

Entered March 24, 1960
G.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. 1922
Order No. R-1632

APPLICATION OF INDIANA OIL
PURCHASING COMPANY FOR AN
ORDER AUTHORIZING IT TO PRO-
RATE THE PURCHASE OF CRUDE
OIL IN NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17th day of March, 1960, 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 a decrease in refinery requirements for crude oil and resulting lack of sufficient storage capacity, Indiana Oil Purchasing Company will be unable, for an indefinite period of time, to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico. During this period, Indiana Oil Purchasing Company's purchases will be in an amount equal to 80 percent of its January purchases.

(3) That Indiana Oil Purchasing Company should be required to make its 20 percent reduction in purchases of oil proportionately among all proration units from which it purchases, including proration units within any waterflood project; provided, however, that Indiana Oil Purchasing Company should not be allowed to reduce its purchases from any proration unit to an amount less than 10 barrels daily if the unit is capable of producing that amount.

(4) That in order to preclude premature abandonment, Indiana Oil Purchasing Company 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 Indiana Oil Purchasing Company be and the same is hereby authorized to reduce its purchases of oil in the State of New Mexico to an amount equal to 80 percent of its January, 1960, purchases.

PROVIDED HOWEVER, That Indiana Oil Purchasing Company shall make its reduction in purchases of oil proportionately among all proration units from which it purchases, including proration units in any waterflood project.

PROVIDED FURTHER, That Indiana Oil Purchasing Company 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 that amount.

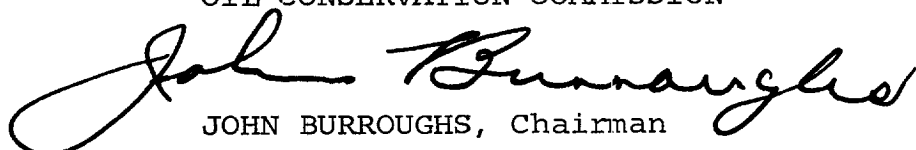
PROVIDED FURTHER, That Indiana Oil Purchasing Company shall purchase 100 percent of the oil produced from any proration unit which produces 10 barrels of oil or less daily.

(2) That Indiana Oil Purchasing Company shall appear and show cause on April 13, 1960, why continued purchaser proration is necessary.

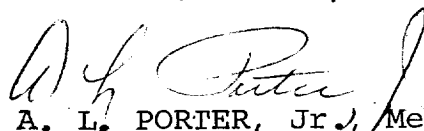
(3) That the effective date of this order is 7 o'clock a.m., Mountain Standard Time, March 17, 1960.

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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