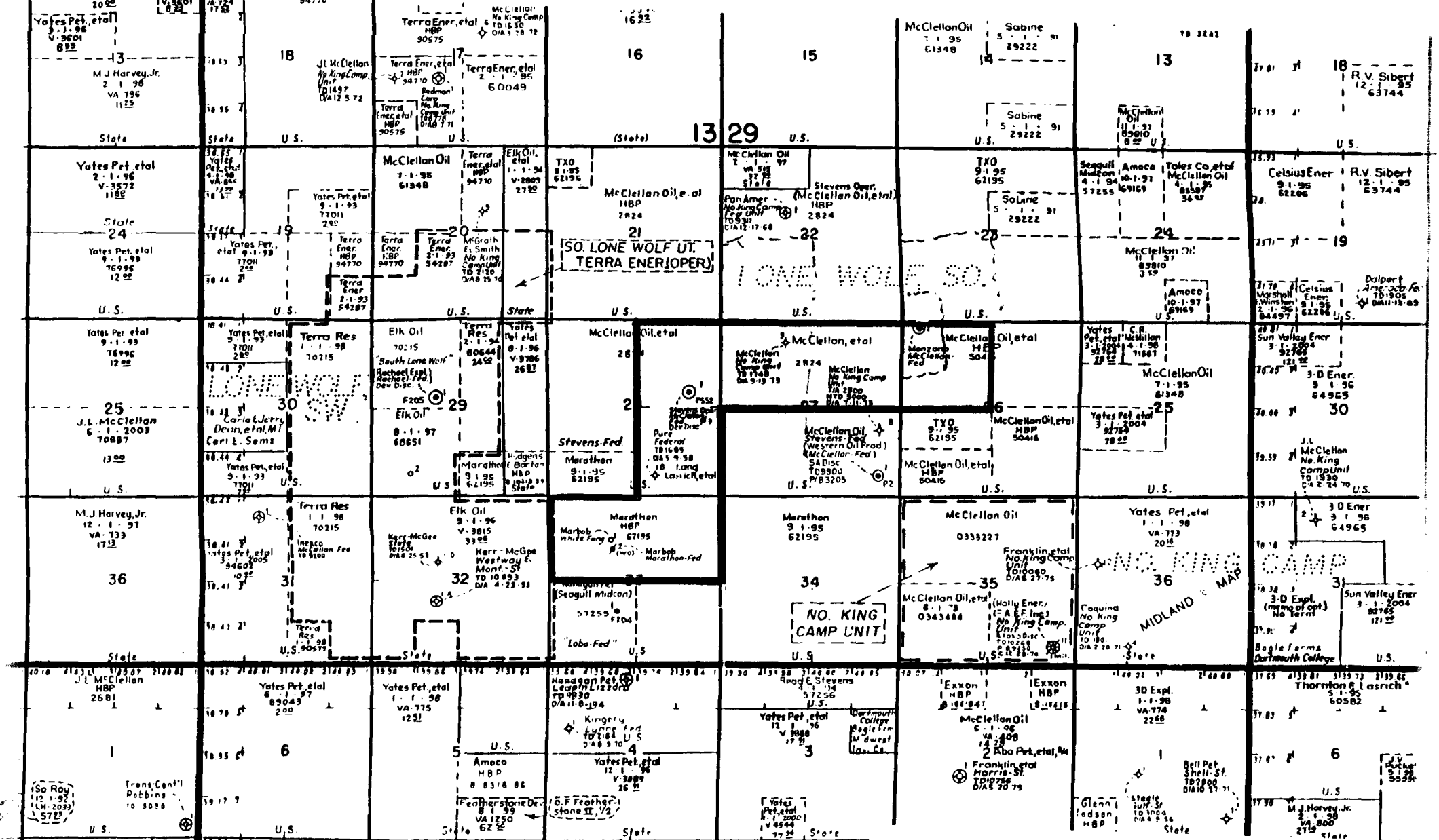
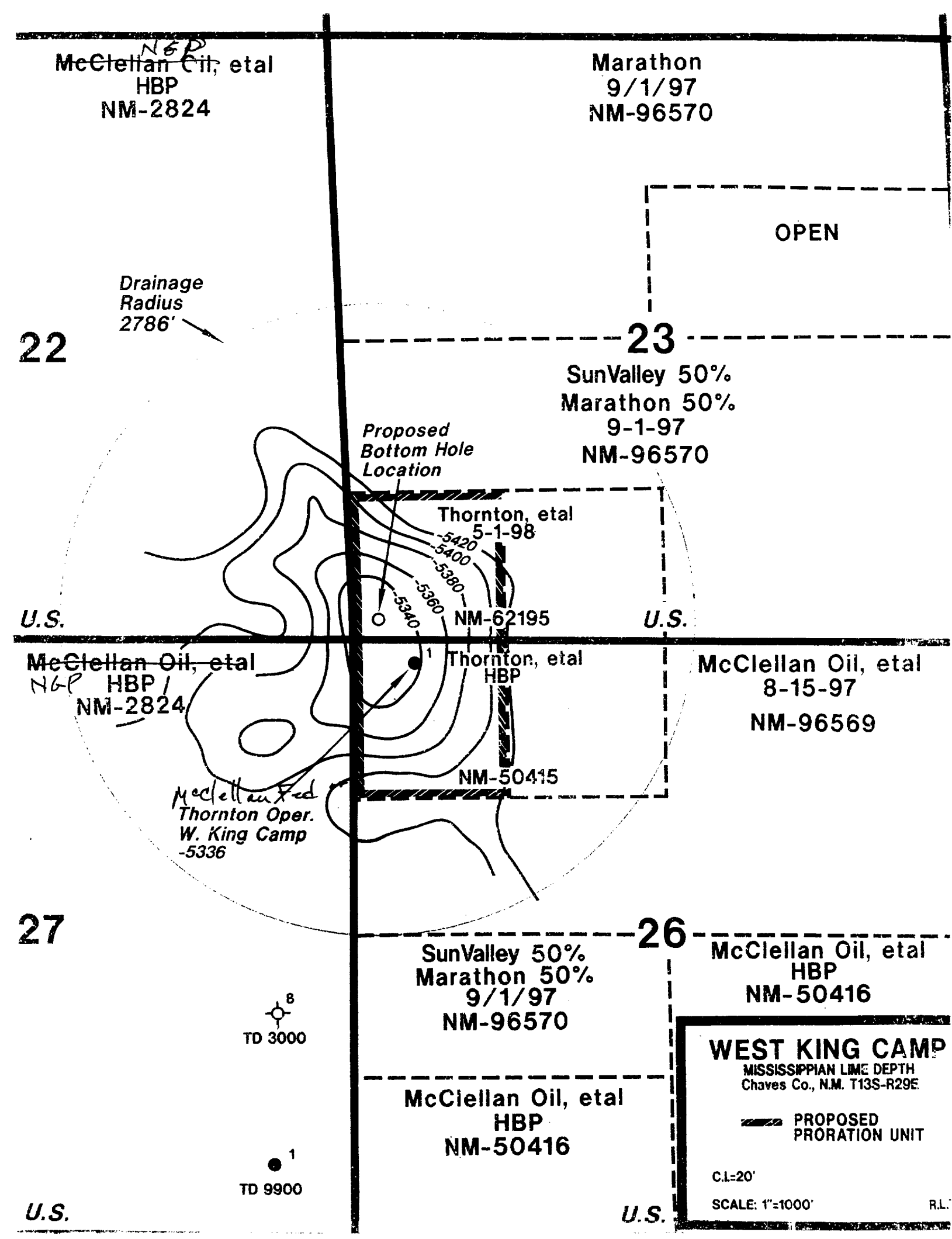


BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 1

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997


McClellan Oil, etal
HBP
NM-2824
Marathon
9/1/97
NM-96570
OPEN
Drainage
Radius
2786'
22
23
SunValley 50%
Marathon 50%
9-1-97
NM-96570
Proposed
Bottom Hole
Location
Thornton, etal
5-1-98
-5420
-5400
-5380
-5360
-5340
NM-62195
U.S.
U.S.
McClellan Oil, etal
HBP
NM-2824
Thornton, etal
HBP
McClellan Oil, etal
8-15-97
NM-96569
NM-50415
Thornton Oper.
W. King Camp
-5336
27
26
SunValley 50%
Marathon 50%
9/1/97
NM-96570
McClellan Oil, etal
HBP
NM-50416
TD 3000
TD 9900
McClellan Oil, etal
HBP
NM-50416
WEST KING CAMP
MISSISSIPPIAN LIME DEPTH
Chaves Co., N.M. T13S-R29E
PROPOSED
PRORATION UNIT
C.I.=20'
SCALE: 1"=1000'
U.S.
U.S.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 2

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997

Nadel and Gussman Permian L.L.C.
3200 First National Tower
Tulsa, OK 74103
(918) 583-3333

April 7, 1997

Thornton Operating Corporation
Robert Thornton
P.O. Box 833
Midland, TX 79702

Via Fax

Re: Application before the Oil Conservation Division for Pool Contraction Pool Creation, Special Pool Rules, Non-Standard Spacing or Proration Unit, Directional Drilling and an Unorthodox Well Location, Chaves County, New Mexico, Case No. 11615

Dear Mr. Thornton:

This is to advise that Nadel and Gussman Permian L.L.C. ("NGP") hereby conditionally agrees to waive notice of the April 11, 1997 hearing in connection with the captioned Application before the Oil Conservation Division. Our waiver is conditioned upon Thornton Operating Corporation's agreement to waive any objection to and agree not to protest a possible application by NGP seeking its own unorthordox well location and/or such other relief necessary to protect NGP from offset drainage as well as the correlative rights of other leasehold interest owners. By signing below, Thornton Operating Corporation further agrees not to cause or divulge any information as would cause any person or entity entitled to notice of NGP's possible application for such relief to protest said application.

Very truly yours,

Thomas A. Adelson

Thomas A. Adelson
For the Company

Agreed to this 8 day of April, 1997.

