

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I. Jr.
Operator E.L. Latham, Jr. & Roy G. Barton, Well Name and No. Cash Well No. 2
Location: Unit H Sec. 30 Twp. 9S Rng. 33E Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is completed in the Flying M-San Andres Pool, and the standard spacing unit in said pool is 80 acres.

(4) That a 80-acre proration unit comprising the E/2 NE/4 of Sec. 30, Twp. 9S, Rng. 33E, is currently dedicated to the Cash Well No. 1 located in Unit A of said section.

(5) That this proration unit is standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 30,400 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

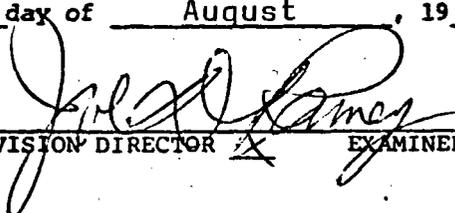
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

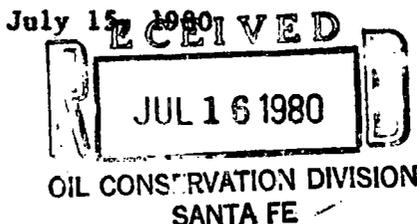
DONE at Santa Fe, New Mexico, on this 5th day of August, 19 80.


DIVISION DIRECTOR EXAMINER _____

Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 - 393-2017



Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Application is hereby made under the provision of Order R-6013-A for an infill well as follows:

Applicant: E. L. Latham, Jr. & Roy G. Barton, Jr.,

Well: Cash No. 2

Location: 1839' FNL & 519' FEL Section 30, T9S, R33E

Pool: Flying "M" San Andres

Proration Unit: E/2 NE/4 Section 30, T9S, R33E

Existing well on Proration Unit:

Well Name: Cash No. 1

Location: 660' FNL & 460' FEL Section 30, T9S, R33E

Spud Date: 2/7/78

Completion Date: 2/27/78

Mechanical Problems: None

Current Rate of Production: May 1980, 18 bbls oil & 38 MCF gas per day

Reason Well Is Necessary to Drain Proration Unit:

Experience gained from offset operators indicate that one well cannot adequately drain 80 acres. The subject proration unit is offset to the east by Gas Producing Enterprises, Inc. (formerly Coastal States Gas Producing Co.) McGuffin wells No. 2 and No. 4. The number 2 well was completed in June 1974 with the W/2 NW/4 of Section 29 being dedicated as a proration unit. The Number 4 was completed as an infill well in May 1976. Total cumulative production from the Number 2 well in May 1976 was 8,019 barrels and at the end of April 1980 was 21,181 barrels. The Number 4 well has produced a total of 124,532 barrels as of May 1, 1980. The Number 2 well produced an average of 11 barrels oil per day prior to the completion of the Number 4 well and an average of 9 barrels oil per day from June 1976 thru April 1980. The Number 4 well has produced an average of 85 barrels oil per day from completion thru April 1980 and produced 57 barrels per day during April 1980. It is thus obvious that an additional 124,532 barrels of oil has been produced to date that would not otherwise have been recovered. Attached is a graphic presentation of the production from the Number 2 well and the total unit production after completion of the Number 4 well,

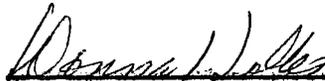
The North offsetting 80+ acre proration unit is the E/2 SW/4 of Section 19, T9S, R31E with production from the Southern Union Exploration Company, Susco State No. 1 and No. 5. The Number 1 well was completed in July 1977 and the Number 5 well was completed as an infill well in October 1978. Cumulative production from the Number 1 well from July 1977 thru September 1978 was 35,522 barrels for a daily average of 78 barrels per day; total production from October 1978 thru April 1980 was 29,090 barrels for a daily average of 50 barrels per day. The Susco State No. 5 has produced a total of 26,015 barrels thru April 1980 for a daily average of 45 barrels per day. Again it is evident that an infill well was necessary to drain the proration unit.

Estimated Increased Recovery:

Total cumulative production of the Cash No. 1 thru June 1980 is 23,552 barrels, with an estimated additional recovery of 20,300 barrels. It is believed that an infill well will produce an equal amount of oil that would not otherwise be recovered. This assumption is based on the additional recovery of the infill wells to the north and east and its structural location which would indicate an equal productivity to the Cash No. 1.

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

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NEW MEXICO OIL CONSERVATION COMMISSION

30-025-26721

Form C-101
Revised 1-1-65

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OIL CONSERVATION DIVISION

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Cash
2. Name of Operator E. L. Latham, Jr. and Roy G. Barton, Jr.		9. Well No. #2
3. Address of Operator P.O. Box 1392, Hobbs, New Mexico 88240		10. Field and Pool, or Wildcat Flying "M" (SA)
4. Location of Well UNIT LETTER <u>H</u> LOCATED <u>1839'</u> FEET FROM THE <u>North</u> LINE AND <u>519'</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>30</u> TWP. <u>9S</u> RGE. <u>33E</u> NMPM		12. County Lea
19. Proposed Depth 4450		19A. Formation San Andres
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 4364.5 GL	21A. Kind & Status Plug. Bond Blanket Plugging & Indemnity Bond	21B. Drilling Contractor
22. Approx. Date Work will start May 1, 1980		

PROPOSED CASING AND CEMENT PROGRAM.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2" "	7 5/8"	28.5#	1815'	750 Sx	Circulate
5 1/2" 6 1/4"	4 1/2"	10.5#	4450'	225 Sx	3200'

* Conventional Blow-Out Preventors for this Depth and Area:

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed E. L. Latham, Jr. Title Operator Date March 3, 1980

(This space for State Use)

APPROVED BY Jerry S. [Signature] TITLE SUPERVISOR, DISTRICT DATE MAR 1980

CONDITIONS OF APPROVAL (IF ANY):

WELL LOCATION AND ACREAGE DEDICATION PLAT

Superseded L-178
Effective 1-1-65

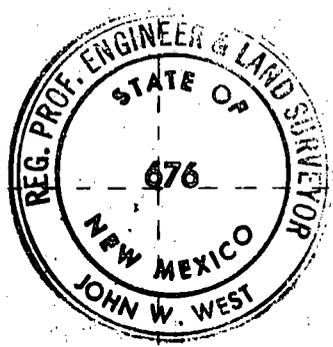
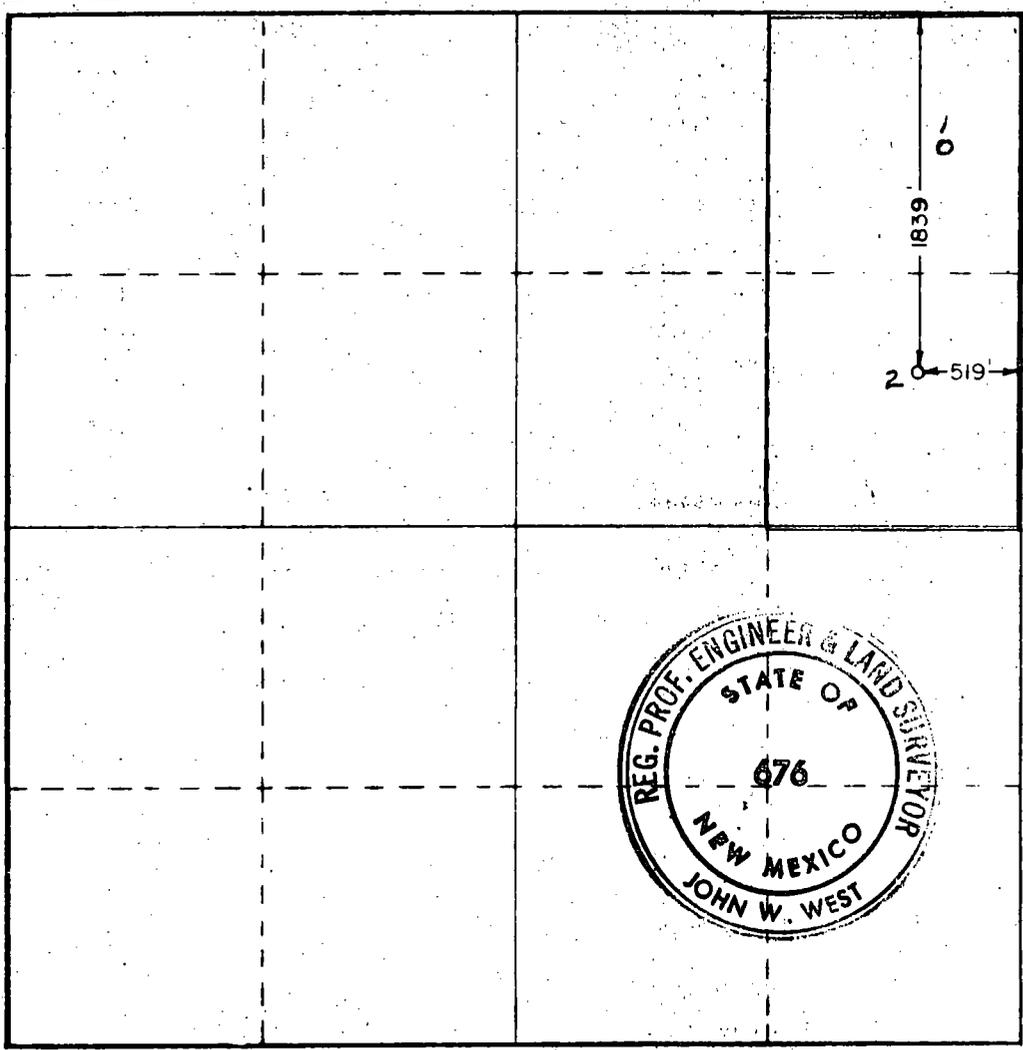
All dimensions must be from the outer boundaries of the Section

