

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF  
NEW MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1067  
Order No. R-802

APPLICATION OF THE OIL CONSERVATION  
COMMISSION UPON ITS OWN MOTION FOR  
AN ORDER RELATING TO THE EXTENSION  
OF THE PROVISIONS OF EMERGENCY ORDER  
A-77-(B), FOR THE DURATION OF THE  
PERIOD OF THE PIPELINE PRORATIONING  
HERETOFORE INSTITUTED BY CITIES SERVICE  
OIL COMPANY IN LEA, EDDY, AND CHAVES  
COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on  
April 30, 1956, at Santa Fe, New Mexico, before the Oil Conserva-  
tion Commission of New Mexico, hereinafter referred to as the  
"Commission".

NOW, on this 1<sup>st</sup> day of May, 1956, the Commission,  
a quorum being present, having considered the evidence adduced  
at said hearing and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing  
having been given as required by law, the Commission has jurisdiction  
of this case and the subject matter thereof.

2. That following a shut-down in the form of a labor  
strike in the East Chicago Refinery of the Cities Service Oil  
Company, the Cities Service Oil Company by telegram dated April 5,  
1956, notified the Commission of its intention to reduce the  
normal take of crude oil from its connections in the State of New  
Mexico to 60% of the average daily runs in February, 1956, said  
reduction to be effective April 1, 1956.

3. That on April 27, 1956, the Commission was notified  
by telegram of Cities Service Oil Company's intent to increase  
crude oil purchases to about 80 percent of normal, effective May  
1, 1956, in all states in which it buys.

4. That Cities Service Oil Company purchases crude  
oil from wells located in Lea, Eddy, and Chaves Counties, New  
Mexico, said oil being transported by the Texas-New Mexico Pipeline  
Company, and that many of the wells to which said pipeline is  
connected are marginal wells.

5. That under the provisions of Rule 503 (f) of the Commission's Rules and Regulations any operator affected by pipeline prorationing has the right to make application to the Commission for authorization to have any shortage or underproduction resulting from pipeline prorationing included in subsequent proration schedules and that this right is limited to wells which are capable of producing top unit allowable.

6. That marginal wells are not afforded the opportunity to make up any underproduction caused by "pipeline prorationing" due to the nature of their productive capacity.

7. That Cities Service Oil Company's reduction in takes from all wells from which they purchase, will impair correlative rights.

8. That the evidence available to the Commission indicates that the overall reduction in takes by Cities Service Oil Company can be made from proration units assigned top unit allowables on the May proration schedule.

IT IS THEREFORE ORDERED:

That during the effective period of this order Cities Service Oil Company shall not reduce its take from any proration unit to which a marginal allowable was assigned under Order A-78.

PROVIDED, HOWEVER, That nothing in this order shall be construed as denying any operator the right to apply for back allowable pursuant to the terms of Rule 503 (f) of the Commission's Rules and Regulations.

The provisions of this order are effective on May 1, 1956 and will remain in effect until further order of the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1150  
Order No. R-900

APPLICATION OF AMERADA PETROLEUM  
CORPORATION FOR AN ORDER GRANTING  
PERMISSION TO MAKE UP UNDER-  
PRODUCTION WHICH ACCRUED, AS A  
RESULT OF PIPELINE PRORATION DURING  
THE MONTHS APRIL AND MAY OF 1956,  
TO ITS M. J. RALEY "A" NO. 1 WELL  
LOCATED IN THE NE/4 NE/4 OF SECTION  
18, TOWNSHIP 20 SOUTH, RANGE 38 EAST,  
NMPN, NORTH WARREN BOKEE POOL, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on September 26, 1956 at Hobbs, New Mexico before Daniel S. Rutter, Examiner, duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOV, on this 15<sup>th</sup> day of October, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Rutter, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That the applicant is the operator of the M. J. Raley "A" No. 1 Well located 660 feet from the North line and 660 feet from the East line of Section 18, Township 20 South, Range 38 East, NMPN, Lea County, New Mexico.
- (3) That the said M. J. Raley "A" No. 1 Well accrued underproduction in the amount of 3,992 barrels of oil as a result of pipeline prorating by the Texas-New Mexico Pipeline Company during the months of April and May of 1956, which was necessitated by the Cities Service Oil Company refinery strike.
- (4) That the applicant's failure to make application to the Commission for permission to make up the aforesaid underproduction within the time limit prescribed by Rule 503 (f) of the Commission Rules and Regulations was the result of clerical error.

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Case No. 1150  
Order No. R-900

(5) That the approval of the subject application will not cause waste nor jeopardize correlative rights.

IT IS THEREFORE ORDERED:

That the applicant be permitted to file with the Commission, within thirty (30) days from the date of this order, an application to make up the underproduction which accrued as a result of pipeline prorationing by the Texas-New Mexico Pipeline Company during the months of April and May of 1966 to its M. J. Raley "A" No. 1 Well, located 660 feet from the East line of Section 16, Township 20 South, Range 38 East, NMPN, North Warren McKee Pool, 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 F. SIMMS, Chairman

E. S. WALKER, Member

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

S E A L

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

ORDER NO. A-77-(A)

**EMERGENCY ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

Heretofore on April 3, 1956, a telegram of same date was received by the Oil Conservation Commission of New Mexico from Cities Service Oil Company informing the Commission of a labor strike in their East Chicago Refinery, said shut down being effective at 10:30 a.m. on Tuesday, April 3, 1956.

Thereafter, on April 5, 1956, the Commission received a second telegram from said Cities Service Oil Company stating that said company had notified all transporters receiving crude oil from leases for the companies accounts in Kansas, Oklahoma, Texas, New Mexico, and Louisiana, and that until further notice said transporters are to run from leases connected for Cities Service Company's account an amount of oil equal to sixty percent of actual daily average runs made in February, 1956. Properties under waterflood are to be exempted.