Thornton Operating Corporation

Robert L. Thornton

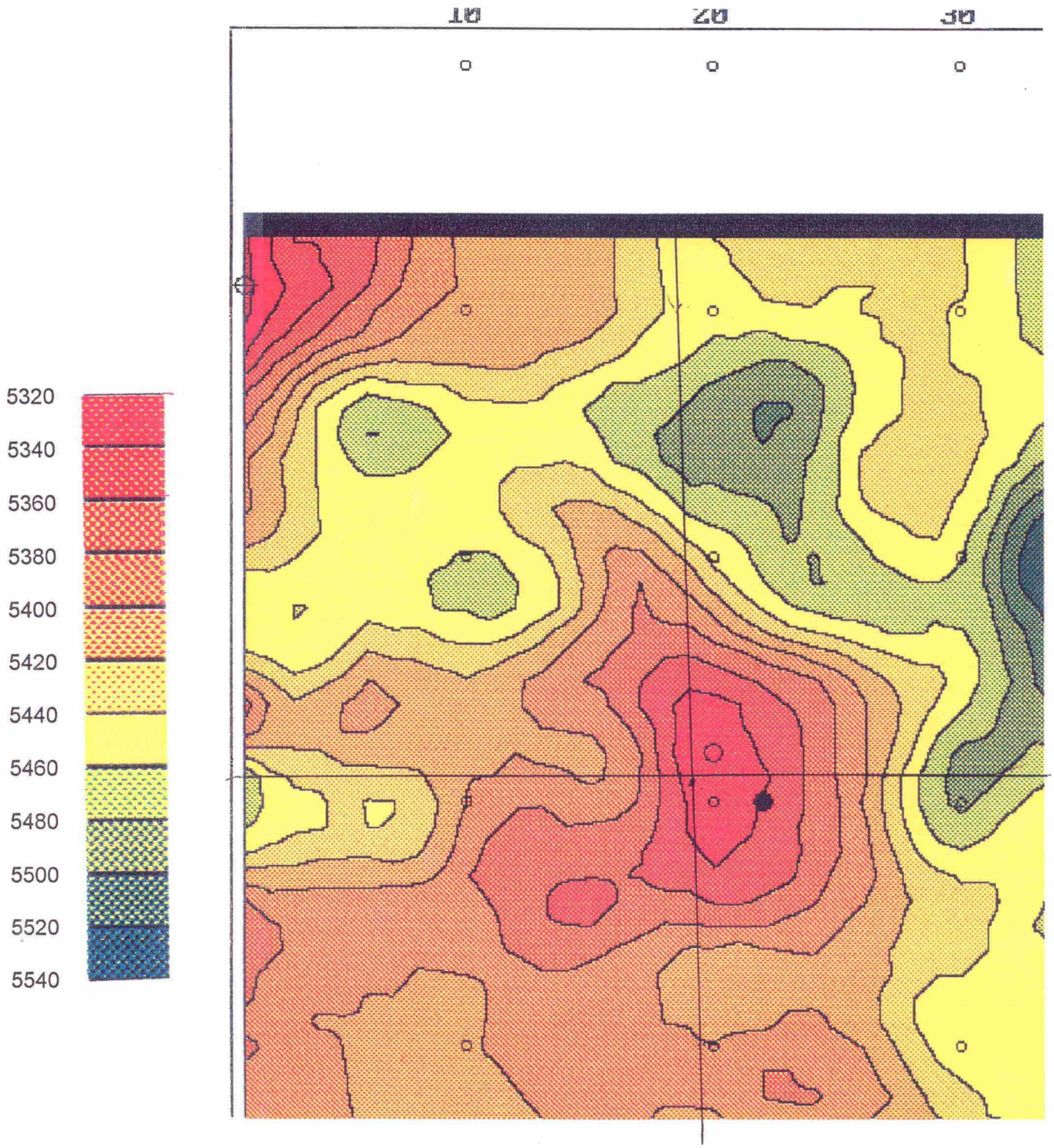
Its President

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 3

