

Case No.

1749

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:  
CASE 1749

TRANSCRIPT OF HEARING

AUGUST 13, 1959 .

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

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

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IN THE MATTER OF:  
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CASE 1749 In the matter concerning purchaser prorationing:  
by Indiana Oil Purchasing Company in certain :  
oil pools in Lea County, New Mexico, which pro-:  
rationing is necessitated by refinery strikes. :  
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BEFORE:

A. L. Porter  
Murray Morgan

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: Consider next Case 1749.

MR. PAYNE: Case 1749. In the matter concerning purchaser prorationing by Indiana Oil Purchasing Company in certain oil pools in Lea County, New Mexico, which prorationing is necessitated by refinery strikes.

MR. KELLAHIN: If the Commission please, Jason Kellahin of Kellahin & Fox, Santa Fe, representing Indiana Oil Purchasing Company. I have associated with me Mr. P. W. Perryman, who will handle the case.

MR. PERRYMAN: Gentlemen, my name is P. W. Perryman. I'm attorney for the Indiana Purchasing Company. As you undoubtedly know, five refineries of the Standard Oil Company of Indiana

and affiliates having a total capacity of approximately 545,650 barrels went on strike during July and August. Since we supply these refineries with crude oil, these strikes necessitated a drastic change in our purchasing activities. Due to the excellent cooperation of other companies in the industry and with the ability of some of the refineries to operate under reduced basis with supervisory personnel, we were able to forestall purchaser prorations until August the 1st, 1959. We advised you by wire on July 31st that effective as of August 1st, 1959 and until further notice, we were forced to curtail our purchases of crude oil from leases in New Mexico to 80 percent of the August allowables with no reductions in our purchasers from any well to less than 10 barrels per day. You promptly advised us that an emergency order had been issued providing for 100 percent takes from water floods and from wells that make 10 barrels or less daily, in that no well shall be cut below 10 barrels a day if it is capable of making that amount. The hearing on this matter was set for today, and I have Mr. D. A. East, our general manager, with me, who will be sworn in. Try to answer any questions the Commission may have.

(Witness sworn)

D. A. EAST,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. PERRYMAN:

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTING  
ALBUQUERQUE, NEW MEXICO  
phone CHapel 3-6691

Q Would you please state your name?

A D. A. East.

Q What is your address, Mr. East?

A Tulsa, Oklahoma.

Q And what is your business?

A I am general manager of the Indiana Oil Purchasing Company, Tulsa.

Q How long have you been general manager of the Indiana Oil Purchasing Company and its predecessors, Sandolin?

A About eleven years.

Q What is Indiana Oil Purchasing Company's business?

A The business of buying and selling crude oil.

Q In other words, it does not refine any crude oil or have any --

A It does not.

Q As general manager, you are familiar with Indiana Oil Purchasing Company's markets for the disposition of this crude that it buys?

A I am.

Q Will you briefly tell the Commission the status of these markets?

A I have a short statement here that probably will give a better story. On July the 1st, 1959 American Oil Company Refinery at Texas City, Texas and El Dorado, Arkansas were shut down by strikes. Crude for these refineries and those of Stand-

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ard Oil Company (Indiana) are supplied by The Indiana Oil Purchasing Company. On July 8, 1959, operations at Standard Oil Company (Indiana) refinery at Sugar Creek, Missouri were discontinued for reason of strike. On July 28, Standard's largest refinery at Whiting, Indiana was shut down by strike. On August 5 Standard's Wood River refinery was also shut down by strike.

The overall refinery requirements of Standard and American were thus reduced by about 35 percent during the month of July. It was necessary as the result of this reduction to increase our inventory of crude oil about 2.5 million barrels during the month of July since we put in no purchaser prorationing in New Mexico and most other areas in July. The only areas prorated were in Louisiana, Arkansas and the Texas Gulf Coast.

During August it was necessary to prorate purchases to 80 percent of allowable or of June actual purchases in most areas where we purchase. This crude was delivered to the struck refineries which are running between 25 and 50 percent of capacity with supervisory personnel. A portion of this oil was resold to other companies.

