

Case No.

1623

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1603

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

February 16, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

The 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 Coun-
ties, New Mexico, during the course of
the Port Arthur Refinery strike.

CASE NO.
1603

BEFORE:

Mr. John Burroughs
Mr. Murray Morgan
Mr. A. L. Porter

TRANSCRIPT OF HEARING

MR. PORTER: Take up next Case 1603.

MR. PAYNE: Case 1603. In the matter of the applica-
tion of Gulf Oil Corporation for an order authorizing it to pro-
rate the purchase of sour crudes only from twenty-five pools in
Lea and Eddy Counties, New Mexico, during the course of the Port
Arthur Refinery strike.

MR. KASTLER: Bill Kastler appears on behalf of Gulf
Oil Corporation. At the outset of this case, I would like to
state that a situation has arisen by a strike at Gulf's Port
Arthur Refinery under which Gulf is unable to purchase all New
Mexico crude oil which could be lawfully produced. Mr. Coates

is here to present evidence which will enable the Commission to make appropriate findings of fact to enter an order respecting the production of sour and certain semi-sweet crudes from those leases connected to Gulf Refining Company's sour crude system.

At this point I would like to make reference to Case No. 1299 in which Gulf stated its position in regard to purchaser prorating in New Mexico. My opening statement in that case is equally applicable to this case. We believe that the facts which will be brought out there fully warrant remedial action by the Commission in order to prevent waste.

In this testimony, whenever I refer to Gulf, I mean to refer to Gulf Oil Corporation. Gulf Refining Company is the owner and operator of the pipeline through which Gulf makes all its southeastern New Mexico purchases. If I should refer to the pipeline, I mean to make reference to the Gulf Refining Company's pipeline.

My witness is Mr. J. G. Coates, manager of crude oil supply for Gulf Oil Corporation.

(Witness sworn.)

J. G. COATES

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY: MR. KASTLER:

Q Will you please state your name and address.

A J. G. Coates, Houston, Texas.

Q What is your position with Gulf Oil Corporation?

A Manager of crude oil supply.

Q Will you please explain how Gulf purchases its New Mexico crude oil and how it is transported and what the normal outlets are?

A Well, we purchase at the lease either by pipeline company or by truck. It is transported via Gulf Refining Company's pipeline to our refineries and points of sale. There are two grades of crude. The sour and the semi-sweet stream normally goes to Toledo, Cincinnati and Corpus Christi, and the sour to Port Arthur, the plant that is shut down.

Q Is Gulf the owner and operator at Port Arthur, Texas, which is presently closed down due to a strike?

A Yes, it is.

Q When did this strike become effective?

A January 29th, this year.

Q Is Gulf presently negotiating or willing to negotiate in good faith to settle this strike?

A Yes.

Q Can the duration of this strike be predicted in any way?

A No, I don't believe it can.

Q Until the strike occurred, was any of the New Mexico sour crude taken into this Port Arthur Refinery?

A Yes, it was.

Q Since the strike occurred, has it now become necessary or advisable for Gulf to reduce its purchases of sour crude in New Mexico and Texas?

A Yes, sir, definitely.

Q To what extent have these purchases been reduced in New Mexico?

A Thirty-three per cent of normal allowables.

Q What is being done presently with the sour crude that is being purchased?

A Placed in storage at various points.

Q Does the pipeline run semi-sweet oil in addition to the sour crude?

A Yes. In addition, the pipeline runs two streams, sour and semi-sweet.

Q Has it become necessary to reduce Gulf's purchases of crude oil in the semi-sweet string due to the strike or any other reason?

A No, it has not. We have normal demand for the semi-sweet crude and those purchases have not been curtailed.

Q Can Gulf continue its normal purchases of crude oil of semi-sweet during the Fort Arthur strike?

A Yes.

Q Is it not true that some semi-sweet oil from New Mexico is taken in the pipeline's sour stream system?

A Yes, semi-sweet oil comes from the north end of the system. There are a few, small semi-sweet fields down to the south. It's impractical and uneconomical to segregate them into a semi-sweet stream, therefore they go into the sour stream.

Q Can you identify these pools?

A Yes, I believe I can.

Q Will you do so, please.

A Blinebry; Blineby Gas, Lea County; Brunson, Lea County; Hare, Lea County; Monument-Ellenburger; Teague, Lea County; Teague-Devonian; Teague-Ellenburger, Lea.

Q Roughly, what is the total daily output of all those pools?

A In the range of seven or eight hundred barrels a day.

Q Is it necessary for Gulf to reduce its purchases from these pools as a result of the strike?

A Yes. Since they are gathered into the sour stream, it is necessary to prorate those along with the sour leases.

Q What percentage of the semi-sweet oil which is not being prorated is from Gulf owned wells?

A Approximately twenty-two per cent.

Q What percentage of semi-sweet and sour oils which is being prorated is from Gulf owned wells?

A Approximately fifty-four per cent.

Q On the basis of this, would you state that Gulf itself is a party most adversely affected by the reduced purchases of

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sour oil?

A Obviously, with fifty-four per cent net ownership, Gulf is suffering a heavy loss.

Q Does Gulf purchase any oil from New Mexico from water flooded pools?

A No, we do not.

Q Does Gulf's reduction of purchases at present affect any well that produces ten barrels or less per day?

A No.

Q Did Gulf give notice of its situation to the New Mexico Oil Conservation Commission?

A Yes, we did.

Q Prior to instituting its reduction of purchases?

A Yes, we did.

Q In giving such notice, did Gulf supply information listing average daily runs and the names of all New Mexico pools from which Gulf purchases?

A Yes, we did that.

Q Is that information that was furnished true and accurate to the best of your knowledge?

A Yes, it is.

MR. KASTLER: If the Commission please, I would like to request that our formal notice and our tabulation of pools and average daily purchases be incorporated in the record of this case.

