

OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

September 13, 1960

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Whaley Company, Inc.  
Continental Life Bldg.  
Fort Worth 2, Texas

Attention: Mr. William D. Morris

Gentlemen:

This is with reference to your letter of September 8, 1960 concerning the commingling of oil produced from your New Mexico State Lease Well No. 1 located in Section 36, T-12-S, R-31-E with the oil produced from your New Mexico State Well No. 2 located in Section 2, T-14-S, R-31-E.

Insofar as this is the same basic lease, all that this office will require will be Form C-110 showing tank battery location for your Well No. 1.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey  
Proration Manager

JDR/mc  
cc-Mr. Ted Bilberry  
SLO, Santa Fe

Texas New Mexico Pipeline Co.  
Midland, Tex.

WHALEY COMPANY, INCORPORATED

CONTINENTAL LIFE BUILDING  
FORT WORTH 2, TEXAS

HOODS OFFICE 800

WILLIAM D. MORRIS  
PRESIDENT

September 8, 1960

SEP 10 PM 4 20

OIL AND GAS PRODUCTION  
AND NEW MEXICO

New Mexico Oil & Gas Conservation Commission  
P.O. Box 2045  
Hobbs, New Mexico

Attention: Mr. Joe D. Ramey, District Supervisor

Re: New Mexico State Lease Well #1  
Whaley Company, Inc.

Dear Sir:

Your records will, no doubt, show that back in the latter part of 1952 and early in 1953 Whaley Company, Inc. drilled their New Mexico State Well #1 located in the NE/4 of the NE/4 of Section 36, Twp-12-South, Rge-31-East, Chaves County, New Mexico. This well is in the Caprock Queen Field.

At the time the well was drilled the lease was a part of New Mexico State Lease B-9986-9 containing 717.08 acres. Presently it is a part of New Mexico State Lease E-7516 containing the same acreage, namely, 717.08 acres. The well record, your Form C-105, was filed on this well under date of December 29, 1953. At that time the well was classified as a dry hole, and 7" casing was cemented in the well to the top of the ground and the well was temporarily abandoned in this condition.

As indicated by the reports due, we think, to pressure build up in the North Caprock Unit operated by Graridge Corporation, quite some months ago the well gave indications of being productive of oil and gas in paying quantities. For several months the well made a very limited amount of oil, but is presently making something over four barrels per day. We now enclose you the following reports on this well:

1. Form C-103, Misc. Reports on Wells in triplicate
2. Form C-104, Request for Oil Allowable in quadruplicate
3. Form C-110, Certificate of Compliance and Authorization to transport oil and Natural Gas - 5 copies
4. Form C-116, Gas-Oil Ratio Report in duplicate
5. Form C-128, Well Location and Acreage Designation Plat in triplicate

We also enclose your copy of Form C-115 on which we have shown the production of this well for the month of August, 1960. We have no idea exactly how to handle the matter, but anyway, we had thirty barrels of oil in the tank at the well at the end of the month, a portion of which was potential test

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Letter to: New Mexico Oil & Gas Conservation Commission  
September 8, 1960

We likewise enclose you Verifax copy of letter from New Mexico State Land Office dated July 21, 1958 authorizing us to transfer this oil to the Tank Battery near Well #2 and run it the same as oil from Well #2.

We likewise enclose you Verifax copy of letter from The Texas Company dated 1-22-59 advising that they were agreeable to purchasing the oil as part of the oil in the Tank Battery at Well #2 conditioned only upon our approval of the New Mexico State Land Office, Oil and Gas Division, of permission to commingle the oil from Wells #1 and #2. We have a 210 barrel test tank set at Well #2 and can and will keep an accurate record of production from each well separately.

We hope you will find these papers in order and if you do not you have full authority to make any minor corrections necessary to make them comply with your Rules and Regulations.

Yours respectfully,



William D. Morris

WDM:ba  
Encls

cc: Hon. Murray E. Morgan, Commissioner  
of Public Land,  
New Mexico State Land Office  
Santa Fe, New Mexico  
Attn: Mr. Malcolm Long, Royalty Department

cc: Hon. Murray E. Morgan,  
Commissioner of Public Lands  
New Mexico State Land Office  
Santa Fe, New Mexico  
Attn: Mr. Ted Bilberry, Supervisor  
Oil & Gas Division

cc: Mr. H. B. Phillips, Supt  
Whaley Company, Inc.  
P.O. Box 925  
Kermit, Texas