The 80 percent proration in the State of New Mexico during August reduced our -- will reduce our purchases approximately 5,000 barrels daily, or less than 10 percent with a 100 percent allowable purchases.

MR. PERRYMAN: Do you gentlemen have any questions?

MR. PORTER: Does anyone have a question of Mr. East?

MR. PAYNE: Yes, sir.

MR. PORTER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. East, are you reducing your purchases by 20 percent in the other states in which you purchase?

A We are reducing our purchasing by 20 percent where we are not able to dispose of all the oil by sale or by delivery to these struck refineries or to available tank farm storage that can receive the oil.

Q What is your total oil storage capacity?

A Oh, the total oil storage capacity is probably in the neighborhood of about 25,000,000 barrels.

Q And how much do you have in storage at the present time?

A At the present time 21,000,000 or 22,000,000 barrels in storage. I am quoting these figures by memory, I don't have them before me.

Q Do you propose to continue purchasing 80 percent?

A That is difficult to say. Depending, of course, upon the ability of these refineries that we supply with crude to continue on their present operation. At least during the month of August we would be forced to prorate to 80 percent.

Q You do intend to continue purchasing 100 percent from fields -- from pools which are authorized water floods in New

Mexico?

A That is correct.

Q And do you propose to continue purchasing not less than 10 barrels from wells which are capable of making that amount?

A Yes, sir.

Q And to produce 100 percent from wells which make 10 barrels or less daily?

A That is correct, sir.

Q You have no idea when these strikes may be ended?

A No, sir, I do not.

Q Would you notify the Commission immediately when each of the particular strikes are settled?

A We will be glad to do that.

MR. PAYNE: That's all. Thank you.

QUESTIONS BY MR. MORGAN:

Q Mr. East, did you bring out in your testimony -- if you did, I overlooked it -- what percentage of your total outlets that these five refineries represent?

A I can quote you some figures here and by deduction give you a number. The total capacity of all American and Standard refineries, 732,600 barrels a day. Now, originally during July, scheduled runs through the refineries was 628,800 barrels a day. Now, the average July runs through these refineries after these strikes were instigated at certain plants was 418,000 barrels a day. During August the original schedules for these plants

were 690,000 barrels a day, and on the basis of the latest information we have from these plants, the average August runs will be 398,000 barrels a day or some 300,000 barrels a day below the original August schedule runs. Now, included in those plants that are not on strike are these capacities: Neodesha, Kansas, 24,000 barrels per day; Mandan, North Dakota, 40,000 barrels per day; at Casper, Wyoming, 21,000 barrels per day; at Yorktown, Virginia, 36,000 barrels per day; Baltimore, Maryland, 10,000 barrels per day, and Savannah, Georgia, 78,000. So, out of a total capacity of 732,000 barrels, approximately 535,000 to 540,000 barrels a day are affected. Presently they are running at these plants in the neighborhood of 35 to 45 percent of their capacity with supervisory personnel.

Q Then, you are either diverting some of the oil to other refineries not on strike or else putting it in storage?

A We went into storage during the month of July in the neighborhood of some two and a half million barrels in addition to the excellent cooperation that we got from other refineries and purchasers. We were able to dispose of some 190,000 barrels per day in July -- I mean in August. At the end of August our available storage for New Mexico will be practically full. At the present time we have two tank farms that are completely full.

Q Will the completion of this service pipeline out of the Empire-Abo add to your complications if it is completed before your strikes are settled?

A Yes, sir, it will to this extent, that if and when that line is completed and we start purchasing oil, our intention is to purchase 80 percent of the allowable set for the field.

Q You are going to continue that regardless of the strikes?

A In the month of August, of course, the strikes may be settled. In that case, we will have to determine what we may be able to purchase due to our inventory levels.

Q Actually, the 20 percent represents less than the total outlet as represented by these five plants on strike, is that correct?

A Yes, sir. We have sold quite a lot of oil and otherwise we would have had to prorate much more critically.

QUESTIONS BY MR. PAYNE:

Q Mr. East, what is the target date for completion of the pipeline in the Empire-Abo?

A I believe it is around the 1st of September.

Q These strikes -- you have not postponed or curtailed the installation of this line?