MR. PORTER: It will be incorporated.

MR. KASTLER: That finishes my direct testimony.

MR. PORTER: Does anyone have a question of Mr. Coates?
Mr. Nutter.

CROSS EXAMINATION

BY: MR. NUTTER:-

Q Mr. Coates, are those refineries in the mid western part of the United States, I believe you stated they were in Toledo and Cincinnati, geared to handle other than sweet oil?

A No, sir.

Q Does Port Arthur normally handle anything other than sour oil?

A Yes, sir.

Q It handles sweet and sour when it is in operation?

A Well, we are talking of just sweet and sour, and it handles both, although there are other grades too.

Q Is any import oil normally sent to Port Arthur?

A No.

Q That is all domestic oil?

A Yes, sir.

Q Are the refineries that are operated by Gulf Oil Corporation on the east coast geared only to handle sweet oil?

A No, sir.

Q They handle sour too?

A Yes, sir.

Is there any possibility of this sour over-production that you have on hand be sent to the east coast and processed there?

A Refinery engineers advised me that the plant we are talking about, which is, of course, the Philadelphia plant, was not designed or constructed to run West Texas-New Mexico sour crude. The sulphur content is different from the sulphur of other sour crudes run at that plant.

Q They do handle sour crudes, but they don't handle West Texas-New Mexico sour crude?

A That is true.

Q What is your proposed rate of prorating for the month of March for the State of New Mexico?

A One-third. In other words, we would purchase one-third.

Q Would that be --

A To state it another way, thirty-three and a third per cent of allowables.

Q Is that the same that you are prorating at the present time, is that the same rate of production?

A Actually, I believe this month it is thirty-three per cent, so I guess there is a difference of one-third of one per cent. That's merely in trying to remain equitably between states insofar as possible.

Q New Mexico is in line for an increase this month, however, isn't it, due to the fact that your rate of prorating was

based on twenty-nine days of prorating rather than thirty-one as other months?

A Day by day, I can't say that. Each day for twenty-nine days we took thirty-three per cent, and each day for thirty-one days in March we would purchase thirty-three and a third per cent.

Q I was under the impression you were reducing purchases in New Mexico a little bit later than other states, because you started late here?

A No, that isn't quite true. Actually, New Mexico should have been, oh, about thirty-three starting the first, to be equitable with the other states.

Q Your calculations do not agree with mine.

A That is not exactly true, without going into arithmetic. If you wish, I could explain it to you.

Q Well, I rather, Mr. Coates, that you just assure us that the rate of prorating will be equitable with other states.

A It is being done equitably insofar as possible.

Q It will be equitable with what states, Mr. Coates?

A Well --

Q How about Louisiana?

A No, sir.

Q Prorated more or less?

A No, we are not prorating Louisiana.

Q You don't have any sour crude in that state?

A No.

Q Now about Louisiana?

A Alabama is being prorated on an equitable basis.

Q Are you prorating in Mississippi at the present time?

A No. The Mississippi crude does not go to Gulf's refineries. I might add one thing about Louisiana. The reason we are not prorating Louisiana is because we are unable to sell a large volume. Insofar as we can sell sour, we would improve our purchasing program.

Q Speaking of that seven to eight hundred barrels of semi-sweet oil, Mr. Coates, which goes into your crude stream, would you purchase one hundred per cent of that semi-sweet oil if the producers of the oil made arrangements to have it delivered to your nearest sweet oil connection?

A We would certainly consider it. There would be various details to be worked out, but we would be willing to see if something could be worked out.

Q Are negotiations presently in progress as far as termination of that refinery strike is concerned, Mr. Coates?

A When I left Houston yesterday, they were; I assume they are still talking to try.

Q Is there any indication as to when this dispute might be settled?

A No, sir.

Q You are going to storage with a certain amount of the sour oil which you are purchasing at the present time?

A Yes, sir, we are storing fairly large volumes of sour crude.

Q Do you have any idea as to the amount of storage space that you have available at the present time, what it amounts to?

A I don't have the latest figure, and I consider that confidential. However, if you feel that you need that information, I will give it to you later.

Q Would you furnish that to the Commission please?

A Yes, sir.

MR. NUTTER: I believe that's all, thank you.

MR. FORTER: Anyone else have a question of Mr. Coates? Mr. Coates, is it Gulf's plan to terminate prorating as soon as the refinery is back on the stream?

A That is a difficult question. I would say this, that there would be various factors to be considered. For instance, as an example, say the strike ended sometime during the last half of March, that means that during the last part of January, and all of February, and the first part of March, we would have stored a large volume of crude, quite a lot of volume. Also, in the mean time it has been necessary to acquire very large purchases of product -- Well, it will depend on your product position at that time, what our refinery runs would be. It's very difficult to time your product stocks in line with the termination of the

strike. I will say this, we will terminate purchases promising insofar as we could practically do so, but it depends on the crude oil stocks and the products stocks and the level of the refinery runs, what we would be able to do.

MR. PORTER: Anyone else have a question? The witness may be excused.

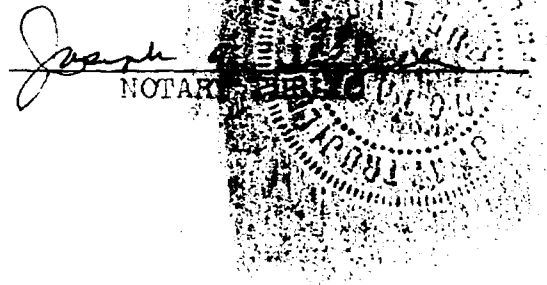
(Witness excused.)

MR. PORTER: Anyone have anything further to offer in Case 1603? Take the case under advisement.

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, Joseph A. Trojillo, Notary Public in and for the County of Bernalillo State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 22nd day of February, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.



