BEFORE THE GIL 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 cause on for hearing at 10 o'clock a.m. on April 30, 1956, at Names Da. Now Mexico, before the til Commission of New Mexico, hereby for referred to as the "Commission".

NOW, on this _______ 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.

- l. 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 60 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.

-2-Order No. R-802

- 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.

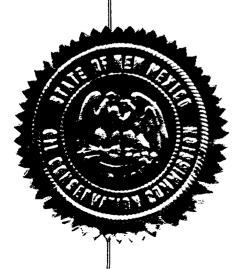
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OHL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E.S. WALKER, Member

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



ENFORE THE CIL COMBREVATION COMMISSION OF THE STATE OF MEN MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMBERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF COMMIDERING:

> CASE NO. 1150 Order No. R-900

APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER GRANTING PERMISSION TO MAKE UP UNDER-PRODUCTION VALCE ACCRUED, AS A RESULT OF PIPELINE PROBATION DURING THE MONTHS APRIL AND MAY OF 1954, TO ITS M. J. RALEY "A" NO. 1 VELL LOCATED IN THE MK/4 MK/4 OF SECTION 18, TOWNSHIP 30 SOUTH, RANGE 38 KAST, MMPM, NORTH WARREN BURKE POOL, LEACOUNTY, NEW MEXICO.

ONDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 c'clock a.m. on September 26, 1956 at Robbs, New Mexico before Daniel S. Rutter, Examiner, duly appointed by the Cil 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 day of October, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel 5. Nutter, and being fully advised in the premises.

- (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 669 feet from the East line of Section 18, Township 20 South, Range 38 East, NEPH, Lea County, New Hexico.
- (3) That the said M. J. Haley "A" No. 1 Well accrued underproduction in the amount of 3,992 barrels of oil as a result of pipeline prorationing by the Texas-New Mexico Pipeline Company during the months of April and May of 1956, which was necessitated by the Cities Service Cil 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 ciercal error.

-2-Case No. 1150 Order No. R-900

(5) That the approval of the subject application will not cause waste nor jeopardise 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 menths of April and May of 1956 to its M. J. Raley "A" No. 1 Well, located 660 feet from the East line of Section 18, Township 20 South, Range 38 East, HMPM, 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 COMSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Momber

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

SEAL

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

ORDER NO. A-77-(A)

EMERGENCY ORDER OF THE COMMISSION

BY THE COMMISSION:

Heretofere 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 Gil 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 6th day of April, 1956, the Commission, a quorum being present, having considered the situation and the available facts therein,

- 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 (1) 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.

-2-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 provation 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.

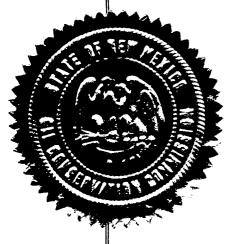
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Homber

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



BEFORE THE OIL CONSERVATION CONCLISSION OF THE STATE OF NEW MEXICO

ORDER NO. A-77-(B)

EMERGENCY ORDER OF THE COMMISSION

BY THE COMMISSION:

Herstofore 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 l4th day of April, 1956, the Commission, a quorum being present, having considered this situation and other available facts and data.

- l. 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 sil 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 provationing has the right to make application to the Commission for authorization to have any shortage or underproduction resulting from pipeline provationing included in subsequent provation 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 prerationing" 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.

-2-Order No. A-77-(B)

- 6. That the evidence available to the Commission indicates that the overall reduction in takes by Cities Service Gil 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 previsions 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 Capitel, Santa Fe, New Mexico, at 9:00 a.m., April 18, 1956, at the time of the regular Oil Allewable 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. STIMS, Chairman

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

