

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING  
PURCHASER PRORATIONING BY  
MALCO REFINERIES, INC. IN  
CHAVES AND EDDY COUNTIES,  
NEW MEXICO, COMMENCING  
JUNE 1, 1957

EMERGENCY  
ORDER A-91 (A)

NOW, on this 31st day of May, 1957, the Commission, a quorum being present, having considered the necessity for an Emergency Order and being fully advised on the premises:

FINDS:

(1) That commencing June 1, 1957, Malco Refineries, Inc. will, for a period of time, be unable to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

(2) That an emergency exists which requires the promulgation of an order without notice and hearing to prescribe the manner in which Malco Refineries, Inc. shall prorate its purchases of oil in the State of New Mexico during the period of purchaser prorationing commencing June 1, 1957.

(3) That Malco Refineries, Inc. should be required to make its reductions in purchases of oil proportionately among all proration units from which it purchases, provided, however, that in order to preclude premature abandonment, Malco Refineries, Inc. should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.

(4) That in order to prevent underground waste, Malco Refineries, Inc. should be required to make 100 percent purchases from all wells located in a water flood project authorized by the Commission.

IT IS THEREFORE ORDERED:

1. That in the event Malco Refineries, Inc. shall find it necessary to reduce its purchases of oil in the State of New Mexico below the amount legally authorized to be produced from the wells from which it purchases, then Malco Refineries Inc. shall make the reduction in purchases of oil proportionately among all of said wells.

PROVIDED HOWEVER, That Malco Refineries, Inc. 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.

-2-

Emergency Order A-91 (A)

PROVIDED FURTHER, That Malco Refineries, Inc. shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

PROVIDED FURTHER, That Malco Refineries, Inc. shall purchase all of the oil produced from wells located in an authorized water flood project.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

S E A L

ir/