

Entered July 5, 1957
A.L.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING
PURCHASER PRORATIONING BY
MAGNOLIA PETROLEUM COMPANY
IN CERTAIN OIL POOLS IN LEA,
EDDY, CHAVES AND ROOSEVELT
COUNTIES, NEW MEXICO.

CASE NO. 1273
Order No. R-1019

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on June 28, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this the 28th day of June, 1957, the Commission, a quorum being present, having considered the evidence adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
2. That commencing June 12, 1957, Magnolia Petroleum Company will, for a period of time, 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 on June 13, 1957, the Commission entered Emergency Order No. A-91 (B) prescribing the manner in which Magnolia Petroleum Company should prorate its purchases of oil in the State of New Mexico during the existence of said emergency order.
4. That Magnolia Petroleum Company 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, Magnolia Petroleum Company should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.

IT IS THEREFORE ORDERED:

- (1) That in the event Magnolia Petroleum Company finds it necessary 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 during the effective period of this order, then Magnolia Petroleum Company shall make the reductions in purchases of oil proportionately among all of said wells.

-2-

Case No. 1273

Order No. R-1019

PROVIDED HOWEVER, That Magnolia Petroleum Company shall not reduce its purchases from any proration unit to an amount less than 10 barrels daily, provided the unit is capable of producing same.

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

(2) The provisions of this order are effective on June 28, 1957, and will remain in effect until such time as Magnolia Petroleum Company resumes 100 percent purchases of all oil legally produced from its lease connections in the State of New Mexico.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

S E A L

ga/