A No. That, of course, is being built by an affiliate of ours, Service Pipeline. As far as I know, they are proceeding.

MR. PAYNE: Thank you.

QUESTIONS BY MR. PORTER:

Q Mr. East, you state that if these conditions continue

throughout the month of August, that your available storage for New Mexico produced crude would be practically non-existent?

A Let me put it this way, Mr. Porter. Most of the New Mexico oil that we purchase is processed at the plant at Sugar Creek, which is now on strike. Out of capacity of 80,000 barrels daily at Sugar Creek, they are running at the moment during August 21,300 barrels a day.

Q They are actually curtailed about --

A Seventy-five percent. Now, of course, what we would have to do if this thing continues is to curtail our purchases even more because we really don't have any place to go with the oil, that volume, and we have tank farms scattered all over the country; some of them are not available to store oil produced in the Southwest. In fact, one of the biggest tank farms is in Casper, Wyoming, which is not available for the use of storage of this oil.

Q What date did you give for the shutdown or the strike? It wasn't a shutdown, as I understand it, of your Sugar Creek refinery. When did they go out on strike?

A July 8th.

Q July 8th?

A Yes.

Q And how much did you curtail your refinery, your runs there at that time, to the present level of 21,000?

A The original schedule in July for Sugar Creek plant

was 78,000 barrels daily. After the strike, the average runs for the month of July -- they were running at full till up until the 8th -- the average runs were 33,880 barrels, or less than 50 percent of scheduled runs.

Q That includes full capacity during the first eight days?

A That's right, first seven days.

MR. PORTER: Does anyone have any questions of Mr. East?

MR. CAMPBELL: Jack M. Campbell, Roswell, New Mexico.

I have one question on behalf of the Independent Producers and Royalty Owners Association of New Mexico.

QUESTIONS BY MR. CAMPBELL:

Q Mr. East, I am a little confused between Mr. Nutter's comment and your testimony. Do I understand correctly that you are taking and plan to take during August a 20 percent reduction from allowables for the month of August --

A That is correct.

Q -- rather than any reference to your actual takes during any prior months?

A That is correct.

Q So that if you have wells that are not capable of producing your allowable, your impact on the New Mexico production will be less than if you were tying it to prior production?

A That is correct. I might quote some figures here. The fields in the State of New Mexico from which we purchase have

an allowable of 59,510 barrels per day in August, and our estimated normal purchasers are purchasing all of the allowable, 52,480 barrels per day, which is 7,000 barrels less than the allowable production, and as I understand, it is due to some of these fields not being able to make their allowable. Now, 80 percent of their August allowable, we will be purchasing 47,176 barrels daily or 5,304 barrels less than our estimated normal purchases during the month.

MR. PORTER: Anyone else have a question of Mr. East?

QUESTIONS BY MR. PAYNE:

Q Mr. East, are you going to tie your purchaser prorationing to the August allowable --

A Yes, sir.

Q -- rather than what the allowable might be set for in September?

A That is correct. We have some basis to proceed on.

MR. PORTER: Any further questions? The witness may be excused.

(Witness excused)

MR. PORTER: Anyone have anything further to offer in this case? Nothing further, we can take the case under advisement.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

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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 25<sup>th</sup> day of August, 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 & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
Phone CHapel 3-6691

**CLASS OF SERVICE**

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# WESTERN UNION

## TELEGRAM

**SYMBOLS**

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

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

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K TUA 300 FAX TULSA OKLA 20 1135AMC=  
A L PORTER, SUPERVISOR AND PRORATION MGR=  
NEW MEXICO OIL AND GAS COMMISSION SANTA FE NMEX=

YOU WERE PREVIOUSLY ADVISED THAT DUE TO REFINERY STRIKES  
OF OUR CUSTOMERS IT WOULD BE NECESSARY THAT WE PRORATE  
OUR PURCHASES EFFECTIVE AUGUST 1, 1959 UNTIL FURTHER  
NOTICE. CHANGES IN OUR SUPPLY PICTURE NOW PERMIT US TO  
DISCONTINUE THE CURTLEMENT OF OUR PURCHASES AND YOU MAY  
DISREGARD PREVIOUS ADVICES TO YOU=  
R F PIELSTICKER INDIANA OIL PURCHASING CO==

