

*Entered November 1, 1959
A.L.P.*

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. 1791
Order No. R-1508

APPLICATION OF EL PASO NATURAL
GAS PRODUCTS COMPANY FOR AN
ORDER AUTHORIZING IT TO PRORATE
ITS OIL PURCHASES IN THE HORSE-
SHOE-GALLUP OIL POOL AND THE
VERDE-GALLUP OIL POOL IN SAN
JUAN COUNTY, NEW MEXICO, DUE
TO THE INSTALLATION OF A LARGER
PIPELINE SYSTEM

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 14, 1959, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of October, 1959, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 due to the installation of a larger pipeline system, the applicant may be unable, during October and November, 1959, to purchase all oil authorized to be produced from the wells from which it purchases in the Horseshoe-Gallup Oil Pool and the Verde-Gallup Oil Pool, San Juan County, New Mexico.
- (3) That, should it become necessary, the applicant should be permitted to ratably reduce its purchases from proration units from which it purchases oil in the above-mentioned oil pools; provided, however, that in order to preclude premature abandonment, the applicant should be required to make 100 percent purchases from proration units with a daily oil production of 10 barrels or less.

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IT IS THEREFORE ORDERED:

(1) That should it become necessary the applicant be and the same is hereby authorized to reduce its purchases of oil in the Horseshoe-Gallup Oil Pool and the Verde-Gallup Oil Pool, San Juan County, New Mexico, below the amount legally authorized to be produced from the wells from which it purchases in said pools.

PROVIDED HOWEVER, That reduction in purchases of oil from wells in said pools shall be ratable.

PROVIDED FURTHER, That the applicant shall not reduce its purchases from any proration unit to an amount less than 10 barrels daily if the unit well is capable of producing that amount.

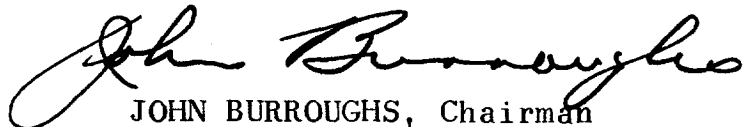
(2) That the effective date of this order is 7 o'clock a.m., Mountain Standard Time, October 15, 1959.

(3) That the authorization for pipeline prorationing provided for herein shall terminate on November 18, 1959, or upon completion of the expansion of pipeline facilities, whichever occurs first.


(4) That if pipeline prorationing is still in effect or if the likelihood of such prorationing still exists on November 18, 1959, the applicant shall appear at the regular Commission hearing on that date and advise the Commission as to why continued purchaser prorationing is necessary.

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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