

3103 - 79TH STREET • LUBBOCK, TEXAS 79423 • 806/745-4638

September 5, 1992

Mr. Jerry Sexton
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241

Re: El Zorro "E" Federal Nos. 3 & 4
Allison San Andres East Pool

Dear Jerry:

In accordance with our recent telephone conversation, following is a brief history of the captioned wells.

The wells were completed originally in 1961 by Ohio Oil Co. as Bough "C" producers in the Allison Penn Pool. Subsequently, ownership was transferred to Eugene Nearburg and then to Tom Ingram. During the early 1970's Ingram was active in the area both drilling San Andres wells and plugging back Penn wells to the San Andres. The captioned wells were part of that program but apparently the work was never reported and the small amount of production for the past 18 years has been reported to the Allison Penn. Attached are production volumes for both wells for the period from conversion to the San Andres zone to the present.

Also attached are copies of forms filed with BLM showing the plug back work done. Also included are form C-104 to note the change of pool designation.


The wells were acquired by Murphy Operating Corp. in 1990 as part of a sale package and we acquired them in July 1991 as part of a sale package from Murphy.

We are planning to make necessary equipment repairs to return the wells to normal production status.

Please advise us if additional information is needed.

Very truly yours,

LAYTON ENTERPRISES, INC.


Donald R. Layton
President

DRL/bwl

PRODUCTION DATA:

EL ZORRO "E" FED. #3-H (KING-DAVIS FED #3-11) 28-8-3
 " " " " #4-F (KING-DAVIS FED #2-F) " " "

ALLISON PENN (BOUGH "C") PRODUCTION TO 12-31-1972

	#3-H	#4-F
OIL CUMULATIVE DBLS	106,264	96,223
GAS " MCF	728,647	721,342

ALLISON SAN ANDRES EAST PRODUCTION

	#3-H			#4-F		
	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>	<u>OIL</u>	<u>GAS</u>	<u>WATER</u>
1973		42,676				
74	10	2102	1880	292	24920	1560
75	120	7547	1540		4927	
76	120	29046	710		4059	
77	671	21529	755		3446	
78	155	10831	1820		5417	
79	130	11717	2075		5560	
80	130	8482	1825		5562	
81	130	9659	1825		5130	
82	87	9377	1975		4672	
83	51	2478	1778		1469	
84	65	2793	1830		1390	
85	60	1707	1215		850	
86	65	1980	0		989	
87	33	971	98	3	583	
88	14	915	0		458	
89	0	767	0		387	
90	0	454	0		236	
91	0	351	0		193	

CUMULATIVE	1,841	165,382	19,326	295	70,248	1560
To 1-1-92						