

Entered August 19, 1957  
A.L.R.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 1299  
Order No. R-1037

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on August 15, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 16<sup>th</sup> day of August, 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 August 1, 1957, Gulf Oil Corporation 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 August 1, 1957, the Commission entered Emergency Order No. A-93-A prescribing the manner in which Gulf Oil Corporation should prorate its purchases of oil in the State of New Mexico during the existence of said Emergency Order.
4. That Gulf Oil Corporation 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, Gulf Oil Corporation should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.
5. That in order to prevent underground waste, Gulf Oil Corporation, should be required to make 100 percent purchases from all wells located in a water flood project authorized by the Commission.
6. That Gulf Oil Corporation should appear and show cause at the Commission regular hearing on September 18, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

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IT IS THEREFORE ORDERED:

(1) That in the event Gulf Oil Corporation 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 Gulf Oil Corporation shall make the reductions in purchases of oil proportionately among all of said wells.

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

PROVIDED FURTHER, That Gulf Oil Corporation, shall purchase all of the oil produced from wells located in an authorized water flood project.

(2) That Gulf Oil Corporation shall appear and show cause at the Commission regular hearing on September 18, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

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



MURRAY E. MORGAN, Member



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

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