

*Entered February 26, 1959*  
*A.H.P.*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1603  
Order No. R-1339

APPLICATION OF GULF OIL CORPORATION  
FOR AN ORDER AUTHORIZING IT TO PRORATE  
THE PURCHASE OF SOUR CRUDES ONLY FROM  
TWENTY-FIVE POOLS IN LEA AND EDDY  
COUNTIES, NEW MEXICO, DUE TO A REFINERY  
STRIKE.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 18, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 18th day of February, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced 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 Gulf Oil Corporation's refinery at Port Arthur, Texas, is now closed due to a refinery strike, and that facilities to receive and store the normal production of oil during said strike are limited.

(3) That the sweet and semi-sweet crudes which Gulf purchases in New Mexico, other than those which produce into its sour crude oil stream, can be diverted to other Gulf refineries, but these refineries are not equipped to handle sour crudes.

(4) That the aforesaid strike necessitates temporary purchaser prorationing by Gulf Oil Corporation of sour crudes from New Mexico, as well as from Texas and Alabama.

(5) That the applicant seeks this order to prorate only sour crude purchases under the provisions of Section 65-3-15 (c), NMSA, 1953 Comp.

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(6) That on a temporary basis Gulf Oil Corporation should be allowed to prorate its purchases of crude from certain undesignated wells and from the following pools, all of which are connected to Gulf Oil Corporation's sour crude stream:

Arrowhead, Artesia, Blinebry (oil), Blinebry Gas, Brunson, Drinkard, Eumont Gas, Eunice-Monument, South Eunice, Hare, Jalmat Gas, Langlie-Mattix, North Mason-Delaware, Monument-Blinebry, Monument-Ellenburger, Monument-Paddock, Paddock, Penrose-Skelly, Teague, Teague-Devonian, Teague-Ellenburger, Terry-Blinebry, Tubb Gas, Wantz-Abo, and Warren-McKee.

(7) That another hearing should be held on March 18, 1959, to determine whether Gulf Oil Corporation should be allowed to continue to prorate the purchase of crudes from the above-mentioned pools during the course of said refinery strike, while continuing to purchase sweet and semi-sweet crudes in New Mexico without prorating.

IT IS THEREFORE ORDERED:

(1) That Gulf Oil Corporation be and the same is hereby authorized to continue purchasing sweet and semi-sweet crudes in New Mexico without prorating, and to prorate the purchase of crudes from certain undesignated wells and from the following pools, all of which are connected to Gulf Oil Corporation's sour crude oil stream:

Arrowhead, Artesia, Blinebry (oil), Blinebry Gas, Brunson, Drinkard, Eumont Gas, Eunice-Monument, South Eunice, Hare, Jalmat Gas, Langlie-Mattix, North Mason-Delaware, Monument-Blinebry, Monument-Ellenburger, Monument-Paddock, Paddock, Penrose-Skelly, Teague, Teague-Devonian, Teague-Ellenburger, Terry-Blinebry, Tubb Gas, Wantz-Abo, and Warren-McKee.

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

(2) That this order shall become effective at 7 o'clock a.m. Mountain Standard Time on February 18, 1959, and shall expire on March 19, 1959, at 7 o'clock a.m. Mountain Standard Time, or fifteen days after the end of said refinery strike, whichever occurs first.

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(3) That another hearing be held on March 18, 1959, to determine whether Gulf Oil Corporation should be allowed to continue to prorate the purchase of crudes from the above-mentioned pools while continuing to purchase sweet and semi-sweet crudes in New Mexico without prorating.

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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