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997



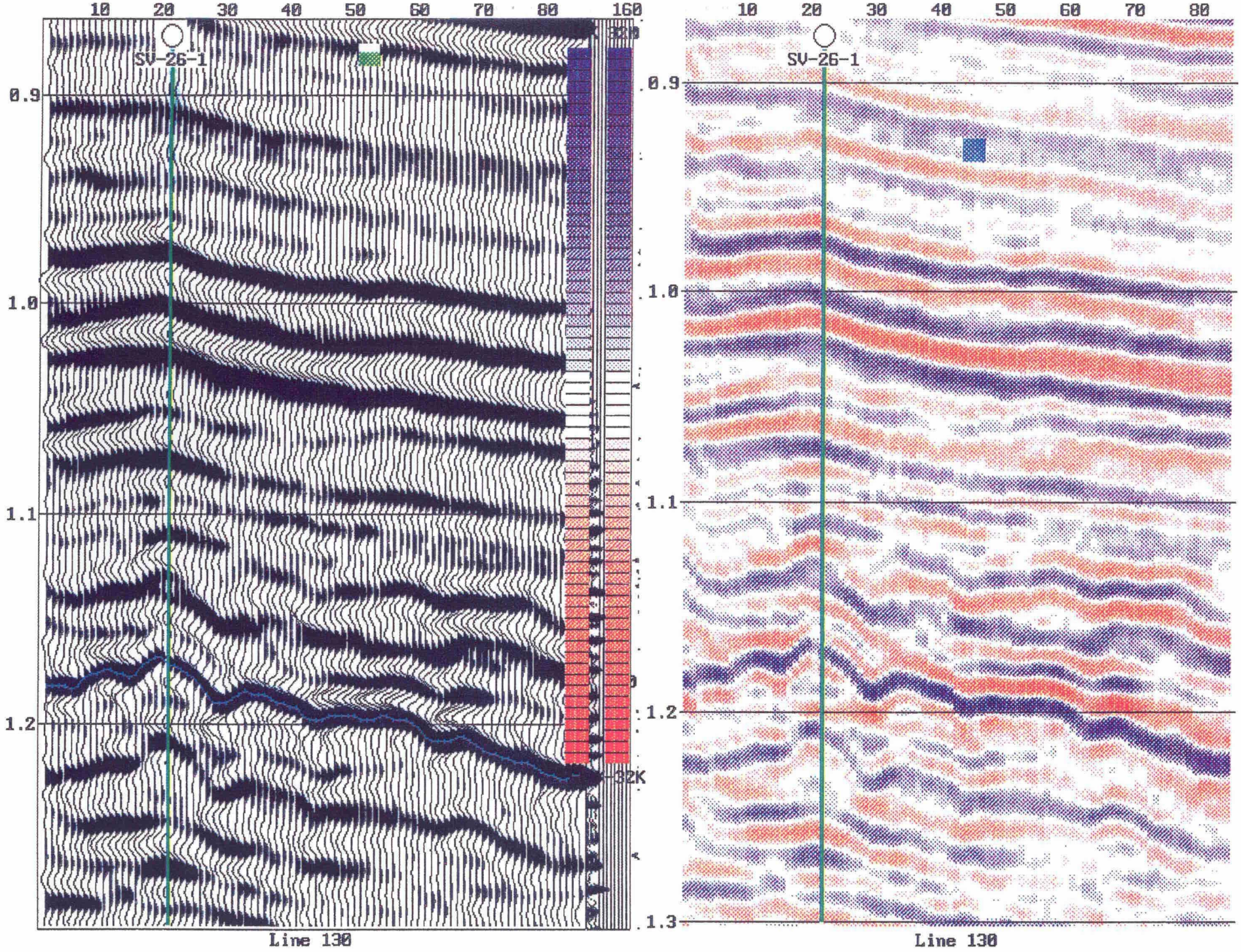
WEST KING CAMP
MISSISSIPPIAN LIME DEPTH
Chaves Co., N.M. T13S-R29E
C.I.=20'
SCALE: 1"=1000' **R.L.T.**

