

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING
PURCHASER PRORATIONING BY
MAGNOLIA PETROLEUM COMPANY,
IN LEA, EDDY, CHAVES AND
ROOSEVELT COUNTIES, NEW
MEXICO, COMMENCING JUNE 12,
1957.

EMERGENCY
ORDER A-91 (B)

NOW, on this 13th day of June, 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 12, 1957, Magnolia Petroleum Company 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 Magnolia Petroleum Company shall prorate its purchases of oil in the State of New Mexico during the period of purchaser prorationing commencing June 12, 1957.

(3) That Magnolia Petroleum Company 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, Magnolia Petroleum Company should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.

(4) That a Commission hearing should be held on June 28, 1957, to permit all interested persons to appear and show cause why the provisions of this order should not be continued in effect.

IT IS THEREFORE ORDERED:

1. That in the event Magnolia Petroleum Company 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 Magnolia Petroleum Company shall make the reduction in purchases of oil proportionately among all of said wells.

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

PROVIDED FURTHER, That Magnolia Petroleum Company shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

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2. That a Commission hearing be held on June 28, 1957, to permit all interested persons to appear and show cause why the provisions of this order should not be continued in effect.

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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