

Entered September 28, 1955

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

ORDER NO. A-71 (A)

SUPPLEMENTAL STATEWIDE OIL PRORATION ORDER FOR
OCTOBER 1955

The Oil Conservation Commission held public hearing at Santa Fe, New Mexico on September 15, 1955, at 9 a.m., pursuant to legal notice for the purpose of setting the allowable production of oil within the State of New Mexico for the month of October, 1955, and during the course of such hearing, information and evidence was furnished to the Commission relative to the intention of Stanolind Oil Purchasing Company, through its subsidiary, Service Pipeline Company, to reduce the takes of crude oil from its connections in the State of New Mexico, effective September 1, 1955.

NOW, on this 27th day of September, 1955, the Commission, a quorum being present, having considered the evidence and testimony adduced and being fully advised in the premises,

FINDS:

(1) That following a fire at a refinery operated by Standard Oil Company of Indiana at Whiting, Indiana, in the latter part of August, 1955, the Stanolind Oil Purchasing Company, by telegram dated August 31, 1955, notified the Commission of its intention to reduce its normal take of crude oil from its connections in the State of New Mexico by 45%, commencing September 1, 1955, and continuing through October, 1955.

(2) That Stanolind Oil Purchasing Company, through its affiliate, Service Pipeline Company, purchases crude oil from wells located in Lea County, New Mexico, and that many of the wells to which Stanolind is connected are marginal wells.

(3) That under the provisions of Rule 503 (f) of the Commission's Rules and Regulations any operator affected by "pipeline prorationing" has the right to make application to the Commission for authorization to have any shortage or underproduction resulting from "pipeline prorationing" included in subsequent proration schedules, and that this right is limited to wells which are capable of producing top unit allowables.

(4) That marginal wells are not afforded the opportunity to make up any underproduction caused by "pipeline prorationing" due to the nature of their productive capacity.

(5) That Stanolind Oil Purchasing Company's proposal to reduce its take from all wells to 55% of the allowables assigned the wells during the month of October, 1955, will impair correlative rights and is conducive to waste.

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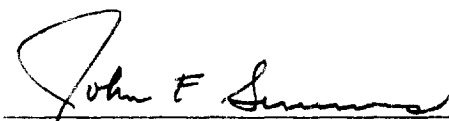
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IT IS THEREFORE ORDERED:

(1) That in the event of pipeline prorationing by any common purchaser, said common purchaser shall not reduce its take from any marginal proration unit to which an allowable has been assigned under the terms and provisions of Order No. A-71.

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


STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

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