1 1959.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 18, 1959

Mr. Jason Kellahin  
Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of of your client, Indiana Oil Purchasing  
Company, we enclose two copies of Order No. R-1469  
in Case 1749 issued by the Oil Conservation Commission  
on August 14, 1959.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

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Enclosures

*Copies Sent to All  
District Offices*

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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. 1749  
Order No. R-1469

APPLICATION OF INDIANA OIL  
PURCHASING COMPANY FOR AN ORDER  
AUTHORIZING IT TO PRORATE ITS  
OIL PURCHASES IN NEW MEXICO DUE  
TO REFINERY STRIKES

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 13, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 14<sup>th</sup> day of August, 1959, 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 due to refinery strikes and resulting lack of sufficient storage capacity, Indiana Oil Purchasing Company will be unable, for an indefinite period of time, to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

(3) That Indiana Oil Purchasing Company should be allowed to reduce its purchases from proration units in New Mexico to an amount not less than 80 percent of the August allowable for such proration units; provided, however, that Indiana Oil Purchasing Company should be required to make 100 percent purchases from all wells from which it purchases in Commission-authorized water flood projects; provided further, that Indiana Oil Purchasing Company should be required to purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily; provided further, that Indiana Oil Purchasing Company should not be allowed to reduce its purchases from any proration unit to an amount less than 10 barrels daily providing the unit is capable of producing that amount.

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Case No. 1749  
Order No. R-1462

IT IS THEREFORE ORDERED:

(1) That Indiana Oil Purchasing Company be and the same is hereby authorized to reduce its purchases from proration units in New Mexico to an amount not less than 80 percent of the August allowable for such proration units.

PROVIDED HOWEVER, That Indiana Oil Purchasing Company 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 that amount.

PROVIDED FURTHER, That Indiana Oil Purchasing Company shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

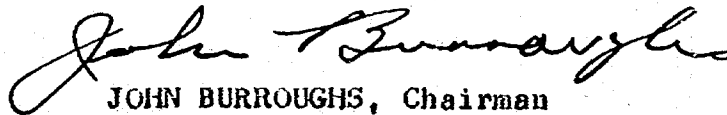
PROVIDED FURTHER, That Indiana Oil Purchasing Company shall purchase all of the oil produced from wells in Commission-authorized water flood projects from which it purchases.

(2) That the effective date of this order is 7 o'clock a.m., Mountain Standard Time, August 15, 1959.

(3) That if purchaser prorationing is still in effect on September 16, 1959, Indiana Oil Purchasing Company shall appear at the regular Commission hearing on that date and advise the Commission as to why continued purchaser prorationing is necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING PURCHASER  
PRORATIONING BY INDIANA OIL PURCHASING  
COMPANY IN CERTAIN OIL POOLS IN LEA  
COUNTY, NEW MEXICO

EMERGENCY ORDER NO. E-21

NOW, on this 1st. day of August, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Indiana Oil Purchasing Company 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 refinery strikes and resulting lack of sufficient storage capacity, Indiana Oil Purchasing Company will be unable, for an indefinite period of time, to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

(3) That Indiana Oil Purchasing Company should be required to purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

(4) That Indiana Oil Purchasing Company should not be allowed to reduce its purchases from any proration unit to an amount less than 10 barrels daily, provided the unit is capable of producing same.

(5) That Indiana Oil Purchasing Company should be required to make 100 percent purchases from all wells located in a water flood project authorized by the Commission from which it purchases.

IT IS THEREFORE ORDERED:

(1) That Indiana Oil Purchasing 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 wells from which it purchases.

PROVIDED HOWEVER, That Indiana Oil Purchasing Company 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 Indiana Oil Purchasing Company shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

-2-  
Emergency Order No. E-21

PROVIDED FURTHER, That Indiana Oil Purchasing Company shall purchase all of the oil produced from wells in water flood projects authorized by the Commission from which it purchases.

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

(3) That Indiana Oil Purchasing Company should appear and show cause at the regular Commission hearing on August 13, 1959, why continued purchaser prorationing is necessary.

