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# 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. 1299 Order No. R-1037-B

IN THE MATTER CONCERNING PURCHASER PRORATIONING BY GULF OIL CORPORATION IN CERTAIN OIL POOLS IN LEA, EDDY, CHAVES, AND ROOSEVELT COUNTIES, NEW MEXICO.

## ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 15, 1957, 9 o'clock a.m. on September 18, 1957, and again at 9 o'clock a.m. on October 17, 1957, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this <u>a/st</u> day of October, 1957, the Commission, a quorum being present, having considered the evidence adduced at said hearings 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 Gulf Oil Corporation will, for a period of time, be unable to purchase all oil authorized to be produced from wells from which it purchases in the State of New Mexico.
- (3) That Gulf Cil Corporation should be required to make its reductions in purchases of oil proportionately among all proration units from which it purchases in the State of New Mexico; provided however, that in order to preclude premature abandonment, Gulf Cil Corporation should be required to make 100% purchases from proration units with daily oil production of 10 barrels or less.
- (4) That in order to prevent underground waste, Gulf 011 Corporation should be required to make 100% purchases from all wells located in a water flood project authorized by the Commission.

#### IT IS THEREFORE ORDERED:

(1) That Gulf Cil Corporation shall not, until further order of the Commission, be required to purchase 100% of the oil authorized to be produced from all of the wells from which it purchases in the State of New Mexico,

PROVIDED HOWEVE., That Gulf Gil Corporation shall purchase 100% of the authorized production from wells located in an approved water flood project.

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PROVIDED FURTHER, That Gulf Oil Corporation shall purchase 100% of the oil produced from any provation unit producing 10 barrels or less daily;

PROVIDED FURTHER, That Gulf Gil Corporation 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 Gulf Oil Corporation shall make any reduction in purchases of oil proportionately among all other proration units from which it purchases in the State of New Mexico;

(2) That this order shall 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
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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



# 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. 1299 Order No. R-1037-A

IN THE MATTER CONCERNING PURCHASER PRORATIONING BY GULF OIL CORPORATION IN CERTAIN OIL POOLS IN LEA, EDDY, CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO.

### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 15, 1957, and again at 9 o'clock a.m. on September 18, 1957, at Santa Fe, New Mexico, before the Gil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this day of September, 1957, the Commission, a quorum being present, having considered the evidence adduced at said hearings 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 Gulf Oil Corporation is, by reason of excessive stocks of company-owned crude oil in storage, unable to purchase the full allowable of production from wells to which it is connected in six states, including New Mexico.
- (3) That Gulf Gil Corporation proposes to reduce the excessive stocks of company-owned crude oil in storage by reducing its purchases of crude oil in said states to 80% of its actual July purchases from the leases from which it buys.
- (4) That Gulf Oil Corporation should be permitted to effect said reductions of purchases of crude oil in the State of New Mexico.
- (5) That Gulf Gil Corporation should be required to make its reductions in purchases of oil proportionately among all proration units from which it purchases in the State of New Mexico; provided however, that in order to preclude premature abandonment, Gulf Gil Corporation should be required to make 100% purchases from proration units with daily oil production of 10 barrels or less.

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- (6) That in order to prevent underground waste, Gulf Oil Corporation should be required to make 100% purchases from all wells located in a water flood project authorized by the Commission.
- (7) That Gulf Oil Corporation should appear and show cause at the Commission regular hearing on October 17, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.
- (8) That Gulf Oil Corporation should, at said hearing of October 17, 1957, present evidence as to the actual market conditions which have resulted in the need for the continuation of purchaser prorationing, if there be such need.

#### IT IS THEREFORE ORDERED:

(1) That Gulf Cil Corporation be and the same is hereby authorized, until further order of the Commission, to reduce its purchases from the wells from which it purchases in the State of New Mexico to 80% of its actual July purchases from said wells;

PROVIDED HOWEVER, That Gulf Oil Corporation shall make said reductions in purchases of oil proportionately among all proration units from which it purchases in the State of New Mexico;

PROVIDED FURTHER, That Gulf Cil Corporation shall not reduce its purshases from any proration unit to an amount less than 10 barrels daily, provided the unit is capable of producing same.

PROVIDED FURTHER, That Gulf Oil Corporation shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily;

PROVIDED FURTHER, That Gulf Oil Corporation shall purchase all of the oil produced from wells located in an authorized water flood project.

- (2) That Gulf Gil Corporation shall appear and show cause at the Commission regular hearing on Gatober 17, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.
- (3) That Gulf Cil Corporation shall, at said hearing of Cctober 17, 1957, present evidence as to the actual market conditions which have resulted in the need for the continuation of purchaser prorationing, if there be such need, and that said evidence shall include statistics relating to:
  - (a) Gulf Gil Corporation's purchases of crude oil from wells in New Mexico during the months of January through September, 1957.

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- (b) Volumes of crude oil of New Mexico origin held by Gulf Oil Corporation as reported to the United States Bureau of Mines each week since January, 1957.
- (c) Actual disposition of New Mexico crude oil purchased by Gulf Oil Corporation since January, 1957, i.e., whether run to storage, sold, or refined in Gulf-owned refineries.
- (d) Average daily runs of the Gulf-owned refineries processing New Mexico crude oil for each week since January 1, 1957, and the amount of New Mexico oil processed in each of said refineries during said period.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, 5r., Member & Secretary



# BEFORE THE CIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER CONCERNING PURCHASER PRORATIONING BY GULF OIL CORPORATION IN CERTAIN OIL POOLS IN LEA, EDDY, CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO.

> CASE NO. 1299 Order No. R-1037

### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on August 15, 1957, at Santa Fe, New Mexico, before the Cil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 6 day of August, 1957, the Commission, a quorum being present, having considered the evidence adduced at said hearing and being fully advised in the premises,

#### FINDS:

- 1. 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 commencing August 1, 1957, Gulf Cil Corporation 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.
- 3. That on August 1, 1957, the Commission entered Emergency Order No. A-93-A prescribing the manner in which Gulf Oil Corporation should prorate its purchases of oil in the State of New Mexico during the existence of said Emergency Order.
- 4. That Gulf Oil Corporation 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, Gulf Oil Corporation should be required to make 100 percent purchases from proration units with daily oil production of 10 barrels or less.
- 5. That in order to prevent underground waste, Gulf Cil Corporation, should be required to make 100 percent purchases from all wells located in a water flood project authorized by the Commission.
- 6. That Gulf Gil Corporation should appear and show cause at the Commission regular hearing on September 18, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

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### IT IS THEREFORE ORDERED:

(1) That in the event Gulf Oil Corporation finds 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 during the effective period of this order, then Gulf Oil Corporation shall make the reductions in purchases of oil proportionately among all of said wells.

PROVIDED HOWEVER, That Gulf Oil Corporation 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 Gulf Cil Corporation shall purchase 100 percent of the oil produced from any proration unit producing 10 barrels or less daily.

PROVIDED FURTHER, That Gulf Oil Corporation, shall purchase all of the oil produced from wells located in an authorized water flood project.

(2) That Gulf Oil Corporation shall appear and show cause at the Commission regular hearing on September 18, 1957, why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.

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