My Commission Expires:

October 5, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1603

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

March 18, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MARCH 18, 1939

IN THE MATTER OF: :

CASE 1603: In the matter of the 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, during the :
course of the Port Arthur Refinery strike.:
----- :

BEFORE:

A. L. Porter
Murray Morgan

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: We will proceed with Case 1603.

MR. PAYNE: Case 1603. In the matter of the appli-
cation of Gulf Oil Corporation for an order authorizing it to pro-
rate the purchase of sour crudes only from twenty-five pools in
Lea and Eddy Counties, New Mexico, during the course of the Port
Arthur Refinery strike.

MR. KASTLER: I am Bill Kastler, appearing for Gulf
Oil Corporation. If the Commission please, I would like to ex-
plain that our Port Arthur Refinery strike has now been settled,
and that as of this time our Gulf Refining Company pipeline is
running the full allowable of 34 barrels in the sour and semi-
sweet stream. I would also like to say that the effects, the total
effects of the strike are not yet known, but that we did anticipate

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some further difficulty later on. In the event we should experience such difficulty, we would propose to appear again and give you a formal notice later on this month outlining our situation at that time, and therefore, I request that Case 1603 be closed.

MR. PORTER: Mr. Kastler, is it Gulf's intention to run as much of the March allowable production as possible?

MR. KASTLER: It is.

MR. PAYNE: Mr. Commissioner, in that connection I move that since Gulf Oil Corporation intends to take a hundred percent of March allowable, that the one hundred twenty-five percent daily tolerance requirement of Rule 502 be waived, effective immediately, for the balance of the month of March for the twenty-five pools in question so that these wells can produce their full March allowable.

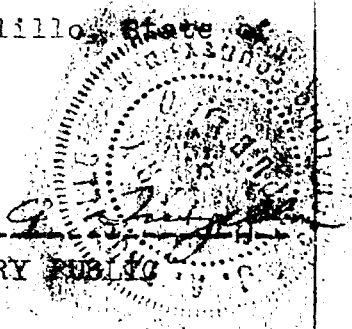
MR. PORTER: Is there any comment on Mr. Kastler's motion for dismissal of Case 1603? Case 1603 will be dismissed. Is there any comment on Mr. Payne's motion concerning the waiver of the tolerance rule?

The Commission will waive the daily tolerance rule for the twenty-five pools in question.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 31st day of March, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

**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. B-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.

(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, Blinbry (oil), Blinbry Gas, Brunson, Drinkard, Eumont Gas, Eunice-Monument, South Eunice, Hare, Jalnat Gas, Langlie-Mattix, North Mason-Delaware, Monument-Blinbry, Monument-Ellenburger, Monument-Paddock, Paddock, Penrose-Skelly, Teague, Teague-Devonian, Teague-Ellenburger, Terry-Blinbry, 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, Blinbry (oil), Blinbry Gas, Brunson, Drinkard, Eumont Gas, Eunice-Monument, South Eunice, Hare, Jalnat Gas, Langlie-Mattix, North Mason-Delaware, Monument-Blinbry, Monument-Ellenburger, Monument-Paddock, Paddock, Penrose-Skelly, Teague, Teague-Devonian, Teague-Ellenburger, Terry-Blinbry, 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.

-3-

Case No. 1603
Order No. R-1339

(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.

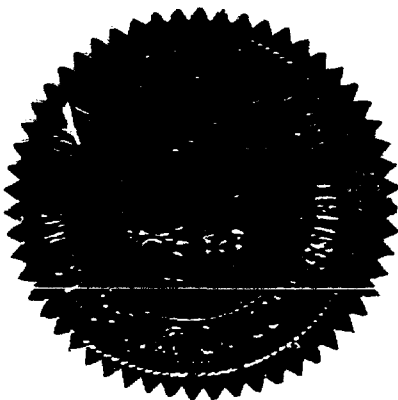
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John L. Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR AN
EMERGENCY 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.**

EMERGENCY ORDER NO. E-14

NOW, on this 3rd day of February, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Gulf Oil Corporation for an Emergency Order and being fully advised in the premises,

FINDS:

(1) 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.

(2) That the sweet and semi-sweet crudes which Gulf purchases in New Mexico can be diverted to other Gulf refineries, but these refineries are not equipped to handle sour crudes.

(3) That the aforesaid strike thus necessitates temporary purchaser prorationing by Gulf of sour crudes from New Mexico, as well as from other states.

(4) That the applicant seeks an emergency order allowing it to prorate its sour crude purchases in New Mexico, but to continue to purchase 100 percent of the allowable production from wells in New Mexico from which Gulf purchases sweet and semi-sweet crudes.

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

(6) That an emergency exists which requires the promulgation of an order, without notice and hearing, to allow Gulf Oil Corporation to prorate the purchase of sour crudes from certain undesignated wells and from the following pools in Lea and Eddy Counties, New Mexico:

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-Elzenburger, Terry-Blinbry, Tubb Gas, Wantz-Abo, and Warren-McKee.

(7) That a hearing should be held on February 18, 1959, to determine whether Gulf Oil Corporation should be allowed to prorate the purchase of sour 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 sour crudes from certain undesignated wells and from the following pools in Lea and Eddy Counties, New Mexico:

Arrowhead, Artesia, Blinbry (oil), Blinbry Gas, Brunson, Drinkard, Eumont Gas, Eunice-Monument, South Eunice, Hare, Jalmat Gas, Langlie-Mattix, North Mason-Delaware, Monument-Blinbry, Monument-Elzenburger, Monument-Paddock, Paddock, Penrose-Skelly, Teague, Teague-Devonian, Teague-Elzenburger, Terry-Blinbry, 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 3, 1959.

