

*Entered April 8, 1959
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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. 1615
Order No. R-1363

APPLICATION OF STANLEY JONES, ET AL,
FOR AN ORDER REQUIRING MALCO REFINERIES,
INC., TO PURCHASE OIL PRODUCED FROM THE
DAYTON-ABO POOL IN EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 2nd. day of April, 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 Malco Refineries, Inc., is now engaged in the business of purchasing oil to be transported through pipelines and is thus a common purchaser of oil under the definition set forth in Section 65-3-15, N.M.S.A., 1953 Compilation.

(3) That Section 65-3-15, supra, requires that a common purchaser shall, without discrimination in favor of one producer as against another in the same field, purchase all oil tendered to it which has been lawfully produced in the vicinity of, or which may be reasonably reached by pipelines through which it is transporting oil, or the gathering branches thereof, or which may be delivered to the pipeline or the gathering branches thereof by truck or otherwise.

(4) That Section 65-3-29 (c), N.M.S.A., 1953 Compilation defines "field" as follows:

" 'Field' means the general area which is underlaid or appears to be underlaid by at least one pool; and 'field' also includes

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the underground reservoir or reservoirs containing such crude petroleum oil or natural gas, or both. The words 'field' and 'pool' mean the same thing when only one underground reservoir is involved; however, 'field' unlike 'pool' may relate to two or more pools."

(5) That the oil production which applicants seek to require Malco Refineries, Inc., to purchase is from the Dayton Field in Eddy County, New Mexico, and that Malco Refineries, Inc., presently purchases oil produced from said Dayton Field as the term "field" is defined in Section 65-3-29(c), supra.

(6) That accordingly, under the express mandate of Section 65-3-15, supra, Malco Refineries, Inc., is obligated to purchase all oil tendered to it which is produced from the Dayton Field.

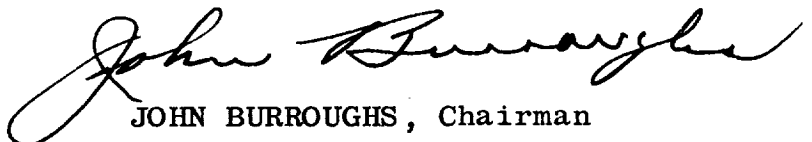
(7) That should Malco Refineries, Inc., find it necessary to institute purchaser prorationing and should such prorationing be approved by the Commission, Malco Refineries, Inc., will be required to purchase ratably from each producer in the Dayton Field.

IT IS THEREFORE ORDERED:

That Malco Refineries be and the same is hereby ordered to purchase all oil tendered to it which is produced from the Dayton Field in Eddy County, New Mexico.

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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