Operator E. L. Latham, Jr., & Roy G. Barton, Jr.		Lease Cash		Well No. 2
Unit Letter H	Section 30	Township 9 South	Range 33 East	County Lea
Actual Footage Location of Well: 1839 feet from the North line and 519 feet from the East line				
Ground Level Elev. 4363.5	Producing Formation San Andres	Pool Flying "M" (SA)	Dedicated Acreage: 80.40	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

E. L. Latham, Jr.
E. L. Latham, Jr.
Operator

Latham & Barton

March 4, 1980

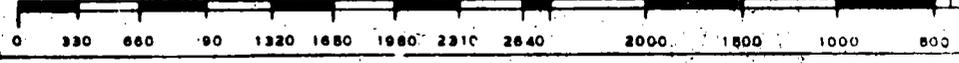
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

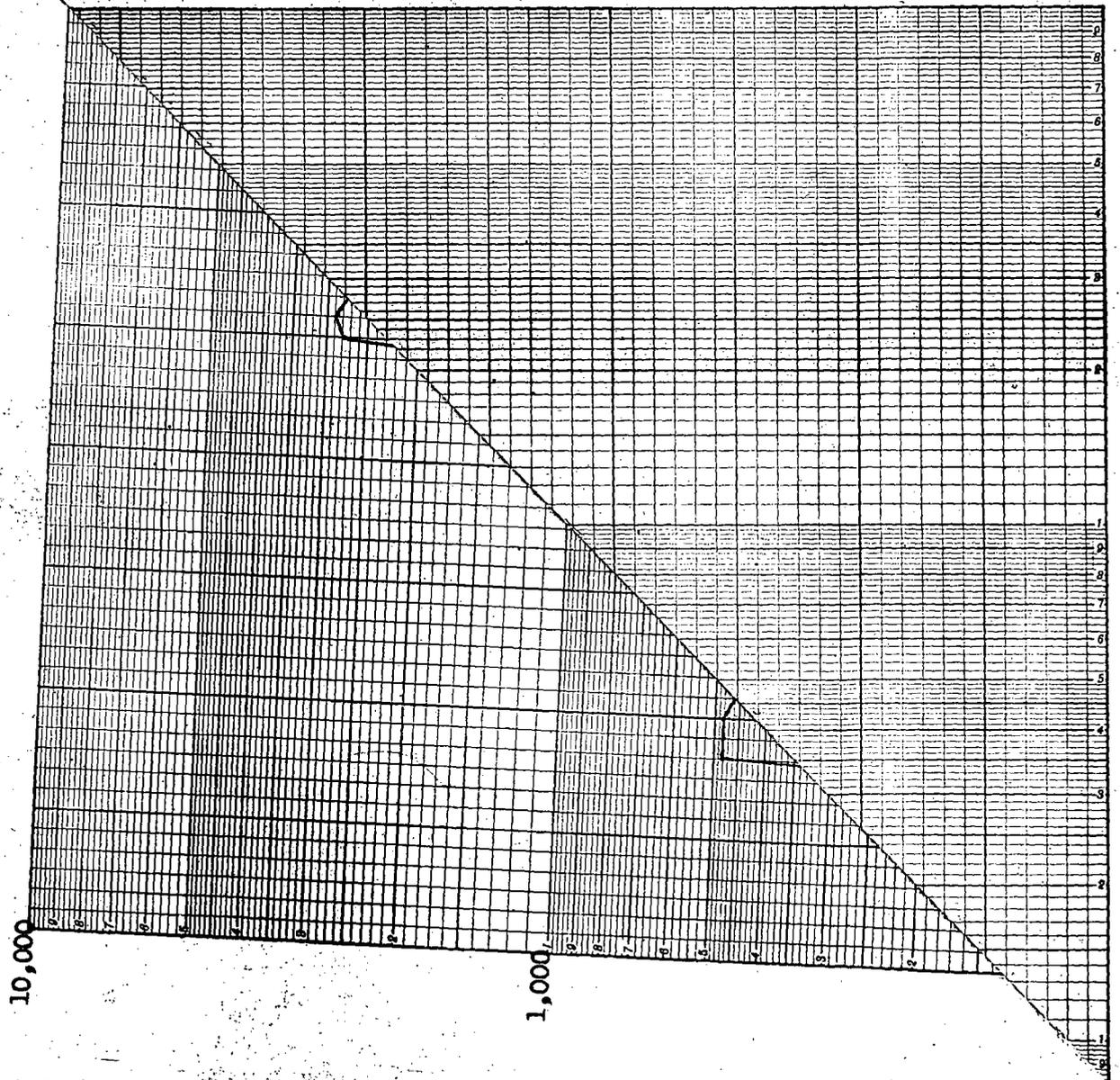
March 4, 1980

Registered Professional Engineer
and Land Surveyor

John W. West

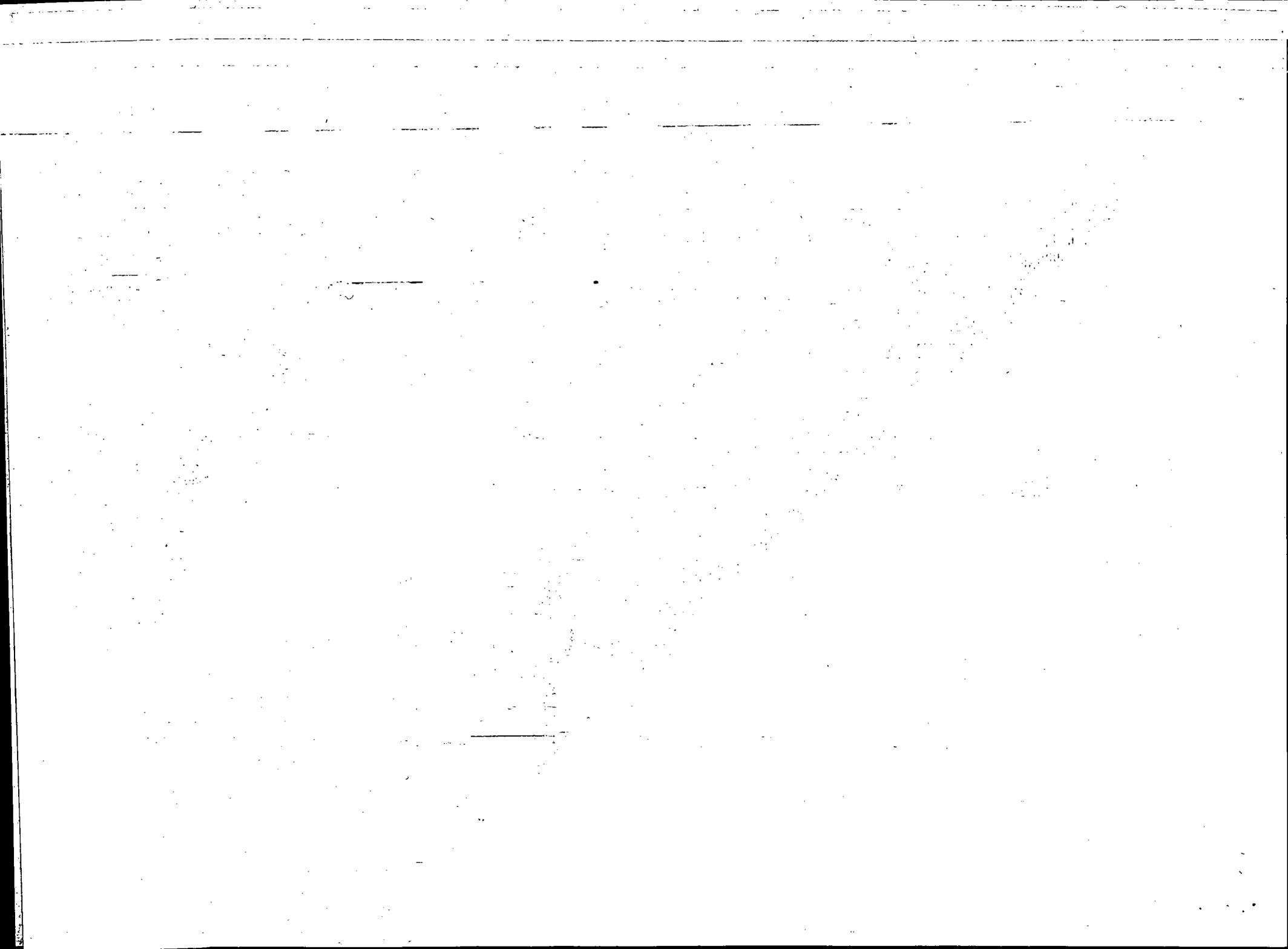
Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239





