

WHALEY COMPANY, INCORPORATED

CONTINENTAL LIFE BUILDING
FORT WORTH 2, TEXAS

WILLIAM D. MORRIS
PRESIDENT

September 8, 1960

1960 SEP 10 PM 4:30

OIL AND GAS PRODUCTION
TEXAS AND NEW MEXICO

Honorable Murray E. Morgan
Commissioner of Public Lands
New Mexico State Land Office
Santa Fe, New Mexico

Attention: Mr. Malcolm Long,
Royalty Department

Re: New Mexico State Lease B-787809
Robert B. Violette
New Mexico State Lease B-10420-151
Formerly Joan Milne

Gentlemen:

References made to the above two New Mexico State Oil and Gas Leases owned by Whaley Company, Inc. on which your Office has requested us to keep you posted as to possible development plans on said leases. We also refer to New Mexico State Lease E-7516 on which we have recently completed Well #1 per Verifam copies of forms enclosed herewith.

As your records will show the first above mentioned lease is described as NW/4 NE/4 Section 36, Twp-12-South, Rge-31-East Chaves County, New Mexico. The title to this lease as you have previously been advised is involved in an heirship and guardianship proceedings, and while Whaley Company has acquired the equitable title to the lease they have not yet been able to furnish your Office with an acceptable official assignment of the title. This matter is being handled by our New Mexico Attorneys, Hervey, Dow & Hinkle, Attention: Mr. W. E. Bondurant, Jr.

The other lease described as SE/4 SE/4 of Section 25, above township and range stand in our name of record, and our present plans are to use it to drill an injection well to back up the well in the NE/4 of the NE/4 of Section 36. This well, #1 State, is now on the pump and we have completed an official potential test on it of 4.63 barrels. We are hopeful this production will increase as pressures build up from the North Caprock Unit being operated by Graridge Corporation.

We have had preliminary conferences with a number of the lease owners in Sections 25 and 36, Twp-12-South, Rge-31-East and we are hopeful of working out a deal to core test in the area to see if the sand productive to the south exists further north and if it does, to work out a repressuring or waterflood unit similar to that worked out by Great Western Drilling Company to the southwest, which unit is known as the Pebble Queen Unit.

Your Office has requested us to furnish them progress reports on these leases at approximately six month intervals and we respectfully request that you accept this letter as such a progress report due at the end of the first six months of 1960.

WALLEN COMPANY, INCORPORATED

COMMERCIAL LINE BUILDING
FIRST FLOOR, ST. LOUIS

WALL AND BASE PROTECTION
REPAIRS AND REPAIRS

WILLIAM D. HARRIS
PRESIDENT

1000 N. 1st St. St. Louis, Mo.

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Appropriate copies of this letter are being sent to parties at interest as indicated below.

Yours respectfully,


William D. Morris

WDM:ba
Encls

cc: New Mexico Oil & Gas Conservation Commission ✓
P.O. Box 2045
Hobbs, New Mexico
Attn: Mr. Joe D. Ramey, Dist. Supv.

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: Harvey, Dow & Hinkle, Attys
P.O. Box 547
Roswell, New Mexico
Attn: Mr. W. E. Bondurant, Jr.

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

Appropriate copies of this report are being furnished to the following offices as indicated below:

Very truly yours,



William O. Morris

WOM:ba
Encs

cc: New Mexico State Police, P.O. Box 3447,
Hobbs, New Mexico
Attn: Mr. Joe P. Henry, Chief

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

cc: Hargrett, Joe A. Hargrett, Hargrett,
P.O. Box 3447,
Hobbs, New Mexico
Attn: Mr. J. E. Hargrett, Jr.

cc: Mr. J. E. Hargrett, Hargrett,
Hargrett, Hargrett, Hargrett,
P.O. Box 3447,
Hobbs, New Mexico