



MAGNOLIA PETROLEUM COMPANY

A SOCONY MOBIL COMPANY

P. O. BOX 900
DALLAS 21, TEXAS

CRUDE OIL PURCHASES AND SALES

June 12, 1957

D. R. WALL, JR.
MANAGER

J. E. MCHALE
ASSISTANT MANAGER

TO PRODUCERS IN
TEXAS, OKLAHOMA, NEW MEXICO AND ILLINOIS:

Due to recent refinery cutbacks and strikes which shut down refineries normally supplied by Magnolia Petroleum Company, it is necessary for Magnolia to reduce its purchase of crude oil by fifteen per cent (15%) from all leases, including Magnolia-owned leases, in Texas, Oklahoma, New Mexico and Illinois. This reduction is effective during June, 1957, and thereafter until further notice, and will be based on purchasing eighty-five per cent (85%) of actual May, 1957 purchases.

The Company greatly regrets having to take this action and hopes for an early return to its normal purchasing schedule.

MAGNOLIA PETROLEUM COMPANY

By D. R. Wall, Jr.
Manager, Crude Oil
Purchases and Sales

DRW:lh

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 12, 1957

MEMORANDUM

TO: Governor Mechem & Commissioner Morgan

FROM: A. L. Porter, Jr.

Mr. Wall of Magnolia Petroleum Company called me from Dallas at 2:15 p.m. today advising that it would be necessary for Magnolia to reduce crude oil purchases in the states of New Mexico, Oklahoma, Texas and Illinois by 15% for the entire month of June. He further advised that this action had become necessary due to the shut-down of several refineries on account of labor troubles to which they supplied crude oil. The total reduction in their takes from the states mentioned will be 58,000 barrels daily. The reduction in New Mexico takes would amount to approximately 2940 barrels daily.

I instructed Mr. Wall that no reduction could be made in the takes from wells producing 10 barrels or less daily and that they should make no reductions from wells located in water flooded projects. However, I do not believe that they are purchasing from any water flood projects in New Mexico. I further advised Mr. Wall that his company might be required to make the entire reduction in takes from top allowable wells, and if so, an emergency order would be issued making that requirement. We will immediately review the pools from which Magnolia is purchasing oil to determine whether or not the reduction can be taken from top allowable wells.

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MAGNOLIA PETROLEUM COMPANY

A SOCONY MOBIL COMPANY

P. O. BOX 900
DALLAS 21, TEXAS

June 13, 1957

CRUDE OIL PURCHASES AND SALES

D. R. WALL, JR.
MANAGER

J. E. MCHALE
ASSISTANT MANAGER

*copy of docket
mailed 6/19/57
BR*

Hon. A. L. Porter
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Confirming our telephone conversation of June 12, 1957, it will be necessary for Magnolia Petroleum Company to reduce its purchase of crude oil in the State of New Mexico during the month of June, 1957 and thereafter, until further notice, by fifteen per cent (15%).

As I explained to you, this reduction is necessary because of our excessive inventory and the recent refinery strikes and refinery cutbacks.

We are enclosing a copy of the notice to all producers from whom we purchase, advising them of this reduction.

We are sorry that this action is necessary, and hope that the strikes will be settled before long so that we will be able to return to a normal purchasing schedule.

Very truly yours,

D. R. Wall, Jr.

DRW:lh
encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 14, 1957

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Magnolia Petroleum Company
Box 900
Dallas, Texas

ATTENTION: Mr. Wall

Gentlemen:

We enclose a copy of Emergency Order A-91 (B) issued June 13, 1957, by the Oil Conservation Commission.

As per your telephone request this date, we also enclose copies of Emergency Orders A-70 (A), A-70 (B) and A-71 (A).

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 28, 1957

Mr. Jack M. Campbell
Campbell & Russell
P.O. Box 721
Roswell, New Mexico

Dear Mr. Campbell:

We enclose a copy of Order R-1019 issued June 28, 1957, by the Oil Conservation Commission in Case 1273, which was heard on June 28th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

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DEARNLEY-MEIER AND ASSOCIATES
INCORPORATED

605 SIMMS BUILDING
ALBUQUERQUE, NEW MEXICO
Telephone 3-6691

106 BOKUM BUILDING
SANTA FE, NEW MEXICO
Telephone 2-1869



July 1, 1957

Bobby Postlewaite
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Bobby:

I failed to get from Jack Cooley the documents from which he read at the hearing last Friday, one was a letter and the other was I believe an emergency order.

Would you be so kind as to send them to me immediately.

Very truly yours,

Ada

*Letter from Magnolia
dated 6-13-57 to
Porter & Notice to operators
attached to letter sent
7-2-57 BP*

AD:sm