

<u>MIAGNOLIIA PETROLEUMI COMPANJY</u>

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 Manager, Crude

Purchases and Sales

DRW:1h

DIL CUNSERVATION COMMISSION P. D. 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 eil. 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 floed 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.

ALP: bp



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A SOCONY MOBIL COMPANY

P. O. BOX 900 DALLAS 21, TEXAS

CRUDE OIL PURCHASES AND SALES

June 13, 1957

D. R. WALL, JR. MANAGER

J. E. MCHALE ASSISTANT MANAGER

> Hon. A. L. Porter New Mexico Oil Conservation Commission P. 0. 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.

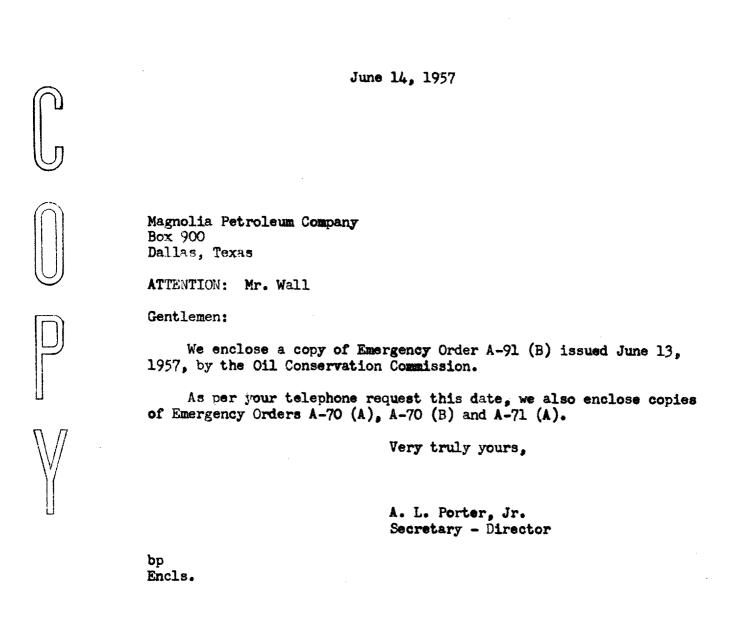
We are enclosing a copy of the notice to all producers from whom we purchase, advising them of this reduction.

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, Q. Z. Wall. J.

DRW:1h encl.

OIL CONSERVATION COMMISSION P. D. BOX 871 SANTA FE, NEW MEXICO



DIL CONSERVATION COMMISSION P. D. 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

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bp Encl.

DEARNLEY-MEIER AND ASSOCIATES

INCORPORATED

605 SIMMS BUILDING ALBUQUERQUE, NEW MEXICO Telephone 3-6691 Ø

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

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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

AD:sm