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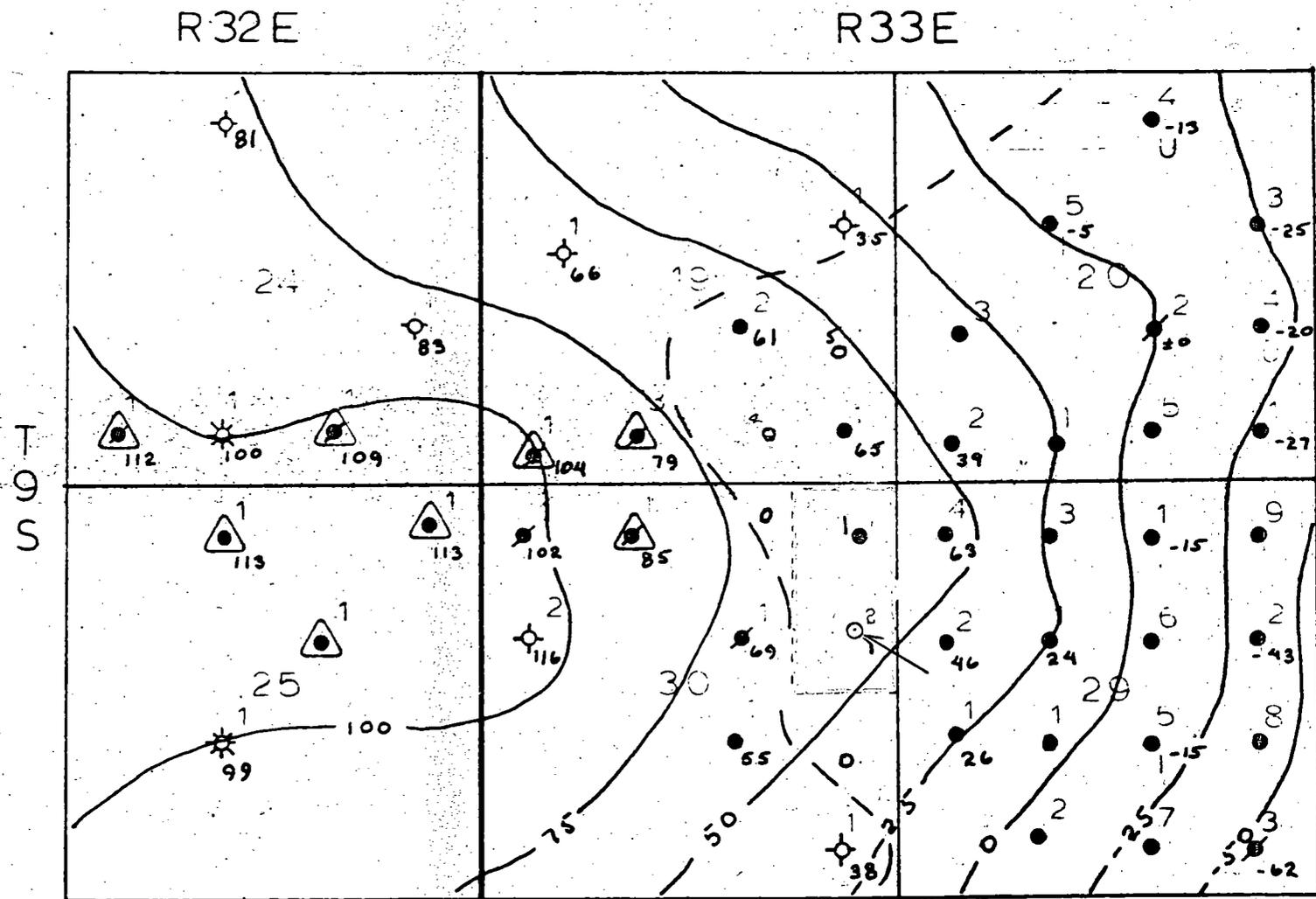
LEA CO.

FLYING M
STRUCTURE

TOP POROSITY

- LOCATION
- INJECTION WELL
- SAN ANDRES PAY
- △ ABD, WOLFCAMP

DEC 77 JACK AHLEN



Oil Reports and Gas Services, Inc.

P. O. BOX 763

HOBBS, NEW MEXICO 88240

PHONE NUMBERS

393-2727 - 393-2017

July 15, 1980

Hulen H. Lemon
P. O. Box 485
Midland, Texas 79701

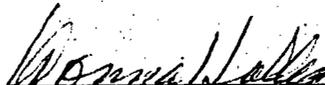
Gentlemen:

This is to advise that an application has been filed with the Oil Conservation Division on behalf of E. L. Latham, Jr. & Roy G. Barton, Jr. for an infill well under the provisions of Order R-6013-A.

The well will be known as the Cash No. 2, located 1839' FNL & 519' FEL of Section 30, T9S, R33E, Lea County, New Mexico, Flying "M" San Andres Pool.

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

Oil Reports and Gas Services, Inc.

P. O. BOX 763

HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 - 393-2017

July 15, 1980

Arco Oil and Gas Company
P. O. Box 1710
Hobbs, New Mexico 88240

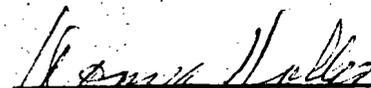
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P. O. BOX 763
HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 · 393-2017

July 15, 1980

Adams Exploration Company
410 West Ohio, Suite 202
Midland, Texas 79701

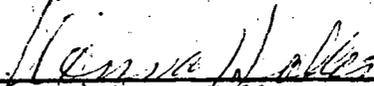
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DH/cj

Oil Reports and Gas Services, Inc.

P. O. BOX 763

HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 - 393-2017

July 15, 1980

Southern Union Exploration Company
1800 First International Building
Dallas, Texas 75270

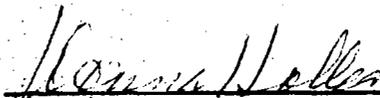
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Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

Oil Reports and Gas Services, Inc.

P. O. BOX 763

HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 393-2017

July 15, 1980

Gas Producing Enterprises, Inc.
P. O. Box 235
Midland, Texas 79702

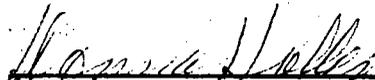
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OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 . 393-2017

July 15, 1980

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

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Applicant: E. L. Latham, Jr. & Roy G. Barton, Jr.

Well: Cash No. 2

Location: 1839' FNL & 519' FEL Section 30, T9S, R33E

Pool: Flying "M" San Andres

Proration Unit: E/2 NE/4 Section 30, T9S, R33E

Existing well on Proration Unit:

Well Name: Cash No. 1

Location: 660' FNL & 460' FEL Section 30, T9S, R33E

Spud Date: 2/7/78

Completion Date: 2/27/78

Mechanical Problems: None

Current Rate of Production: May 1980, 18 bbls oil & 38 MCF gas per day

Reason Well Is Necessary to Drain Proration Unit:

Experience gained from offset operators indicate that one well cannot adequately drain 80 acres. The subject proration unit is offset to the east by Gas Producing Enterprises, Inc. (formerly Coastal States Gas Producing Co.) McGuffin wells No. 2 and No. 4. The number 2 well was completed in June 1974 with the W/2 NW/4 of Section 29 being dedicated as a proration unit. The Number 4 was completed as an infill well in May 1976. Total cumulative production from the Number 2 well in May 1976 was 8,019 barrels and at the end of April 1980 was 21,181 barrels. The Number 4 well has produced a total of 124,532 barrels as of May 1, 1980. The Number 2 well produced an average of 11 barrels oil per day prior to the completion of the Number 4 well and an average of 9 barrels oil per day from June 1976 thru April 1980. The Number 4 well has produced an average of 85 barrels oil per day from completion thru April 1980 and produced 57 barrels per day during April 1980. It is thus obvious that an additional 124,532 barrels of oil has been produced to date that would not otherwise have been recovered. Attached is a graphic presentation of the production from the Number 2 well and the total unit production after completion of the Number 4 well.

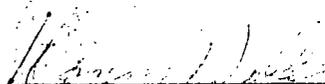
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Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

NEW MEXICO OIL CONSERVATION COMMISSION

30-025-26721

Form C-101
Revised 1-1-65

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LAND OFFICE		
OPERATOR		

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well
OIL WELL GAS WELL OTHER
DRILL DEEPEN PLUG BACK
SINGLE ZONE MULTIPLE ZONE

7. Unit Agreement Name

8. Farm or Lease Name
Cash

2. Name of Operator
E. L. Latham, Jr. and Roy G. Barton, Jr.

9. Well No.
#2

3. Address of Operator
P.O. Box 1392, Hobbs, New Mexico 88240

10. Field and Pool, or Wildcat
Flying "M" (SA)

4. Location of Well
UNIT LETTER H LOCATED 1839' FEET FROM THE North LINE
AND 519' FEET FROM THE East LINE OF SEC. 30 TWP. 9S RGE. 33E NMPM

12. County
Lea

19. Proposed Depth 4450	19A. Formation San Andres	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 4364.5 GL	21A. Kind & Status Plug. Bond Blanket Plugging & Indemnity Bond	21B. Drilling Contractor
		22. Approx. Date Work will start May 1, 1980

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2" 11"	7 5/8"	28.5#	1815'	750 Sx	Circulate
5 1/2" 6 1/4"	4 1/2"	10.5#	4450'	225 Sx	3200'

* Conventional Blow-Out Preventors for this Depth and Area:

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed E. L. Latham, Jr. Title Operator Date March 3, 1980

(This space for State Use)

APPROVED BY Gerry S. [Signature] TITLE SUPERVISOR DISTRICT 11 DATE MAR 7 1980

CONDITIONS OF APPROVAL (IF ANY):

WELL LOCATION AND ACREAGE DEDICATION PLAT

Superseded C-178
Effective 1-1-65

All dimensions must be from the outer boundaries of the Section

Operator E. L. Latham, Jr., & Roy G. Barton, Jr.		Lease Cash		Well No. 2
Unit Letter H	Section 30	Township 9 South	Range 33 East	County Lea

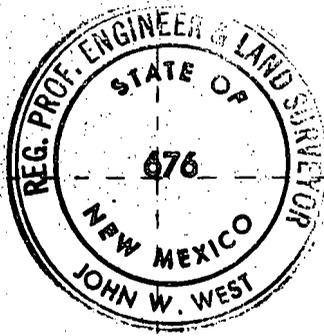
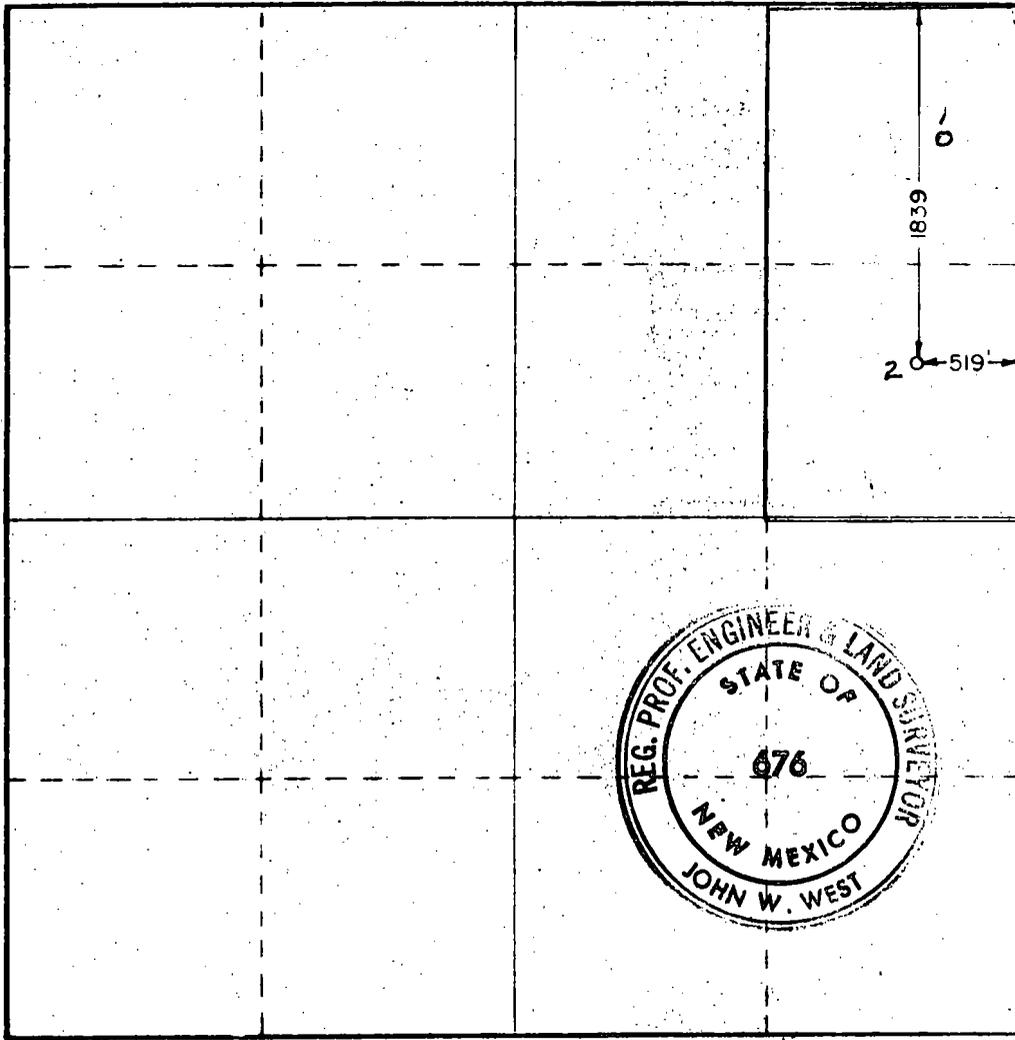
Actual Footage Location of Well:
1839 feet from the **North** line and **519** feet from the **East** line
 Ground Level Elev. **4363.5** Producing Formation **San Andres** Pool **Flying "M" (SA)** Dedicated Acreage: **90.40** Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

E. L. Latham, Jr.
 E. L. Latham, Jr.
 Operator

Latham & Barton

March 4, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

March 4, 1980

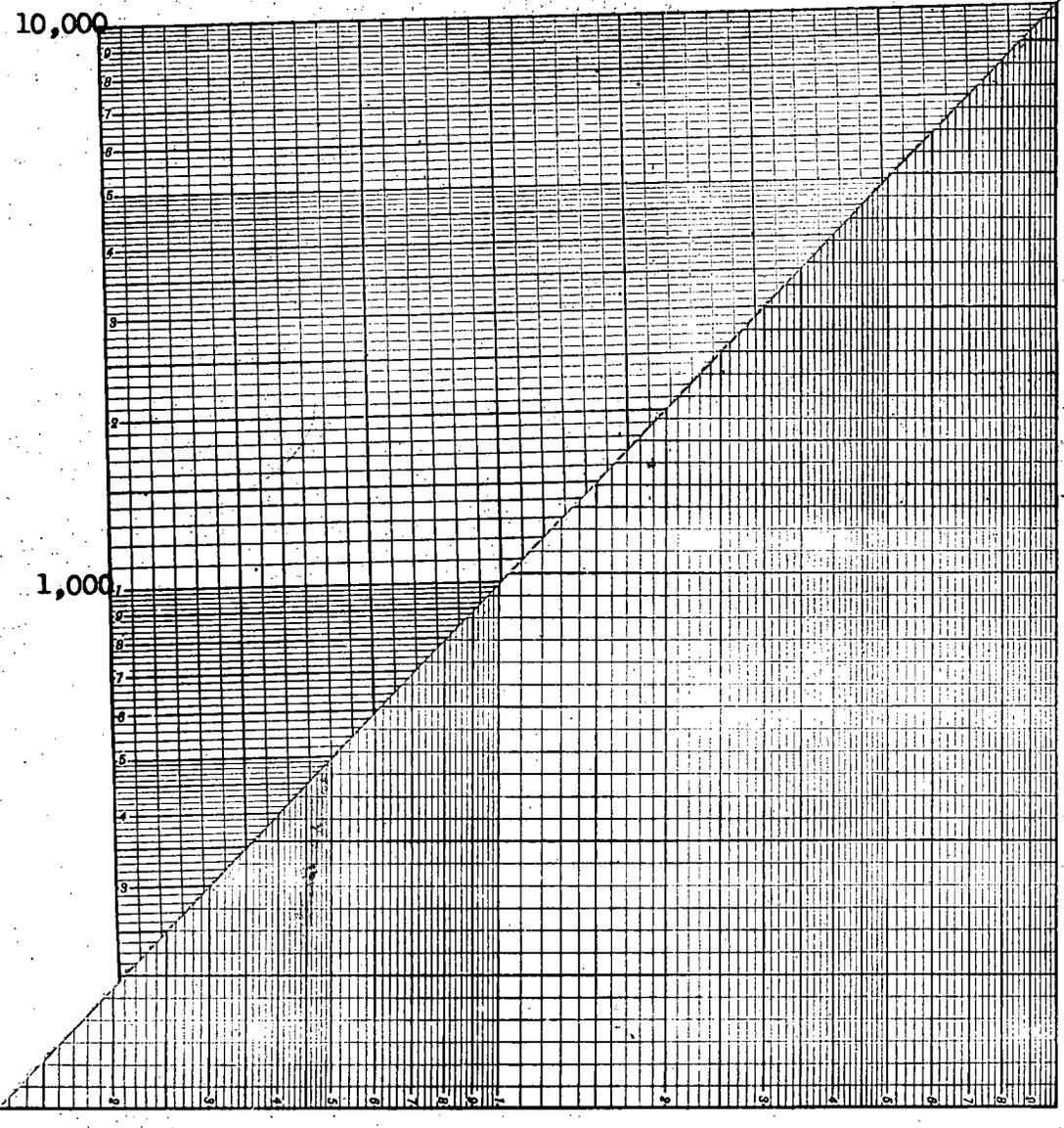
John W. West
 Registered Professional Engineer
 Registered Land Surveyor

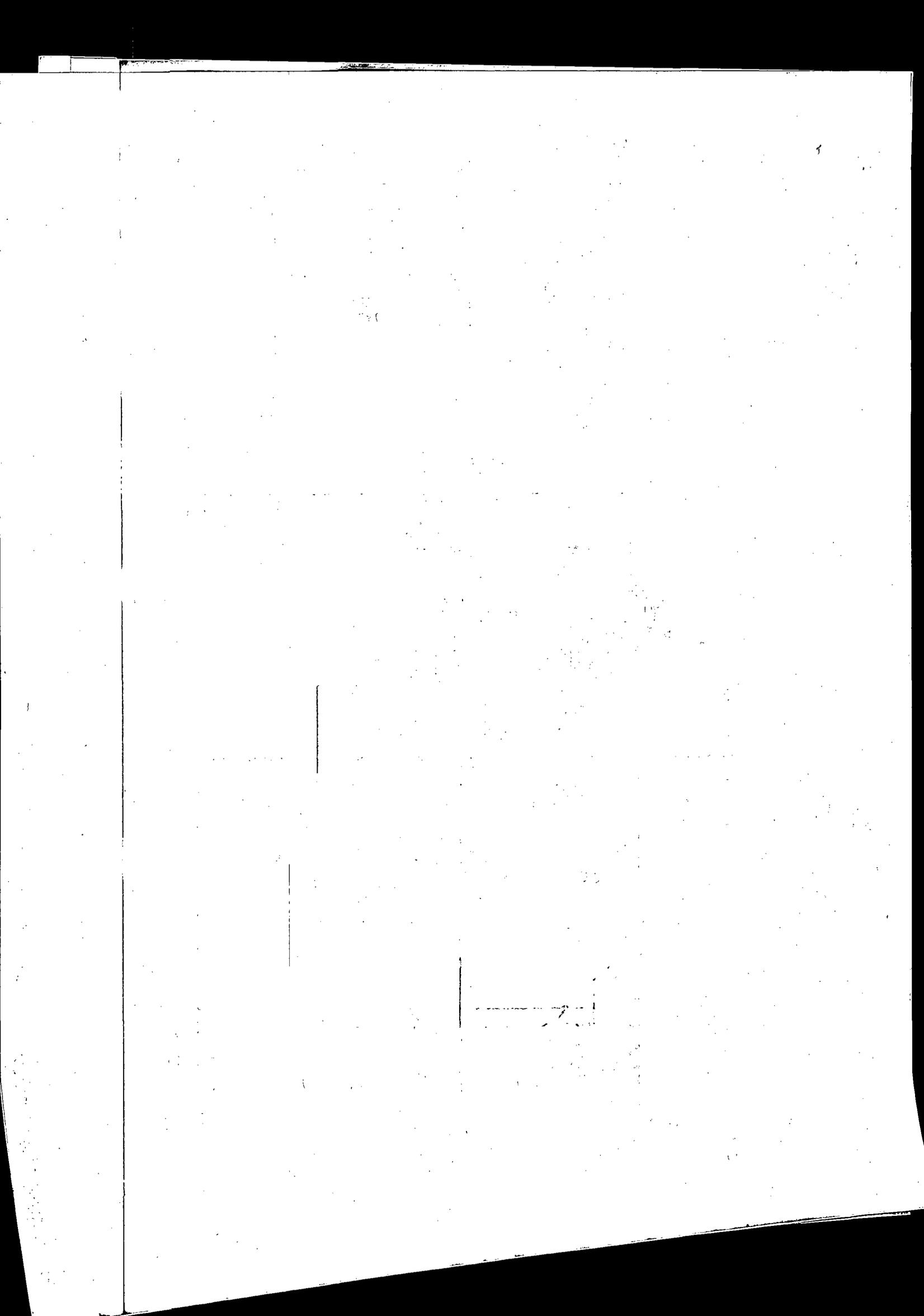
John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6865
Ronald J. Eidson 3239

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R 33

LEA CO.

FLYING M

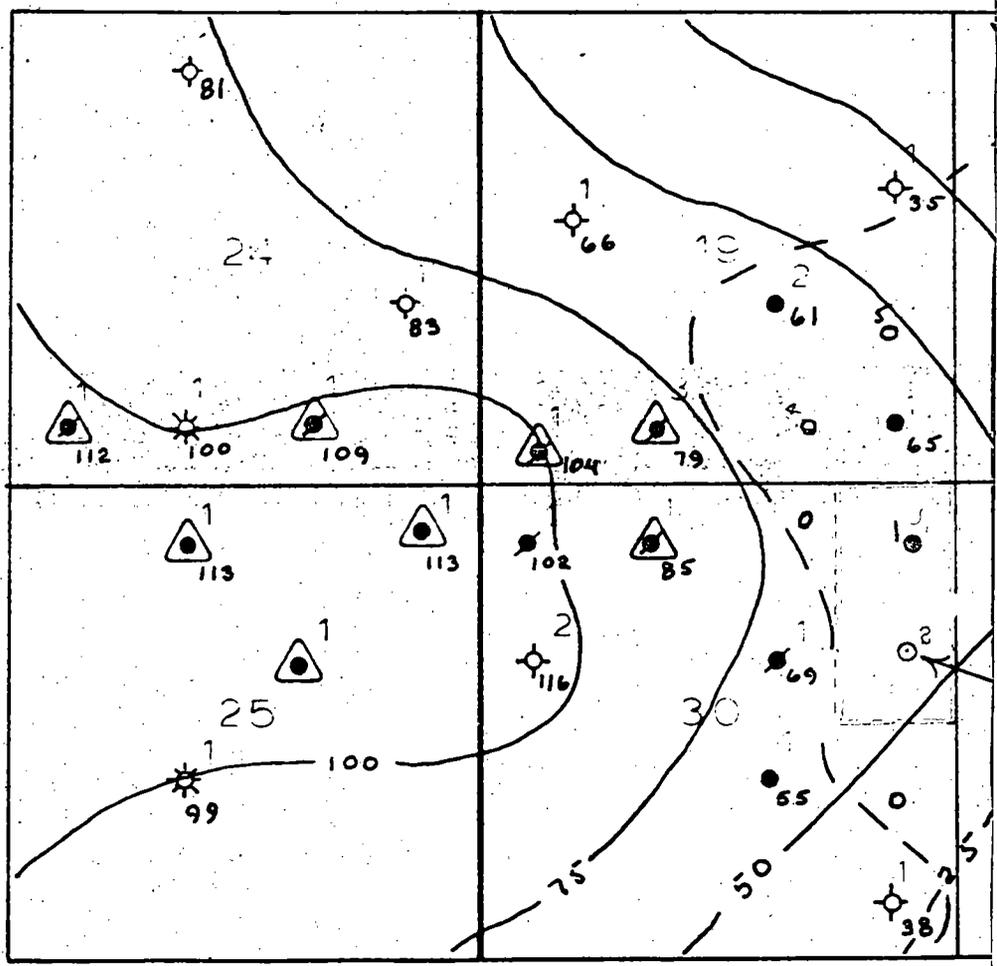
STRUCTURE

TOP POROSITY

- LOCATION
- INJECTION WELL
- SAN ANDRES PAY
- △ ABD, WOLFCAMP

DEC 77 JACK AHLEN

T 9 S



Oil Reports and Gas Services, Inc.

P. O. BOX 763
HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 - 393-2017

July 15, 1980

Hulen H. Lemon
P. O. Box 485
Midland, Texas 79701

Gentlemen:

This is to advise that an application has been filed with the Oil Conservation Division on behalf of E. L. Latham, Jr. & Roy G. Barton, Jr. for an infill well under the provisions of Order R-6013-A.

The well will be known as the Cash No. 2, located 1839' FNL & 519' FEL of Section 30, T9S, R33E, Lea County, New Mexico, Flying "M" San Andres Pool.

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

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PHONE NUMBERS
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July 15, 1980

Arco Oil and Gas Company
P. O. Box 1710
Hobbs, New Mexico 88240

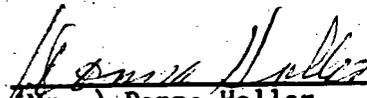
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Adams Exploration Company
410 West Ohio, Suite 202
Midland, Texas 79701

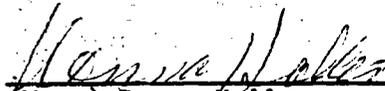
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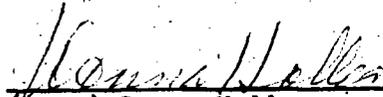
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PHONE NUMBERS
393-2727 · 393-2017

July 15, 1980

Gas Producing Enterprises, Inc.
P. O. Box 235
Midland, Texas 79702

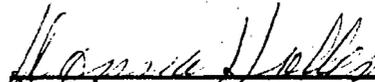
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P. O. BOX 763

HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 · 393-2017

July 15, 1980

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Application is hereby made under the provision of Order R-6013-A for an infill well as follows:

Applicant: E. L. Latham, Jr. & Roy G. Barton, Jr.

Well: Cash No. 2

Location: 1839' FNL & 519' FEL Section 30, T9S, R33E

Pool: Flying "M" San Andres

Proration Unit: E/2 NE/4 Section 30, T9S, R33E

Existing well on Proration Unit:

Well Name: Cash No. 1

Location: 660' FNL & 460' FEL Section 30, T9S, R33E

Spud Date: 2/7/78

Completion Date: 2/27/78

Mechanical Problems: None

Current Rate of Production: May 1980, 18 bbls oil & 38 MCF gas per day

Reason Well Is Necessary to Drain Proration Unit:

Experience gained from offset operators indicate that one well cannot adequately drain 80 acres. The subject proration unit is offset to the east by Gas Producing Enterprises, Inc. (formerly Coastal States Gas Producing Co.) McGuffin wells No. 2 and No. 4. The number 2 well was completed in June 1974 with the W/2 NW/4 of Section 29 being dedicated as a proration unit. The Number 4 was completed as an infill well in May 1976. Total cumulative production from the Number 2 well in May 1976 was 8,019 barrels and at the end of April 1980 was 21,181 barrels. The Number 4 well has produced a total of 124,532 barrels as of May 1, 1980. The Number 2 well produced an average of 11 barrels oil per day prior to the completion of the Number 4 well and an average of 9 barrels oil per day from June 1976 thru April 1980. The Number 4 well has produced an average of 85 barrels oil per day from completion thru April 1980 and produced 57 barrels per day during April 1980. It is thus obvious that an additional 124,532 barrels of oil has been produced to date that would not otherwise have been recovered. Attached is a graphic presentation of the production from the Number 2 well and the total unit production after completion of the Number 4 well.

The North offsetting 80- acre proration unit is the E/2 ~~SW~~^{S6/4} of Section 19, T9S, R33E with production from the Southern Union Exploration Company, Susco State No. 1 and No. 5. The Number 1 well was completed in July 1977 and the Number 5 well was completed as an infill well in October 1978. Cumulative production from the Number 1 well from July 1977 thru September 1978 was 35,522 barrels for a daily average of 78 barrels per day; total production from October 1978 thru April 1980 was 29,090 barrels for a daily average of 50 barrels per day. The Susco State No. 5 has produced a total of 26,015 barrels thru April 1980 for a daily average of 45 barrels per day. Again it is evident that an infill well was necessary to drain the proration unit.

Estimated Increased Recovery:

Total cumulative production of the Cash No. 1 thru June 1980 is 23,552 barrels, with an estimated additional recovery of 20,300 barrels. It is believed that an infill well will produce an equal amount of oil that would not otherwise be recovered. This assumption is based on the additional recovery of the infill wells to the north and east and its structural location which would indicate an equal productivity to the Cash No. 1.

Yours very truly,

OIL REPORTS AND GAS SERVICES, INC.



(Mrs.) Donna Holler

DH/cj

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OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Cash
2. Name of Operator E. L. Latham, Jr. and Roy G. Barton, Jr.		9. Well No. #2
3. Address of Operator P.O. Box 1392, Hobbs, New Mexico 88240		10. Field and Pool, or Wildcat Flying "M" (SA)
4. Location of Well UNIT LETTER <u>H</u> LOCATED <u>1839'</u> FEET FROM THE <u>North</u> LINE AND <u>519'</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>30</u> TWP. <u>9S</u> RGE. <u>33E</u> NMPM		12. County Lea
19. Proposed Depth 4450		19A. Formation San Andres
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 4364.5 GL
21A. Kind & Status Plug. Bond Blanket Plugging & Indemnity Bond		22. Approx. Date Work will start May 1, 1980

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2" 1"	7 5/8"	28.5#	1815'	750 Sx	Circulate.
5 1/2" 6 1/4"	4 1/2"	10.5#	4450'	225 Sx	3200'

* Conventional Blow-Out Preventors for this Depth and Area:

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOW-OUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed E. L. Latham, Jr. Title Operator Date March 3, 1980

(This space for State Use)

APPROVED BY Jerry S. [Signature] TITLE SUPERVISOR, DISTRICT DATE MAR 4 1980

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes G-750
Effective 1-1-65

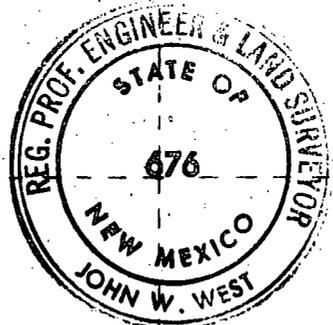
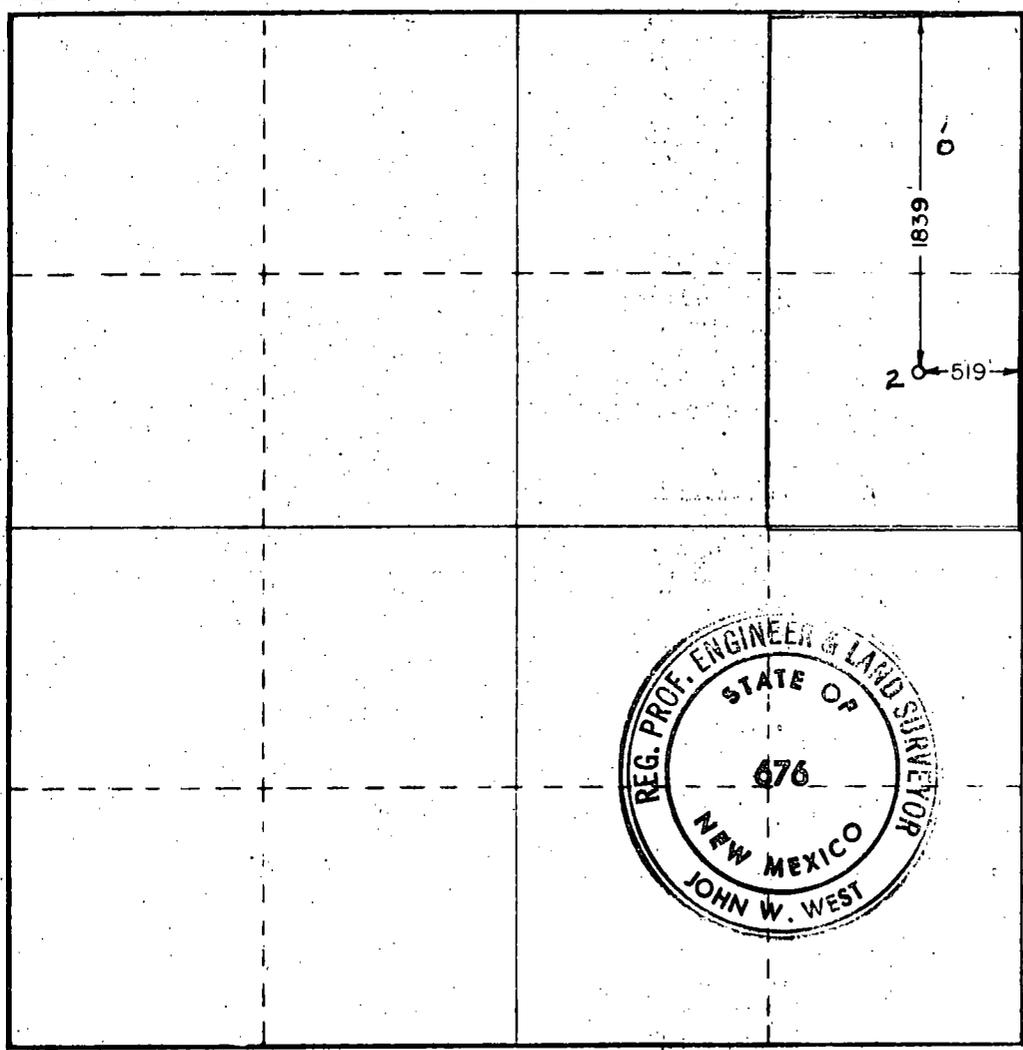
All dimensions must be from the outer boundaries of the Section

Operator E. L. Latham, Jr., & Roy G. Barton, Jr.		Lease Cash		Well No. 2
Unit Letter H	Section 30	Township 9 South	Range 33 East	County Lea
Actual Footage Location of Well: 1839 feet from the North line and 519 feet from the East line				
Ground Level Elev. 4363.5	Producing Formation San Andres	Pool Flying "M" (SA)	Dedicated Acreage: 80 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

E. L. Latham, Jr.
E. L. Latham, Jr.

Operator

Latham & Barton

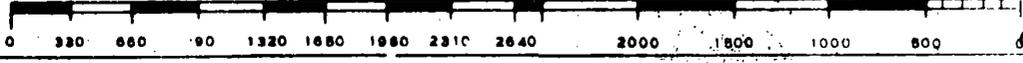
March 4, 1980

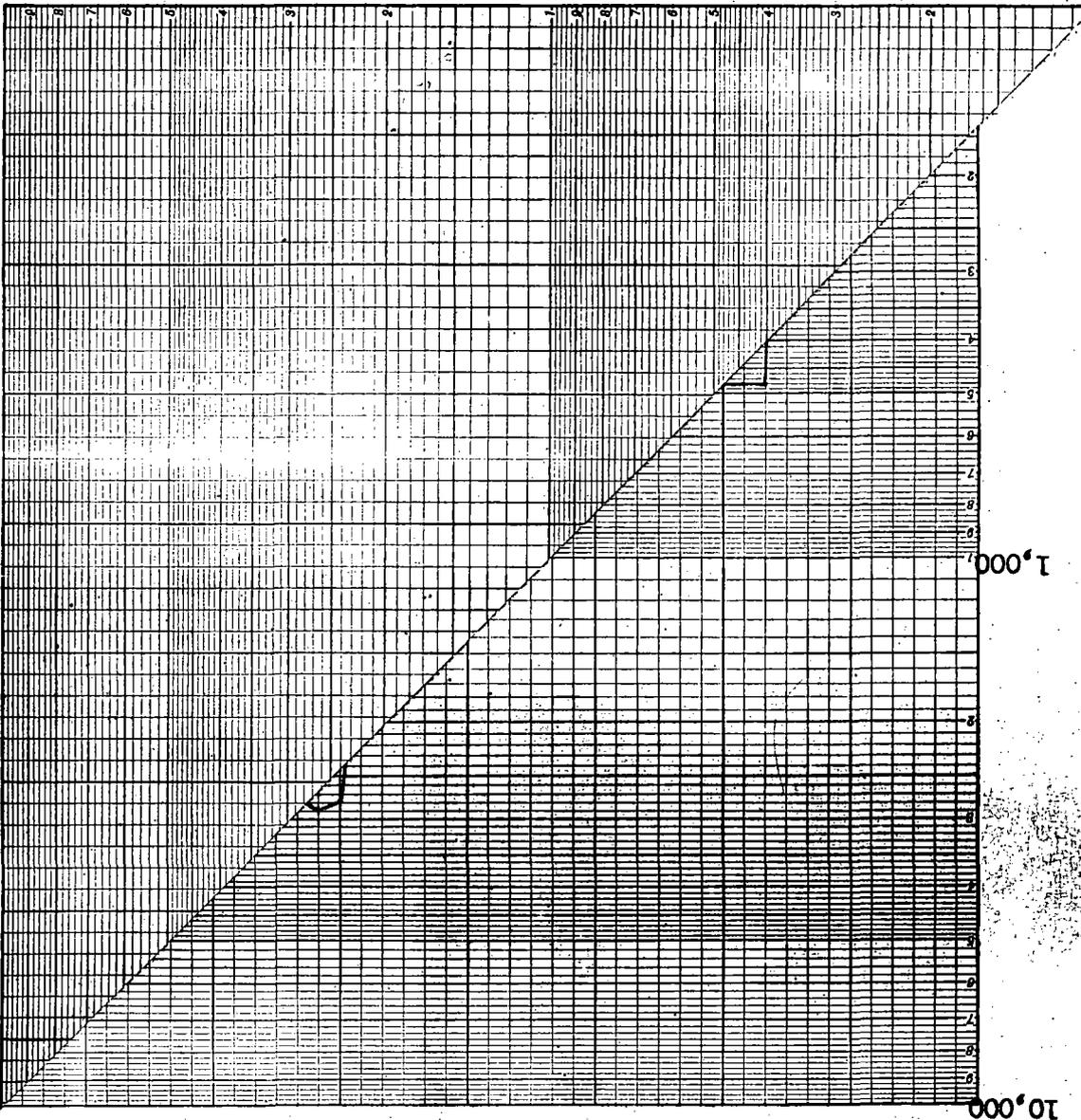
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

March 4, 1980

John W. West
John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6668
Ronald J. Eidson 3239

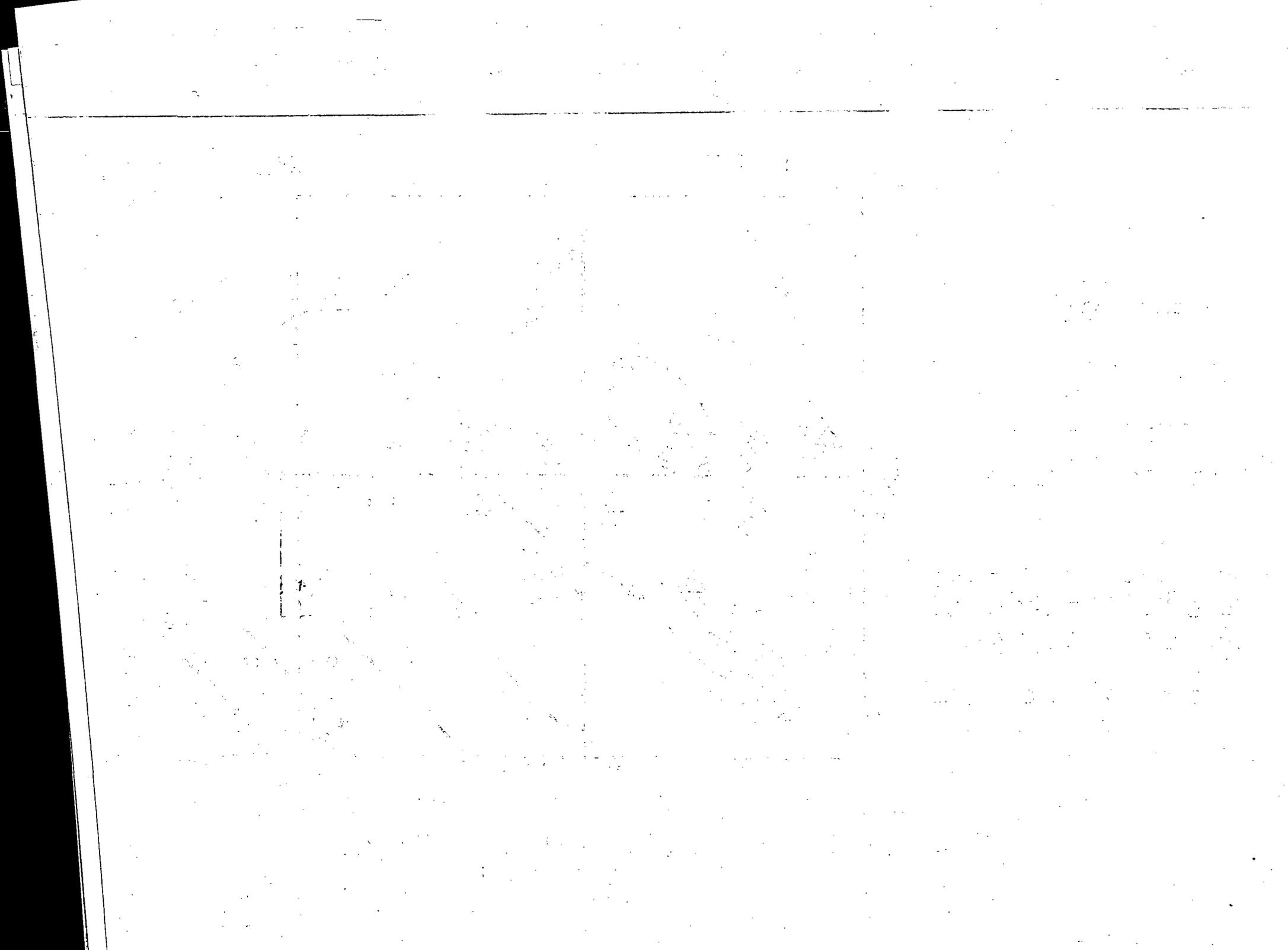




10 1/2 INCH CYCLES RATIO RULING

codex
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PRINTED IN U.S.A.



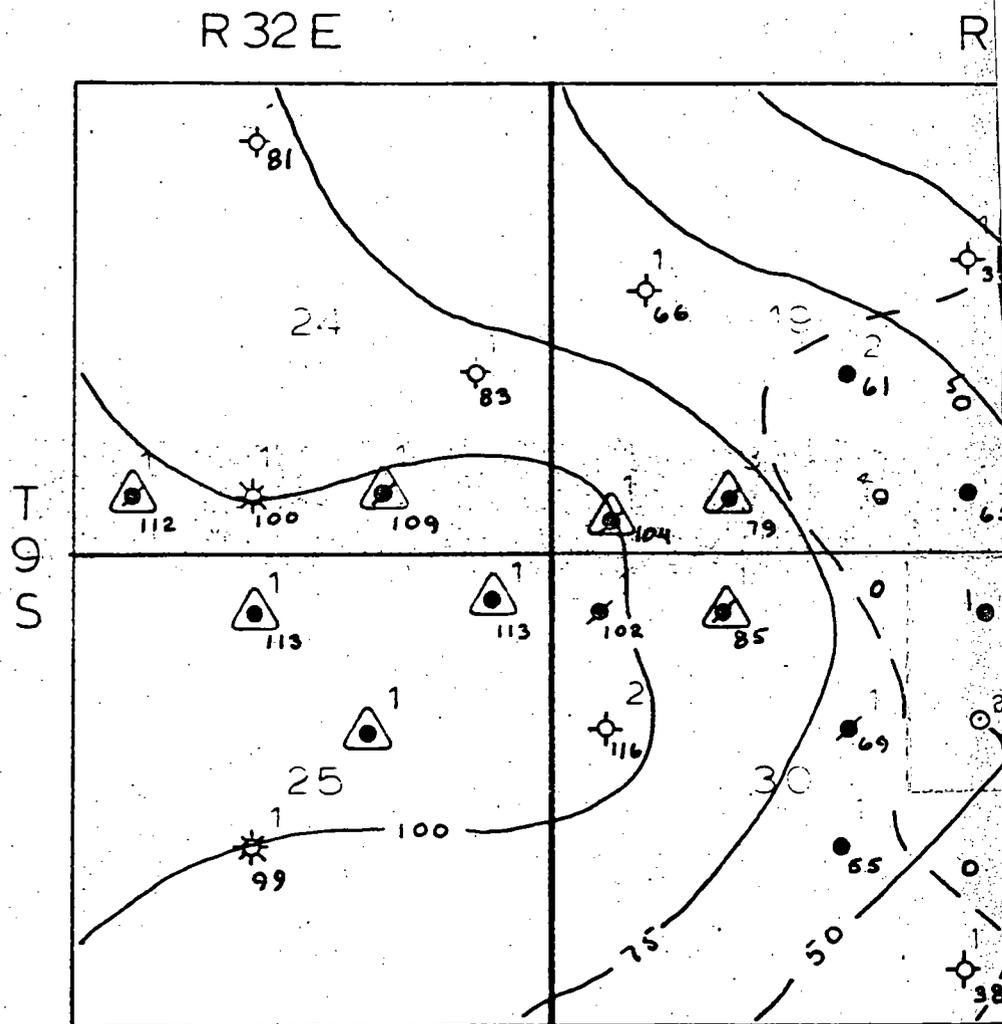
LEA CO.

FLYING M
STRUCTURE

TOP POROSITY

- LOCATION
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- △ ABD, WOLFCAMP

DEC 77 JACK AHLEN



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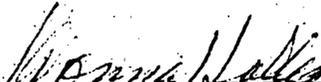
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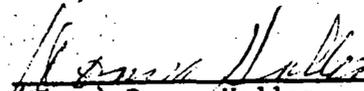
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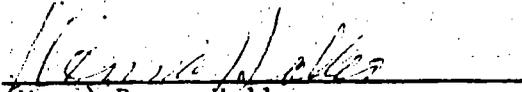
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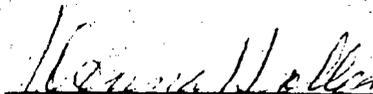
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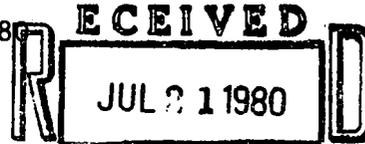
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HOBBS, NEW MEXICO 88240

PHONE NUMBERS
393-2727 - 393-2017

June 18, 1980



OIL CONSERVATION DIVISION
SANTA FE

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made our application dated July 15, 1980 on behalf of E. L. Latham, Jr. & Roy G. Barton, Jr. for an infill well to be known as the Cash No. 2. This application failed to include an estimate of increased gas recovery.

Please accept this as a supplement to this application.

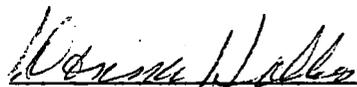
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If we assume that the gas-oil-ratio of the proposed Cash No. 2 is more on the order of the McGuffin wells, then we can estimate the probable lower limits of the total gas to be produced at 30,400 MCF to a high of 80,500 MCF during the life of the well.

We thus conclude that the proposed Cash No. 2 will recover a minimum of 43,800 barrels of oil and between 30,400 and 80,500 MCF gas that would not otherwise be recovered.

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OIL REPORTS & GAS SERVICES, INC.


Donna Holler

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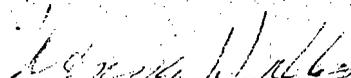
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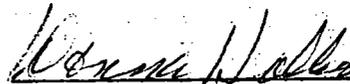
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Donna Holler

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OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 20

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.
Operator E.L. Latham Jr. & Roy G. Barton Jr. Well Name and No. Cash Well No 2
Location: Unit H Sec. 30 Twp. 9S Rng. 33E Cty. Leas

II.
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the Flying M-San Andres Pool, and the standard spacing unit in said pool is 80 acres.
- (4) That a 80-acre proration unit comprising the E/2 NE/4 of Sec. 30, Twp. 9S, Rng. 33E, is currently dedicated to the Cash Well No 1 located in Unit 17 of said section.
- (5) That this proration unit is standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 30,400 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on this 5th day of Aug, 19 80.

DIVISION DIRECTOR _____ EXAMINER _____