

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 11949
ORDER NO. R-9514-D

APPLICATION OF THORNTON OPERATING CORPORATION TO AMEND
DIVISION ORDER NO. R-9514-C, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 16, 1998 in Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of May, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Thornton Operating Corporation ("Thornton"), seeks the amendment of Division Order No. R-9514-C, issued in Case 11615 and dated June 5, 1997, to properly reflect the actual bottomhole location of its McClellan Federal Well No. 1 (API No. 30-005-63076) within the West King Camp-Devonian Pool, 68 feet from the South line and 263 feet from the West line (Unit M) of Section 23, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico.

(3) Division Order No R-9514-C, among other things, authorized Thornton to re-enter and directionally drill its McClellan Federal Well No. 1 from a previously approved unorthodox surface location (approved by Division Order No. R-10295, dated January 9, 1995) 182 feet from the North line and 507 feet from the West line (Unit D) of Section 26, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico, to an unorthodox bottomhole location in a target area within 100 feet of a point 148 feet from the South line and 177 feet from the West line (Unit M) of Section 23.

(4) While directionally drilling the McClellan Federal Well No. 1 toward the approved bottomhole target location, Thornton encountered the Devonian formation at a shallower depth than anticipated. The well penetrated the Devonian formation at a point 48 feet from the South line and 285 feet from the West line of Section 23 and was drilled to a bottomhole location in the Devonian formation 68 feet from the South line and 263 feet from the West line of Section 23.

(5) Since the actual bottomhole location for the McClellan Federal Well No. 1 is less unorthodox than the bottomhole location originally approved for the well, Thornton was authorized by the Director of the Division to produce the well pending a hearing to amend Order No. R-9514-C to reflect the actual bottomhole location of the well.

(6) Notice of this application was provided to all offset operators and to all parties notified of the original application in Case 11615 in accordance with Division rules.

(7) The subject matter was advertised in such a manner that the application and supplemental data provided the Division would be considered and taken under advisement in the absence of objection.

(8) At the hearing, there was no objection to the requested amendment of Division Order No. R-9514-C to correctly reflect the actual bottomhole location of the McClellan Federal Well No. 1.

(9) The application of Thornton Operating Corporation to amend Division Order No. R-9514-C to approve an unorthodox bottomhole location for the McClellan Federal Well No. 1 should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The application of Thornton Operating Corporation for amendment of Division Order No. R-9514-C, issued in Case No. 11615 and dated June 5, 1997, is hereby approved to properly reflect the actual bottomhole location for its McClellan Federal Well No. 1 (API No. 30-005-63076), located on the surface 182 feet from the North line and 507 feet from the West line (Unit D) of Section 26, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico, in the West King Camp-Devonian Pool.

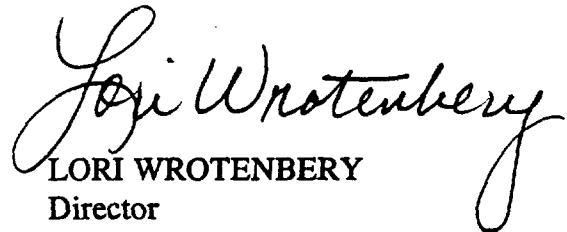
(2) Ordering Paragraph No. (4) on page 5 of Division Order No. R-9514-C is hereby amended to read in its entirety as follows:

"(4) The applicant, Thornton Operating Corporation, is hereby authorized to re-enter its McClellan Federal Well No. 1 located at a previously approved unorthodox location (approved by Division Order R-10295) 182 feet from the North line and 507 feet from the West line (Unit D) of Section 26, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico, kick off from vertical and directionally drill the subject well in a northwesterly direction to an unorthodox bottomhole oil well location in the West King Camp-Devonian Pool 68 feet from the South line and 263 feet from the West line (Unit M) of Section 23."

(3) Jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

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