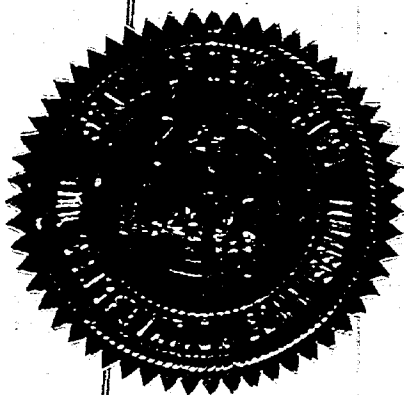
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John T. Burroughs*  
JOHN BURROUGHS, Chairman

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

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



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

August 3, 1959

Mr. P. F. Pielsticker  
Indiana Oil Purchasing Company  
P. O. Box 591  
Tulsa, Oklahoma

Dear Mr. Pielsticker:

We enclose herewith a copy of Emergency Order No. E-21  
issued by the Oil Conservation Commission on August 1,  
1959.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosure

*copy sent  
to Mr. & Mrs. Pielsticker  
- 11/1/59*

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

Supplement to Docket No. 29-59

CASE 1737:

(k)

Extend the Justis-Ellenburger Pool in Lea County, New Mexico,  
to include therein:

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
Section 30: NW/4

DOCKET: REGULAR HEARING AUGUST 13, 1959

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

- Allowable: (1) Consideration of the oil allowable for September, 1959.
- (2) Consideration of the allowable production of gas for September, 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.

CASE 1668:

(Rehearing)

In the matter of the rehearing requested by Phillips Petroleum Company for reconsideration by the Commission of Case No. 1668 which was an application for 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 proration units. The rehearing will be limited to a brief and argument on the legal propositions raised in the petition for rehearing and their application to the facts heretofore presented in said case.

NEW CASES

CASE 278:

Application of Duval Sulphur and Potash Company for an extension of the Potash-Oil Area as set forth in Order R-111-A. Applicant, in the above-styled cause, seeks an order extending the Potash-Oil Area as defined in Order R-111-A, to include additional acreage in Townships 18, 22 and 23 South, Range 30 East, Eddy County, New Mexico.

CASE 278:

Application of United States Borax & Chemical Corporation for an extension of the potash-oil area as defined in Order No. R-111-A. Applicant, in the above-styled cause, seeks an extension of the potash-oil area as defined in Order No. R-111-A to include additional acreage in Townships 21 and 22 South, Ranges 29 and 30 East, NMFM, Eddy County, New Mexico.

CASE 1735:

Application of The Ohio Oil Company for an order promulgating special rules and regulations for the Bluit-Pennsylvanian Pool in Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations governing the drilling, spacing and production of wells in the Bluit-Pennsylvanian Pool in Roosevelt County, New Mexico, including the establishment of 80-acre spacing for wells in said pool. Applicant further seeks an exception from the proposed spacing requirements for a well to be drilled in the NE/4 of Section 20, Township 8 South, Range 37 East.

CASE 1736:

Application of Texas Crude Oil Company for 80-acre spacing for its State H N Well No. 1, producing from an undesignated Atoka pool and located 660 feet from the South line and 1982 feet from the West line of Section 16, Township 11 South, Range 33 East, Lea County, New Mexico.

CASE 1737:

Southeastern New Mexico nomenclature case calling for an order creating and extending existing pools in Eddy and Lea Counties, New Mexico.

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

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
Section 14: SE/4

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

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 30: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 5: NE/4

- (d) Create a new oil pool for Paddock production, designated as the North Paddock Pool, and described as:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 2: Lots 1-2-7-8

- (e) Create a new oil pool for Tansill production, designated as the Parallel-Tansill Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
Section 25: NW/4

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

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

- (g) Extend the Empire-Abo Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 3: NW/4

- (h) Extend the West Henshaw-Grayburg Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM  
Section 2: Lots 11-12-13-14

- (i) Extend the High Lonesome Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 13: NE/4 & SW/4  
Section 14: SE/4  
Section 15: SE/4

- (j) Extend the Justis Blinbry Pool to include therein:

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

- (l) Extend the Justis McKee Pool to include therein:

