

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. 1522  
Order No. R-1299-A

APPLICATION OF GENERAL  
PETROLEUM, INC., FOR A REVISION  
OF RULE 311 AND AN AMENDMENT OF  
ORDER NO. R-1299 TO PROVIDE THAT  
ANY MERCHANTABLE OIL RECOVERED  
FROM SEDIMENT OIL SHALL NOT BE  
CHARGED AGAINST THE ALLOWABLE  
FOR THE WELL OR WELLS FROM  
WHICH SAID OIL WAS PRODUCED

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 9, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 25<sup>th</sup> day of June, 1959, 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:

- (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 the applicant, General Petroleum, Inc., seeks a revision of Rule 311 of the Commission Rules and Regulations and an amendment of Order No. R-1299 to provide that any merchantable oil recovered from sediment oil shall not be charged against the allowable for the well or wells from which said oil was produced.
- (3) That such a revision would penalize the prudent operator and would encourage the inefficient operation of oil and gas leases.
- (4) That the subject application should be denied.

-2-

Case No. 1522

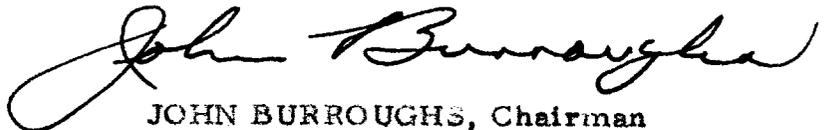
Order No. R-1299-A

IT IS THEREFORE ORDERED:

That the application of General Petroleum, Inc., for a revision of Rule 311 of the Commission Rules and Regulations and an amendment of Order No. R-1299 to provide that any merchantable oil recovered from sediment oil shall not be charged against the allowable for the well or wells from which said oil was produced be and the same is hereby denied.

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

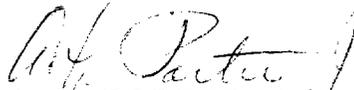
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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



vem/