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

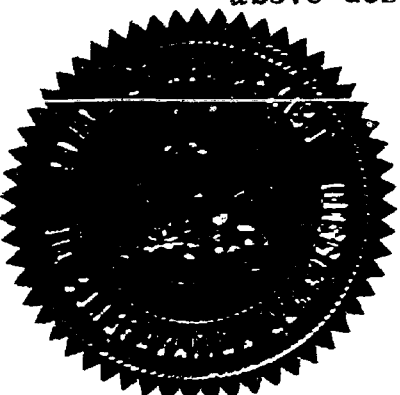
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
John Burroughs, Chairman

Murray E. Morgan
Murray E. Morgan, Member

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



CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1220
(R 11:54)

SYMBOLS

DL = Day Letter
 NI = Night Letter
 IT = International Letter Telegram

UNION

RAM

SYMBOLS

DL = Day Letter
 NI = Night Letter
 IT = International Letter Telegram

1220
(R 11:54)

L. PRESIDENT

point of origin Time of receipt is STANDARD TIME at point of destination

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1/2 TUBE GAS	36	0	44	81.8=
2- WANTZ ABO	10	4	14	71.4=
2- WARREN MC KEE	23	3	26	88.5=
UNDESIGNATED LEA		46	46	=
TOTAL SOUR	4,713	4,058	8,771	53.7=
GRAND TOTAL	8,145	16,589	24,731	32.9=

CRUDE OIL SUPPLY- DOMESTIC- HOUSTON, TEXAS FEBRUARY 2, 1959

JACK COATES RELAYED BY W V KASTLER ROSWELL=

GULF OIL CORP==

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1220
(R II-54)

SYMBOLS

DL = Day Letter
NL = Night Letter
LI = International Letter Telegram

UNION

RAM

1220
(R II-54)

SYMBOLS

DL = Day Letter
NL = Night Letter
LI = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

PRESIDENT

Time of origin. Time of receipt is STANDARD TIME at point of destination.

SOUR=

1 ARROW LEA CO ✓	146	21	167	87.4=
2 ARTESIA	25	4	29	86.2=
3 BLINEBRY ✓	18	2	20	90.0=
4 BLINEBRY GAS LEA CO. ✓	48	107	155	31.0=
5 BRUNSON LEA CO. ✓		44	44	=
6 DRINKARD LEA CO. ✓	123	51	174	70.7=
7 EUMONT GAS ✓	361	242	603	59.9=
8 EUNICE MON SD 8 OS 16	669	102	771	86.8=
9 EUNICE MON SD 16 M	1,715	273	1,988	86.3=
10 EUNICE MON SCH DIST 16	309	2,203	2,512	12.3=
11 EUNICE SOUTH	202	29	231	87.4=
12 HARE LEA CO		87	87	=
13 JALMAT GAS	24	58	82	29.3=
14 LANGLIE MATTIX LEA CO	98	192	290	33.8=
15 N MASON DEL VIA ILL AC	93	13	106	87.7=
16 MONUMENT BLINEBRY	182	232	414	44.0=
17 MONUMENT ELLENBURGER	11	1	12	91.7=
18 MONUMENT PADDOCK	288	163	451	63.0=
19 NEW MEXICO TRUCKED STOR		37	37	=
20 PADDOCK LEA CO	135	19	154	87.7=
21 PENROSE SKELLY LEA CO	45	6	51	88.2=
22 TEAGUE LEA CO	103	31	134	76.9
23 TEAGUE DONOVIAN		6	6	=
24 TEAGUE ELLENBURGER LEA	48	48	96	50.0=
25 TERRY BLINEBRY	1	26	27	3.7=

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, President

1220
(R 11-54)

SYMBOLS

DL = Day Letter
NL = Night Letter
LI = International Letter Telegram

VICE

Message
Character
by the

WESTERN

TELEGRAM

W. P. MARSHALL, President

The time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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• LA175 SSD230

Case 1602

(27) =

L RWA110 PD=ROSWELL NMEX JW QTQPMH=

OIL CONSERVATION COMMISSION OF THE STATE OF NMEX=

PO BOX 871 SANTA FE NMEX=

1959 FEB 2 PM 4 58

ATTENTION A L PORTER SECRETARY AND DIRECTOR:

NEW MEXICO OIL RUN BY GULF FROM LEASES DURING

DECEMBER 1958=

DAILY AVERAGE BARRELS=

GULF VS=

NET PROD. OUTSIDE TOTAL GULF PC1

PURCHASES OF TOTAL=

SEMI-SWEET=

ANDERSON RANCH DEV. ✓	957	1,483	2,440	39.2=
ANDERSON RANCH WOLFCAMP ✓	412	530	942	43.7=
CAUDILL DEVONIAN. ✓		2,266	2,266=	
CAUDILL WOLFCAMP ✓		45	45=	
DEAN PERMO PENN ✓	293	429	722	40.6=
DENTON	1,109	1,706	2,815	39.4=
SOUTH DENTON DEVONIAN	10	834	844	1.1=
SOUTHWEST DENTON DEV.		266	266=	
DENTON WOLFCAMP ✓	651	662	1,313	50.0=
KEMNITZ CISCO ✓		206	206=	
KEMNITZ WOLFCAMP ✓		4,104	4,104=	
TOTAL SEMI-SWEET	3,432	12,531	15,963	21.5=

Call 16000

GULF OIL CORPORATION

LAW DEPARTMENT

ROSWELL, NEW MEXICO

DAVID T. SEARLS
CENTRAL COUNSEL
P.O. BOX 669
DAVID W. STEPHENS
DIVISIONAL ATTORNEY
FORT WORTH TEXAS
WILLIAM V. KASTLER

P. O. BOX 669, LAW DEPARTMENT

February 2, 1959

Oil Conservation Commission
of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: A. L. Porter
Secretary and Director

Dear Mr. Porter:

Pursuant to your request I am enclosing herewith our tabulation showing the names of all New Mexico pools connected to Gulf Refining Company's pipeline and also showing how many barrels comprise Gulf's net production and how many barrels comprise outside purchases, and finally, showing the percentage of Gulf runs to total runs.