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM  
Section 30: NW/4

- (m) Extend the Langlie Mattix Pool to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 22: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 11: SE/4  
Section 15: SE/4

- (o) Extend the Pearl-Queen Pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 34: NW/4

- (p) Extend the North Red Lake Queen Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 34: NW/4

- (q) Extend the Shugart Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 34: NW/4

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

TOWNSHIP 9 SOUTH, RANGE 38 EAST  
Sections 20, 21, 28, and 29: All

Contract the South Sawyer-San Andres Pool to delete:

TOWNSHIP 9 SOUTH, RANGE 38 EAST  
Section 28: SW/4 SW/4

CASE 1733:

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

- (a) Extend the West Kutz-Fruitland Pool to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM  
Section 18: SW/4

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

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM  
Section 13: SW/4  
Section 24: N/2

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

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM  
Section 28: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 29: S/2

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM  
Section 2: N/2

- (d) Extend the Tapacito-Pictured Cliffs Pool to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Section 15: SW/4

- (e) Extend the Otero-Chacra Pool to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 29: E/2

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

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM  
Section 6: S/2

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM  
Section 1: SE/4

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

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM  
Section 19: NE/4 NE/4  
Section 20: N/2  
Section 21: N/2 & SE/4

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

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM  
Section 14: All  
Section 15: All  
Section 16: E/2  
Section 22: N/2  
Section 23: N/2 & SE/4  
Section 26: NE/4

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

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM  
Section 5: W/2 & SE/4  
Section 9: E/2 SE/4  
Section 11: N/2 SE/4 & SE/4 SE/4  
Section 13: W/2 NW/4 & NW/4 SW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM  
Section 20: SW/4 SE/4  
Section 34: NW/4 NW/4

-5-  
No. 29-59

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM  
Section 25: NE/4 NW/4 & N/2 SE/4

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

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM  
Section 2: NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM  
Section 27: NW/4 & N/2 SW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM  
Section 35: E/2  
Section 36: All

CASE 1749:

In the matter concerning purchaser prorationing by Indiana Oil Purchasing Company in certain oil pools in Lea County, New Mexico, which prorationing is necessitated by refinery strikes.

pj/

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

# WESTERN UNION TELEGRAM

1206 (4-53)

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
			Oil Conservation Commission	8:30

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

August 3, 1959

MR. R. F. PIELSTICKER  
INDIANA OIL PURCHASING COMPANY  
TULSA, OKLAHOMA

EMERGENCY ORDER ISSUED EFFECTIVE AUGUST 1, 1959, PROVIDING FOR 100 PERCENT TAKEN FROM WATER FLOOD AND FROM WELLS THAT MAKE 10 BARRELS OR LESS DAILY, AND THAT NO WELL SHALL BE CUT BELOW 10 BARRELS IF IT IS CAPABLE OF MAKING THAT AMOUNT.

THE MATTER WILL BE HEARD ON AUGUST 13, 1959.

A. L. PORTER, Jr.  
Secretary-Director

*Rocky*  
*Mailed*  
*8-3-59*  
*SP*

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

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.

LA201 KA389

K TUB321 LONG PD=FAX TULSA OKLA. 31 407 58C=

A L TORTER=

SUPERVISOR AND PRORATION MANAGER NEW MEXICO OIL  
AND GAS COMMISSION SANTA FE NMEX=  
EFFECTIVE AS OF 700 AM AUGUST 1 1959 AND UNTIL FURTHER  
NOTICE, DUE TO STRIKE DIFFICULTIES AT REFINERIES TO WHICH  
WE SELL CRUDE OIL, WE ARE FORCED TO CURTAIL OUR PURCHASES  
OF CRUDE OIL. WE WILL AS OF AUGUST 1, 1959, REDUCE OUR  
PURCHASES OF CRUDE OIL FROM LEASES IN NEW MEXICO TO  
EIGHTY PERCENT OF THE AUGUST ALLOWABLES. NO REDUCTION  
IN OUR PURCHASE FROM ANY WELL TO LESS THAN TEN B/D=  
R F PIELSTRICKER INDIANA OIL PURCHASING COMPANY=

700 1 1959 1 1959 B/D. 1

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE