

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. 1268
Order No. R-1014

APPLICATION OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO UPON ITS
OWN MOTION FOR AN ORDER CONCERNING
PURCHASER PRORATIONING BY MALCO
REFINERIES, INCORPORATED, COMMENCING
JUNE 1, 1957.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 13, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of June, 1957, 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 notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Malco Refineries, Incorporated, will be unable to purchase all oil authorized to be produced from the wells from which it purchases in the State of New Mexico during the months of June and July of 1957.
- (3) That Malco Refineries, Incorporated, 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, Incorporated 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, Incorporated 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, Incorporated shall find it necessary to reduce its purchases of oil in the State of New Mexico below the amount legally authorized to be

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produced from the wells from which it purchases, then Malco Refineries, Incorporated shall make the reduction in purchases of oil proportionately among all of said wells.

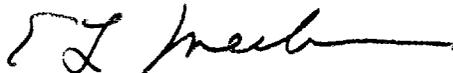
PROVIDED HOWEVER, That Malco Refineries, Incorporated shall not reduce its purchases from any proration unit to an amount less than 10 barrels daily, provided that the unit is capable of producing same.

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

PROVIDED FURTHER, That Malco Refineries, Incorporated 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



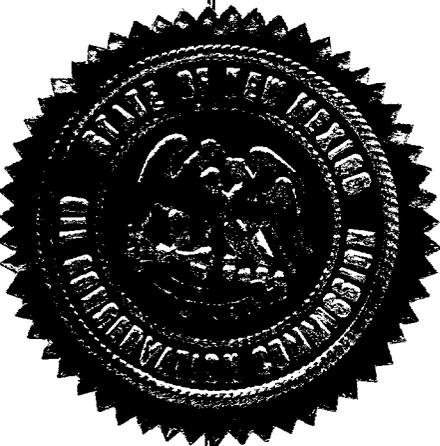
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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