Very truly yours,


William V. Kastler

WVK:ej1

Enclosure

Case 1603

NEW MEXICO OIL RUN BY GULF FROM LEASES DURING DECEMBER 1958DAILY AVERAGE BARRELS

	<u>GULF'S NET PRODUCTION</u>	<u>OUTSIDE PURCHASES</u>	<u>TOTAL</u>	<u>GULF'S PER- CENTAGE OF TOTAL</u>
<u>SEMI-SWEET</u>				
Anderson Ranch Dev.	957	1,483	2,440	39.2
Anderson Ranch Wolfcamp	412	530	942	43.7
Caudill Devonian	-	2,266	2,266	-
Caudill Wolfcamp	-	45	45	-
Dean Permo Penn	293	429	722	40.6
Denton	1,109	1,706	2,815	39.4
South Denton Devonian	10	834	844	1.1
Southwest Denton Dev.	-	266	266	-
Denton Wolfcamp	651	662	1,313	50.0
Kemnitz Cisco	-	206	206	-
Kemnitz Wolfcamp	-	4,104	4,104	-
Total Semi-Sweet	3,432	12,531	15,963	21.5
<u>SOUR</u>				
Arrow Lea Co.	146	21	167	87.4
Artesia	25	4	29	86.2
Blinebry	18	2	20	90.0
Blinebry Gas Lea Co.	48	107	155	31.0
Brunson Lea Co.	-	44	44	-
Drinkard Lea Co.	123	51	174	70.7
Eumont Gas	361	242	603	59.9
Eunice Mon SD 8 OS 16	669	102	771	86.8
Eunice Mon SD 16 M	1,715	273	1,988	86.3
Eunice Mon SCH DIST 16	309	2,203	2,512	12.3
Eunice South	202	29	231	87.4
Hare Lea Co.	-	87	87	-
Jalmat Gas	24	58	82	29.3
Langlie Mattix Lea Co.	98	192	290	33.8
N Mason Del Via Ill Ac	93	13	106	87.7
Monument Blinebry	182	232	414	44.0
Monument Ellenburger	11	1	12	91.7
Monument Paddock	288	163	451	63.0
New Mexico Trucked Stor.	-	37	37	-
Paddock Lea Co	135	19	154	87.7
Penrose Skelly Lea Co.	45	6	51	88.2
Teague Lea Co.	103	31	134	76.9
Teague Devonian	-	6	6	-
Teague Ellenburger Lea	48	48	96	50.0
Terry Blinebry	1	26	27	3.7
Tubb Gas	36	8	44	81.8
Wantz Abo	10	4	14	71.4
Warren McKee	23	3	26	88.5
Undesignated Lea	-	46	46	-
Total Sour	4,713	4,058	8,771	53.7
GRAND TOTAL	8,145	16,589	24,731	32.9

Encl 1/6/59

GULF OIL CORPORATION

LAW DEPARTMENT

ROSWELL, NEW MEXICO

February 2, 1959

DAVID T. SEARLS
JULIUS ROSENBERG
DAVID W. STEPHENS
JULIUS ROSENBERG
WILLIAM V. KASTLER

P. O. BOX 669, LAW DEPARTMENT

Oil Conservation Commission
of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: A. L. Porter
Secretary and Director

Gentlemen:

Gulf Oil Corporation, a Pennsylvania corporation, authorized to do business in the State of New Mexico, states as follows:

(1) That Gulf Oil Corporation is presently engaged in purchasing crude oil in New Mexico from leases directly or indirectly connected to the Gulf Refining Company's pipeline.

(2) That as a result of a labor dispute and strike at its Port Arthur, Texas, refinery, and as a result of limited storage facilities, it is presently necessary and advisable for Gulf Oil Corporation to reduce its purchases of crude oil in the State of New Mexico to 33% of the daily allowable from each lease connected to the Gulf Refining Company's sour pipeline system.

(3) That the situation which requires Gulf Oil Corporation to reduce its purchases of such crude oil is of indefinite duration.

(4) That the reduction in purchases from leases connected to the sour system shall be made effective as of February 3, 1959 at 7:00 a.m. in order to attempt to avoid further, more serious reduction or complete shut-down of wells in the future.

(5) That at the present time there is no necessity to reduce the purchases by Gulf Oil Corporation from leases which produce semi-sweet oil and are connected to Gulf Refining Company's semi-sweet system.

(6) That at the present time Gulf Oil Corporation will continue to purchase without reduction all crude oil from any well or wells producing from a pool or reservoir which is or might be waterflooded.

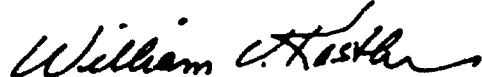
Oil Conservation Commission
of the State of New Mexico
Attention: A. L. Porter
February 2, 1959
Page two

(7) That at the present time Gulf Oil Corporation will continue to purchase all crude oil produced by those wells producing 10 barrels or less daily and will not prorate any well below 10 barrels per day.

(8) That by reason of the above facts, Gulf Oil Corporation says that it is unable to purchase all oil lawfully produced and tendered to it from the leases connected to the Gulf Refining Company's pipeline.

Respectfully submitted,

GULF OIL CORPORATION

A handwritten signature in cursive script, appearing to read "William V. Kastler".

