

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. 11,949
)
APPLICATION OF THORNTON OPERATING)
CORPORATION TO AMEND DIVISION ORDER)
NO. R-9514-C, CHAVES COUNTY, NEW MEXICO) ORIGINAL
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

RECEIVED

April 16th, 1998

APR 30 1998

Santa Fe, New Mexico Oil Conservation Division

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, April 16th, 1998, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

April 16th, 1998
Examiner Hearing
CASE NO. 11,949

PAGE

REPORTER'S CERTIFICATE

7

* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 9:35 a.m.:

3 EXAMINER STOGNER: We're going to vary from the
4 order a little bit and at this time call Case 11,949.

5 MR. CARROLL: Application of Thornton Operating
6 Corporation to amend Division Order Number R-9514-C, Chaves
7 County, New Mexico.

8 EXAMINER STOGNER: Call for appearances.

9 MR. CARR: May it please the Examiner, my name is
10 William F. Carr with the Santa Fe law firm Campbell, Carr,
11 Berge and Sheridan. We represent Thornton Operating
12 Corporation, and I have a statement I'd like to make at
13 this time.

14 EXAMINER STOGNER: Okay. Any other appearances?
15 Mr. Carr?

16 MR. CARR: Mr. Stogner, by Order Number R-9514-C,
17 dated June the 5th, 1997, the Oil Conservation Commission,
18 among other things, authorized Thornton Operating
19 Commission to re-enter its McClellan Federal Well Number 1
20 A, located in Section 23 of Township 13 South, Range 29
21 East, and directionally drill that well to an unorthodox
22 bottomhole location.

23 While drilling, the Devonian was encountered at a
24 higher depth than anticipated, and consequently the
25 wellbore, the horizontal portion of it, or the directional

1 portion of it, didn't reach the target area. It was less
2 unorthodox than originally approved but in conversations
3 with the Division, Thornton was advised that the original
4 order needed to be amended to reflect the location.

5 The current bottomhole location, the actual
6 bottomhole location, is a point 68 feet from the south line
7 and 260 feet from the west line of Section 23.

8 We have, at the request of the Division,
9 renotified all owners who were notified of the original
10 case, which included all operators in the South Lone Wolf-
11 Devonian Pool, and I would like to tender to you a copy of
12 my notice affidavit with attached return receipts and the
13 notice letter and request that that be included in the
14 record and that the case be taken under advisement.

15 EXAMINER STOGNER: Mr. Carr, bring me up to date.
16 Order Number 9514-C was issued on June 5th; is that
17 correct?

18 MR. CARR: Right, of 1997.

19 EXAMINER STOGNER: Was that prior to our new Rule
20 111 being adopted for directional drilling?

21 MR. CARR: I don't know.

22 EXAMINER STOGNER: Was there a provision in that
23 order that laid out what the bottomhole location was to be?

24 MR. CARR: Yes, it was to be at a target area
25 within a hundred feet of a point 148 feet from the south

1 line and 177 feet from the west line of Section 23. And
2 the purpose here, really, is to make the actual wellbore
3 and order conform.

4 EXAMINER STOGNER: Okay. I just had handed to
5 me, on July 14th, 1997, the New Mexico Oil Conservation
6 Commission revised those rules, and this order was issued
7 prior to that one.

8 There was a restriction on the windows or
9 bottomhole location targets. So this particular well was
10 outside that particular area that was designated by the
11 order; is that correct?

12 MR. CARR: Correct.

13 EXAMINER STOGNER: So at this time, and not
14 having the order and not having anything in front of me,
15 this is less unorthodox than what was provided.

16 MR. CARR: That is right.

17 EXAMINER STOGNER: Okay. And the notification
18 you've given me, that's all offset operators?

19 MR. CARR: We went to all offset operators. We
20 also notified all operators in the South Lone Wolf-Devonian
21 Pool because they were involved in the original case, and
22 we had notified them before, so we covered all bases.
23 We've provided notice to all parties notified of the
24 original hearing.

25 EXAMINER STOGNER: Okay. Does anybody else have

1 anything further in this matter?

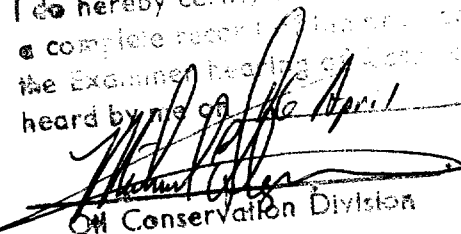
2 Then Case Number 11,949 will be taken under
3 advisement.

4 MR. CARR: Thank you.

5 EXAMINER STOGNER: Thank you, Mr. Carr.

6 (Thereupon, these proceedings were concluded at
7 9:40 a.m.)

8 * * *

9
10
11
12
13 I do hereby certify that the foregoing is
14 a complete record of the proceedings in
the Examiner hearing of Case No. 11949,
15 heard by me on 16 April 1998.
16  Examiner
Off Conservation Division
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL April 25th, 1998.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998