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 4

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997

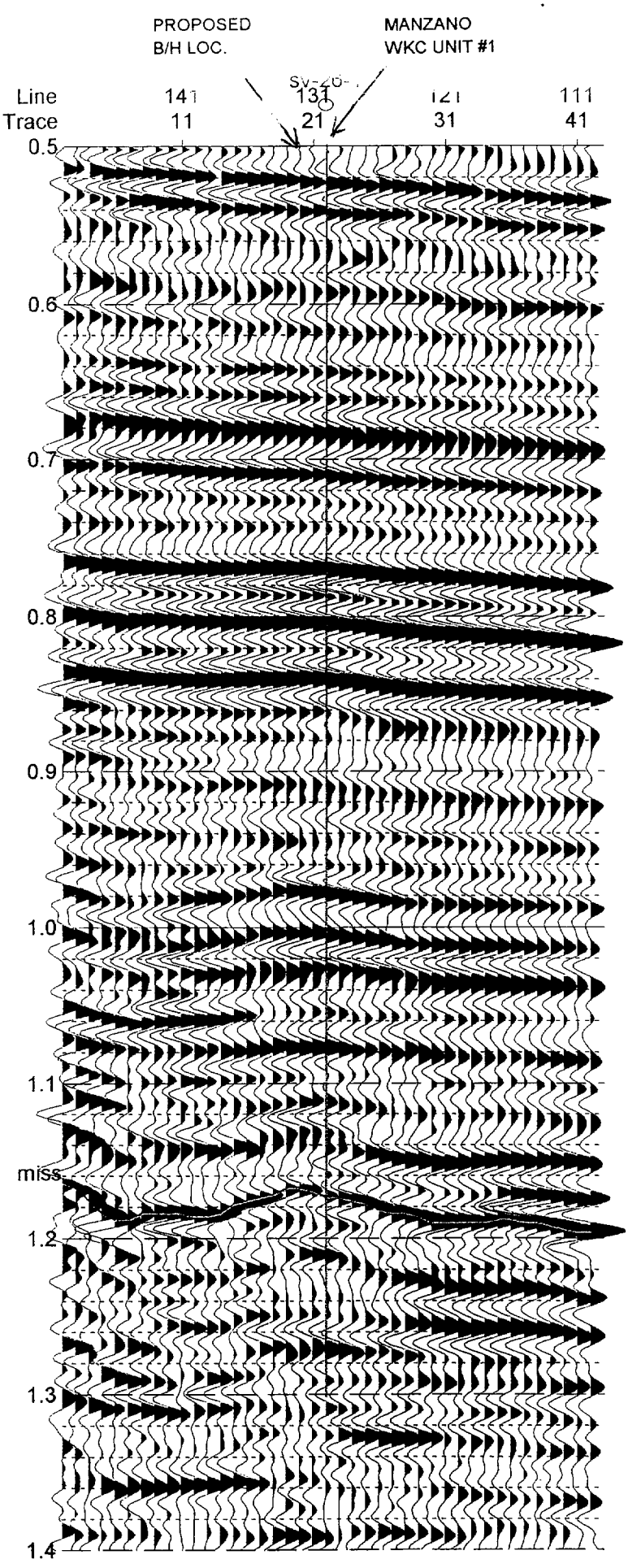

10
20
30
40
50
60
70
80
160
SV-26-1
0.9
1.0
1.1
1.2
32K
Line 130
10
20
30
40
50
60
70
80
SV-26-1
0.9
1.0
1.1
1.2
1.3
Line 130