William V. Kastler
Attorney, Roswell, New Mexico

Class 16 C 3

	Barrels	Barrels	Barrels %
AR Dr. v	5,111	5,111	40.06%
AR UIC	14,715	28,430	56.86%
Coastal Res.	0	6,152	0%
Coastal WC	0	932	0%
Dea. PP	3,709	18,545	37.09%
Denton	57,164	81,734	45.46%
S. Dent Dr.	0	30,371	0%
Dea. WC	24,772	41,243	55.21%
Kenneth Cico	0	6,152	0%
Kenneth WC	0	123,033	0%
	<u>102,367</u>	<u>451,805</u>	<u>22.66%</u>

Gulf Coast

Arrowhead v	6,781	6,781	100%
Blindly Oil	625	625	100%
Blindly Gas	173	5,135	3.37%
Brenson	0	1,387	0%
Dunkard	4,700	6,193	75.89%
Eurocl v	8,611	15,046	57.23%
Eurocl	31,133	42,116	73.92%
Monument	62,687	113,845	55.06%
S. Eurocl	7,764	7,764	100%
Horse	0	2,706	0%
Yonah	813	1,991	40.83%
Langley Hilly	2,593	9,021	28.74%
Monument Bls	5,772	12,277	47.68%
Non Pool	9461	15,644	69.12%
Pool Bls	4165	4165	100%

Jaques	6019	6019	100%
Jaques	0	0	0%
Jaques	2454	2454	100%
Tubo	1521	1985	77.12%
Worth	343	343	100%
Under	0	307	0
Total	157,801	256,401	61.54%

21

Gulf Refining Co Runs November

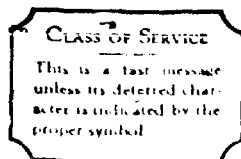
total

Sweet	451,805	15,060 BOPD	Gulf Prod 103,287	22.66%
Sour	<u>256,401</u>	8,547 BOPD	<u>157,801</u>	<u>61.54%</u>
Total	708,206	23,607	260,188	36.74%

total

Gulf Oil Corp. (Trucked)			Gulf Produced	
Sweet	7945	42.98%	6571	82.71%
Sour	<u>10,546</u>	<u>57.03%</u>	<u>7478</u>	<u>70.91%</u>
	18,491			

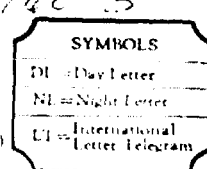
Case 146 B



WESTERN UNION

TELEGRAM

W. P. MARSHALL, President



1220
(R 11-54)

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LA 149 SSA243

L RWA109 LONG PD=ROSWELL NMEX 2 151PM=

:OIL CONSERVATION COMMISSION OF THE STATE OF NMEX=

PO BOX 871 SANTA FE NMEX:

1959 FEB 2 PM 2 30

=ATTENTION A L PORTER SECRETARY AND DIRECTOR

9 GENTLEMEN:

9 GULF OIL CORPORATION, A PENNSYLVANIA CORPORATION,
AUTHORIZED TO DO BUSINESS IN THE STATE OF NEW MEXICO,
STATES AS FOLLOWS:

9 (1) THAT GULF OIL CORPORATION IS PRESENTLY ENGAGED IN
PURCHASING CRUDE OIL IN NEW MEXICO FROM LEASES DIRECTLY OR
INDIRECTLY CONNECTED TO THE GULF REFINING COMPANY'S PIPELINE.

9 (2) THAT AS A RESULT OF A LABOR DISPUTE AND STRIKE AT
ITS PORT ARTHUR, TEXAS, REFINERY, AND AS A RESULT OF
LIMITED STORAGE FACILITIES, IT IS PRESENTLY NECESSARY AND
ADVISABLE FOR GULF OIL CORPORATION TO REDUCE ITS PURCHASES
OF CRUDE OIL IN THE STATE OF NEW MEXICO TO 33-0/0 OF THE
DAILY ALLOWABLE FROM EACH LEASE CONNECTED TO THE GULF
REFINING COMPANY'S SOUR PIPELINE SYSTEM.

9 (3) THAT THE SITUATION WHICH REQUIRES GULF OIL
CORPORATION TO REDUCE ITS PURCHASES OF SUCH CRUDE OIL IS OF
INDEFINITE DURATION.

9 (4) THAT THE REDUCTION IN PURCHASES FROM LEASES CONNECTED
TO THE SOUR SYSTEM SHALL BE MADE EFFECTIVE AS OF FEBRUARY
3, 1959 AT 7:00 AM IN ORDER TO ATTEMPT TO AVOID FURTHER,
MORE SERIOUS REDUCTION OR COMPLETE SHUT-DOWN OF WELLS IN

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol

WESTERN UNION

TELEGRAM

W. F. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

(1220
(R1154)

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123 FEB 2 PM 2 28

THE FUTURE. (5) THAT AT THE PRESENT TIME THERE IS NO NECESSITY TO REDUCE THE PURCHASES BY GULF OIL CORPORATION FROM LEASES WHICH PRODUCE SEMI-SWEET OIL AND ARE CONNECTED TO GULF REFINING COMPANY'S SEMI-SWEET SYSTEM.

(6) THAT AT THE PRESENT TIME GULF OIL CORPORATION WILL CONTINUE TO PURCHASE WITHOUT REDUCTION ALL CRUDE OIL FROM ANY WELL OR WELLS PRODUCING FROM A POOL OR RESERVOIR WHICH IS OR MIGHT BE WATERFLOODED.

(7) THAT AT THE PRESENT TIME GULF OIL CORPORATION WILL CONTINUE TO PURCHASE ALL CRUDE OIL PRODUCED BY THESE WELLS PRODUCING 10 BARRELS OR LESS DAILY AND WILL NOT PRORATE ANY WELL BELOW 10 BARRELS PER DAY. (8) THAT BY REASON OF THE ABOVE FACTS, GULF OIL CORPORATION SAYS THAT IT IS UNABLE TO PURCHASE ALL OIL LAWFULLY PRODUCED AND TENDERED TO IT FROM THE LEASES CONNECTED TO THE GULF REFINING COMPANY'S PIPELINE.

