized water flood project.

(2) That the effective date of this order is 7 o'clock a.m., Mountain Standard Time, May 1, 1959.

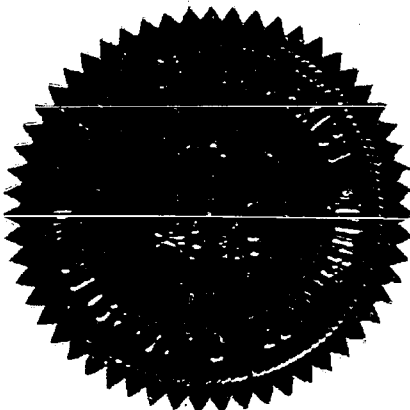
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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



ir/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING PURCHASER  
PRORATIONING BY MALCO REFINERIES,  
INC., IN CERTAIN OIL POOLS IN CHAVES  
AND EDDY COUNTIES, NEW MEXICO.

EMERGENCY ORDER NO. E-16

NOW, on this 27th day of April, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Malco Refineries, Inc., for an emergency order and being fully advised in the premises,

FINDS:

(1) That an emergency exists which requires the promulgation of an order by the Commission without notice and hearing.

(2) That due to a refinery turn-around and lack of storage capacity, for an indefinite period Malco Refineries, Inc., will be unable to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

(3) That Malco Refineries, Inc., should be required to make its reductions in purchases of oil proportionately among all proration units from which it purchases; provided however, that in order to preclude premature abandonment, Malco Refineries, Inc., should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.

(4) That Malco Refineries, Inc., should be required to make 100 percent purchases from all wells located in a water flood project authorized by the Commission.

IT IS THEREFORE ORDERED:

1. That Malco Refineries, Inc., be and the same is hereby authorized to reduce its purchases of oil in the State of New Mexico below the amount legally authorized to be produced from the wells from which it purchases.

PROVIDED HOWEVER, That Malco Refineries, Inc., shall make the reduction in purchases of oil proportionately among all of said wells.

PROVIDED FURTHER, That Malco Refineries, Inc. shall not reduce its purchases from any proration unit to an amount less than 10 barrels daily, provided that the unit is capable of producing same.

PROVIDED FURTHER, That Malco Refineries, Inc. shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

-2-

Emergency Order No. E-16

PROVIDED FURTHER, That Malco Refineries, Inc., shall purchase all of the oil produced from wells located in an authorized water flood project.

(2) That the effective date of this order is 7 o'clock a.m., Mountain Standard Time, April 27, 1952.

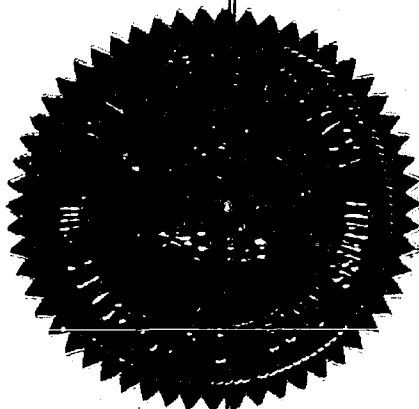
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughes*  
JOHN BURROUGES, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



ir/