

Box 1545
Hobbs, New Mexico
October 15, 1948

Mr. J. O. Denton, Jr.
Cooperative Producing Association
P. O. Box 978
Levelland, Texas

Re: Cooperative Prod. Ass'n.
L. S. Williams #1, NWSE
Sec. 3, T. 13S, R. 31E,
Caprock Field, Chaves County.

Dear Mr. Denton:

I am returning your Form C-102, Notice of Intention to Plug your L. S. Williams #1 Well, NWSE, Sec. 3, T. 13S, R. 31E, Caprock Field, Chaves County, New Mexico, for the following reasons.

It is planned to cement from the bottom of the hole up into the 5 $\frac{1}{2}$ " casing which is O.K. The other plugs which you propose to run if and when pipe is shut-off are one at 1700' with 50 sacks, one at 1400' with 50 sacks and one at 1000' with 50 sacks cement.

The Oil Conservation Commission requires each plug to be set to prevent contamination of fresh water, salt section and oil or gas which might be encountered. Plugging orders I have issued before in the Caprock Field consist of a cement plug at the bottom of the casing or the hole to prevent water or oil from rising to the salt section and to be kept in its present strata. The next cement plug that we have been issuing is at the top of the salt section at about 1400'. The next is to be at 300' which is below the surface casing and protects the fresh water section which is around 250'.

According to Rules and Regulations of The Oil Conservation Commission, Rule #28, a regulation steel marker must be set to extend 4' above the surface. I talked to your field man in the field and showed him these forms and I believe he understands the plugging procedure which is being used by the operators in the Caprock Field.

You sent this Form C-102 in Duplicate will you please make the required corrections and return this form to the Hobbs Office in Triplicate.

Very truly yours,

ROY:og

State Oil & Gas Inspector

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

The second part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. This process involves comparing the internal records with the bank statements and ensuring that they match. If there are any differences, the reasons should be investigated and corrected.

The third part of the document describes the process of preparing the financial statements. It notes that the statements should be prepared on a regular basis, typically at the end of each quarter. This includes the balance sheet, the income statement, and the cash flow statement. Each statement should provide a clear and concise summary of the financial performance of the organization.

The fourth part of the document discusses the importance of maintaining proper documentation for all financial transactions. It states that all receipts, invoices, and other supporting documents should be kept in a secure and organized manner. This documentation is essential for verifying the accuracy of the financial records and for providing evidence in the event of an audit.

The fifth part of the document outlines the responsibilities of the financial staff. It states that the staff should be trained in the proper use of the accounting system and should be held accountable for the accuracy of the records. Regular training and supervision are necessary to ensure that the staff is up-to-date on the latest accounting practices and procedures.

The sixth part of the document discusses the importance of maintaining a strong internal control system. It states that the system should be designed to prevent and detect errors and fraud. This includes implementing segregation of duties, requiring approvals for transactions, and conducting regular internal audits.

The seventh part of the document outlines the process for handling any discrepancies or errors that may arise. It states that any errors should be identified as soon as possible and corrected. The reasons for the errors should be investigated, and steps should be taken to prevent them from recurring.

The eighth part of the document discusses the importance of maintaining accurate records of all financial transactions. It emphasizes that every entry, no matter how small, should be carefully documented to ensure the integrity of the financial data. This includes recording dates, amounts, and the nature of the transactions.

The ninth part of the document outlines the procedures for reconciling the accounts. It states that the accounts should be reconciled at the end of each month to identify any discrepancies. This process involves comparing the internal records with the bank statements and ensuring that they match. If there are any differences, the reasons should be investigated and corrected.

The tenth part of the document describes the process of preparing the financial statements. It notes that the statements should be prepared on a regular basis, typically at the end of each quarter. This includes the balance sheet, the income statement, and the cash flow statement. Each statement should provide a clear and concise summary of the financial performance of the organization.