NOW, on this 6<sup>th</sup> day of April, 1956, the Commission, a quorum being present, having considered the situation and the available facts therein,

**FINDS:**

1. That following a shut down in the form of a labor strike in the East Chicago Refinery of the Cities Service Oil Company, the Cities Service Oil Company by telegram dated April 5, 1956, notified the Commission of its intention to reduce the normal take of crude oil from its connections in the State of New Mexico to 60% of the average daily runs in February, 1956, said reduction to be effective April 1, 1956.

2. That Cities Service Oil Company purchases crude oil from wells located in Lea, Eddy, and Chaves Counties, New Mexico, said oil being transported by the Texas-New Mexico Pipeline Company, and that many of the wells to which said pipeline is connected are marginal wells.

3. That under the provisions of Rule 503 (f) of the Commission's Rules and Regulations any operator affected by pipeline prorating has the right to make application to the Commission for authorization to have any shortage or underproduction resulting from pipeline prorating included in subsequent proration schedules, and that this right is limited to wells which are capable of producing top unit allowable.

4. That marginal wells are not afforded the opportunity to make up any underproduction caused by "pipeline prorating" due to the nature of their productive capacity.

Order No. A-77-(A)

5. That Cities Service Oil Company's proposal to reduce the take from all wells to 60% of the actual daily average runs made in February, 1956, effective April 1, 1956, will impair correlative rights and is conducive to waste.

IT IS THEREFORE ORDERED:

1. That during the effective period of this order Cities Service Oil Company shall not reduce its take from any marginal proration unit to which an allowable has been assigned under the terms and provisions of Order No. A-77.

2. That in the event of pipeline prorationing by any common purchaser, said common purchaser shall not reduce its take from any marginal proration unit to which an allowable has been assigned under the terms and provisions of Order No. A-77.

PROVIDED, HOWEVER, That nothing in this order shall be construed as denying any operator the right to apply for back allowable pursuant to the terms of Rule 503 (f) of the Commission's Rules and Regulations.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, 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

ORDER NO. A-77-(B)

EMERGENCY ORDER OF THE COMMISSION

BY THE COMMISSION:

Heretofore on April 3, 1956, a telegram of same date was received by the Oil Conservation Commission of New Mexico from Cities Service Oil Company informing the Commission of a labor strike in their East Chicago Refinery, said shut down being effective at 10:30 a.m., on Tuesday, April 3, 1956.

Thereafter, on April 5, 1956, the Commission received a second telegram from said Cities Service Oil Company stating that the Company had notified all transporters receiving crude oil from leases for the Company's accounts in Kansas, Oklahoma, Texas, New Mexico and Louisiana of these events, and that until further notice said transporters are to run from leases connected for the account of Cities Service Company an amount of oil equal to sixty percent of actual daily average runs made in February, 1956. Properties under waterflood are to be exempted.

NOW, on this 14th day of April, 1956, the Commission, a quorum being present, having considered this situation and other available facts and data,

FINDS:

1. That following a shut down in the form of a labor strike in the East Chicago Refinery of the Cities Service Oil Company, the Cities Service Oil Company by telegram dated April 5, 1956, notified the Commission of its intention to reduce the normal take of crude oil from its connections in the State of New Mexico to 60% of the average daily runs in February, 1956, said reduction to be effective April 1, 1956.

2. That Cities Service Oil Company purchases crude oil from wells located in Lea, Eddy, and Chaves Counties, New Mexico, said oil being transported by the Texas-New Mexico Pipeline Company, and that many of the wells to which said pipeline is connected are marginal wells.

3. That under the provisions of Rule 503 (f) of the Commission's Rules and Regulations any operator affected by pipeline prorationing has the right to make application to the Commission for authorization to have any shortage or underproduction resulting from pipeline prorationing included in subsequent proration schedules, and that this right is limited to wells which are capable of producing top unit allowable.

4. That marginal wells are not afforded the opportunity to make up any underproduction caused by "pipeline prorationing" due to the nature of their productive capacity.

5. That Cities Service Oil Company's proposal to reduce the take from all wells to 60% of the actual daily average runs made in February, 1956, effective April 1, 1956, will impair correlative rights and is conducive to waste.

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6. That the evidence available to the Commission indicates that the overall reduction in takes by Cities Service Oil Company can be made from proration units assigned top unit allowables on the April proration schedule.

7. That due to the facts, conditions, and circumstances enumerated above, the Commission finds that an emergency exists requiring the issuance of this order.

IT IS THEREFORE ORDERED:

1. That during the effective period of this order Cities Service Oil Company shall not reduce its take from any marginal proration unit to which an allowable has been assigned under the terms and provisions of Order No. A-77.

2. That in the event of pipeline prorationing by any common purchaser during such period, said common purchaser shall not reduce its take from any marginal proration unit to which an allowable has been assigned under the terms and provisions of Order No. A-77.

3. That this Order is issued pursuant to the provisions of Section 65-3-20, NMSA, 1953 Comp.

4. That the subject matter of this order will come on for hearing before the Commission at Mabry Hall, State Capitol, Santa Fe, New Mexico, at 9:00 a.m., April 18, 1956, at the time of the regular Oil Allowable hearing, provided however, that should Cities Service Oil Company be unwilling to waive ten days' notice as provided by the Commission's rules, the said hearing will be set at a later date to be designated by the Commission.

5. This order amends and supersedes Order No. A-77-(A), heretofore issued by this Commission on April 6, 1956.

PROVIDED, HOWEVER, That nothing in this order shall be construed as denying any operator the right to apply for back allowable pursuant to the terms of Rule 503 (f) of the Commission's Rules and Regulations.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

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