RESPECTFULLY SUBMITTED,=

GULF OIL CORP WILLIAM V KASTLER ATTORNEY, ROSWELL,
NEW MEXICO==

DOCKET: REGULAR HEARING FEBRUARY 18, 1959

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE:**
- (1) Consideration of the oil allowable for March 1959
 - (2) Consideration of the allowable production of gas for March 1959 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan and Rio Arriba Counties, New Mexico, for March 1959.

NEW CASES

- CASE 1596:** Application of El Paso Natural Gas Products Company for the establishment of two separate common sources of supply, for administrative procedure for dual completions, and for commingling of production from separate oil pools. Applicant, in the above-styled cause, seeks an order segregating the producing interval of the Gallup formation in the Horseshoe-Gallup Field, San Juan County, New Mexico, into two separate common sources of supply. Applicant further seeks the establishment of an administrative procedure for approval of wells dually completed in said common sources of supply utilizing a certain type of mechanical installation in exception to Rule 112 (A) of the Commission Rules and Regulations. Applicant further seeks permission to commingle the production from said separate pools after metering the production from each.
- CASE 1597:** Application of the Atlantic Refining Company for an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico, to provide for 80-acre proration units in said pool.
- CASE 1598:** Application of Phillips Petroleum Company for an order establishing 80-acre spacing units in the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, and for extension of the horizontal limits of said pool. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, to provide for 80-acre spacing units. Applicant further seeks an order extending said pool to include the following described acreage: W/2 W/2 of Section 13; All of Sections 14, 15, 22, 23, 26, and 27; W/2 NW/4 and SW/4 SW/4 of Section 24; and W/2 W/2 of Section 25, all in Township 12 South, Range 34 East, Lea County, New Mexico.

CASE 1599:

Application of El Paso Natural Gas Company for 320-acre spacing, promulgation of special rules and regulations and for a redetermination of the vertical limits of the Angels Peak-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing 320-acre spacing in the Angels Peak-Dakota Gas Pool in San Juan County, New Mexico, and for the promulgation of special rules and regulations for said pool. Applicant further seeks to change the vertical limits of the Angels Peak-Dakota Gas Pool to include the interval lying between the base of the Greenhorn limestone and the base of the upper productive portion of the Morrison formation.

CASE 1600:

Application of M. A. Romero and Robert Critchfield concerning the operation of gas prorationing in the Blanco Mesa-verde Gas Pool and the Choza Mesa-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico, and the ratable taking of gas from said pools.

CASE 1601:

Southeastern New Mexico nomenclature case calling for an order for the extension of existing pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.

- (a) Extend the Acme Pool to include:

TOWNSHIP 7 SOUTH, RANGE 27 EAST, NMPM

Section 32: SE/4

Section 33: SW/4

- (b) Extend the North Allison-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 35: NE/4

- (c) Extend the Atoka-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 15: SE/4

- (d) Extend the Caprock-Queen Pool to include:

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM

Section 29: E/2 NE/4

- (e) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 7: SE/4

- (f) Extend the Justis-Ellenburger Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 24: SW/4

Section 25: NE/4

- (g) Extend the Justis-Montoya Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 24: SE/4

Section 25: NE/4

- (h) Extend the Maljamar Pool to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 2: NW/4

- (i) Extend the Red Lake-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 8: NE/4

CASE 1802:

Northwestern New Mexico nomenclature case calling for an order for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Extend the Aztec-Fruitland Pool to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 25: NE/4

- (b) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 19: SE/4

Section 30: NE/4

- (c) Extend the Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 8: E/2

- (d) Extend the Gavilan-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 1 WEST, NMPM

Section 30: NE/4

- (e) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 22: SE/4

Section 23: W/2

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 37: All

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 15: SW/4
Section 21: SE/4
Section 22: N/2 & SW/4
Section 28: All
Section 31: E/2
Section 32: All
Section 33: All
Section 34: All
Section 35: SW/4

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM

Section 29: All

- (f) Extend the Tapacito-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 23: SW/4

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 27: SW/4

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 19: S/2
Section 20: E/2 & SW/4
Section 29: NW/4

- (g) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 17: W/2
Section 18: All (partial)

- (h) Extend the South Blanco-Dakota Pool to include:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 19: E/2

- (i) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 2: SE/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 7: S/2 SE/4
Section 16: NW/4
Section 30: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 11: NW/4

- (j) Extend the Chimney Rock-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 5: NE/4 SE/4

- (k) Extend the Escrito-Gallup Oil Pool to include:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 24: SW/4 & NW/4 SE/4
Section 25: NW/4

- (l) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
Section 9: E/2 NW/4 & SE/4 NE/4
Section 10: S/2 NW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM
Section 29: SE/4 & SE/4 NE/4
Section 31: SE/4
Section 32: SW/4
Section 34: E/2 SW/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM
Section 24: SE/4
Section 25: NE/4

- (m) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 5: N/2 SW/4

CONTINUED CASE

CASE 1526:

Northwestern New Mexico nomenclature case calling for an order for the extension of an existing pool in San Juan County, New Mexico.

- (h) Extend the Angels Peak-Dakota Pool to include:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
Section 2: NW/4

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
Section 35: SW/4

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 27: W/2
Section 28: E/2

SUPPLEMENTAL DOCKET. REGULAR HEARING FEBRUARY 18, 1959

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

CASE 1603:

In the matter of the 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, during the course of the Port Arthur Refinery strike.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 24, 1959

Mr. Bill Kastler
Gulf Oil Corporation
P.O. Box 669
Roswell, New Mexico

Dear Mr. Kastler:

We enclose two copies of Order R-1339 issued February 18, 1959, by the Oil Conservation Commission in Case 1603, which was heard on February 18th.

Very truly yours,

A. I. Porter, Jr.
Secretary - Director

bp
Encis.

DOCKET: REGULAR HEARING MARCH 18, 1959Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE:**
- (1) Consideration of the oil allowable for April 1959
 - (2) Consideration of the allowable production of gas for April 1959 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan and Rio Arriba Counties, New Mexico, for April 1959.

