Entered October 5, 1981

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION COMMISSION

CASE NO. 7372 Order No. R-6793

APPLICATION OF NAVAJO REFINING COMPANY FOR A DETERMINATION OF PREFERENCE TO PURCHASE STATE ROYALTY OIL PURSUANT SECTION 19-10-68, NMSA, 1978.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 A.M. on October 5, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>5th</u> day of October, 1981, 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:

That due public notice having been given as required (1)by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) Navajo Refining Company is a bona fide small business enterprise operating an oil refinery in the State of New Mexico.

(3) That Navajo Refining Company is unable to purchase, in the open market, at prevailing prices, an adequate supply of refinery charge stocks of the quality to meet the needs of its existing refinery capacity.

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(4) That under the terms of Section 19-10-68 and 19-10-69, NMSA, 1978 Compilation, Navajo Refining Company is eligible to be granted a preference for the purchase of royalty oil.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

num lul EMERY C ARNOLD, Member 144 JOE D. RAMEY, Member & Secretary

SEAL