NEW CASES

- CASE 1603: In the matter of the 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, during the course of the Port Arthur Refinery strike.
- CASE 1615: 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. Applicants, in the above-styled cause, seek an order requiring Malco Refineries, Inc., to purchase oil produced from wells in the Dayton-Abo Pool in Eddy County, New Mexico, under the provisions of the Common Purchaser Act.
- CASE 1616: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the reclassification of the Angels Peak-Gallup Pool in San Juan County, New Mexico, from a gas pool to an oil pool.
- CASE 1617: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the extension of the Ballard-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, a prorated gas pool, to include the Canyon Largo-Pictured Cliffs Pool and the Otero-Pictured Cliffs Pool, both in Rio Arriba County, New Mexico, and both of which are non-prorated gas pools, and to include such other adjacent acreage in Rio Arriba County, New Mexico, as is necessary to form a common boundary.
- CASE 1618: Southeastern New Mexico nomenclature case calling for an order creating, abolishing, extending and redefining certain pools in Lea, Eddy, and Roosevelt Counties, New Mexico:
- (a) Create a new oil pool for San Andres production, designated as the Bishop Canyon-San Andres Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section II: NE/4

(b) Create a new oil pool for Pennsylvanian production, designated as the Bluitt-Pennsylvanian Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 20: NW/4

(c) Create a new oil pool for Delaware production, designated as the Bradley-Delaware Pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 19: NW/4

(d) Create a new oil pool for Delaware production, designated as the Brushy Draw-Delaware Pool, and described as:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 13: SW/4

(e) Create a new oil pool for Devonian production, designated as the Crosby-Devonian Oil Pool, and described as:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 21: SW/4

(f) Create a new oil pool for Wolfcamp production, designated as the Leamex-Wolfcamp Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 22: NE/4

(g) Abolish the East Leo-Grayburg Pool described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 20: SE/4

(h) Abolish the North Shugart-Grayburg Pool described as:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 9: SE/4
Section 10: S/2
Section 15: N/2 NW/4

(i) Extend the vertical limits of the North Shugart-Queen Pool in Eddy County, New Mexico, to include the Grayburg formation and to rename said pool North Shugart Queen-Grayburg Pool. Further, to extend the horizontal limits of said North Shugart Queen-Grayburg Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 22: SW/4

- (j) Extend the Dayton-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 35: NW/4 NW/4

- (k) Extend the Empire-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 2: NW/4
Section 10: NW/4

- (l) Extend the Eumont Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 3: S/2

- (m) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 3: SE/4, N/2 SW/4 & SE/4 SW/4

- (n) Extend the Harkey-Pennsylvanian Gas Pool to include:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4

- (o) Extend the Justis-Drinkard Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: S/2

- (p) Extend the Justis-Fusselman Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: S/2

- (q) Extend the Lynch Pool to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

- (r) Extend the East Millman Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 14: N/2

- (s) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 32: N/2

- (t) Extend the Roberts Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 9: E/2 SW/4

- (u) Extend the Robinson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

- (v) Extend the Tubb Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 31: NW/4

- (w) Extend the Wantz-Abo Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

CASE 1619:

Northwestern New Mexico nomenclature case calling for an order extending existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 32: All
Section 33: W/2

- (b) Extend the West Kutz-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 20: NW/4

- (c) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 3: SE/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 14: SW/4

- (d) Extend the Gallegos-Gallup Oil Pool to include:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM
Section 4: SW/4
Section 8: NE/4
Section 9: NW/4 & SE/4
Section 10: S/2
Section 11: S/2

- (e) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 3: SE/4
Section 4: SE/4 SW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 30: SW/4
Section 31: NW/4
Section 34: SW/4 SE/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 24: NE/4 & SW/4

- (f) Extend the Otero-Gallup Oil Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 31: W/2
Section 33: SW/4

- (g) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 29: NE/4

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM

Section 33: E/2

- (h) Extend the West Kutz-Dakota Pool to include:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 26: N/2

CONTINUED CASES

CASE 1569: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the promulgation of an order prohibiting the flaring of casinghead gas from oil wells in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico.

CASE 1597: Application of the Atlantic Refining Company for an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico, to provide for 80-acre proration units in said pool.

CASE 1600: In the matter of the application of M. A. Romero and Robert Critchfield concerning the operation of gas prorationing in the Blanco Mesaverde Gas Pool and the ratable taking of gas from said Blanco Mesaverde Gas Pool in Rio Arriba and San Juan Counties, New Mexico, as well as from the Cheza Mesa-Pictured Cliffs Gas Pool in Rio Arriba County, New Mexico.

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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. 1603
Order No. B-1339-A

APPLICATION OF GULF OIL CORPORATION
FOR AN ORDER AUTHORIZING IT TO PRORATE
THE PURCHASE OF SOBE CRODES ONLY FROM
TWENTY-FIVE POOLS IN LEA AND EDDY
COUNTIES, NEW MEXICO, DURING THE COURSE
OF THE PORT ARTHUR REFINERY STRIKE.

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 20th day of March, 1959, the Commission, a quorum being present, having considered the application 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 in view of the fact that the Port Arthur Refinery strike has been settled, the applicant, Gulf Oil Corporation, requested that Case No. 1603 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1603 be and the same is hereby dismissed.

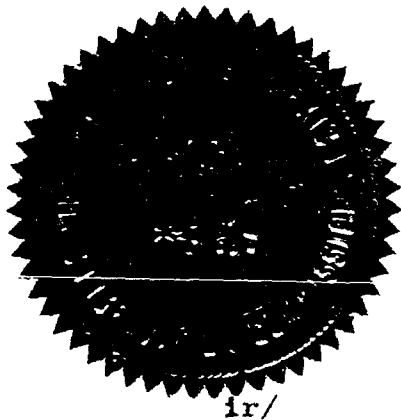
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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