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 5

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997

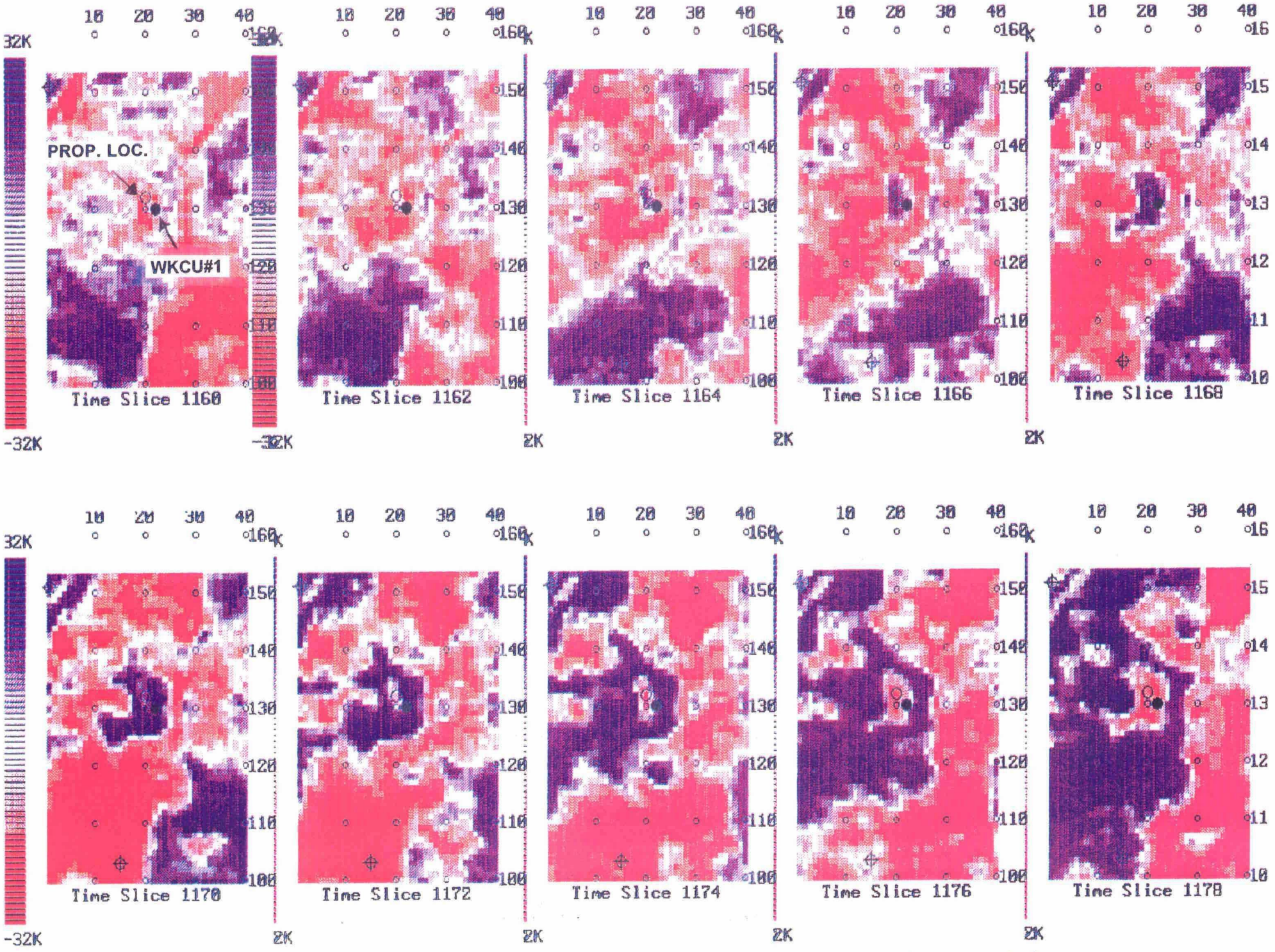


BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 6

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997



TIME SLICE FROM TOP OF MISS LIME (2ms intervals)

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 7

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997

Phone (303) 790-2705

BAKER OIL TOOLS

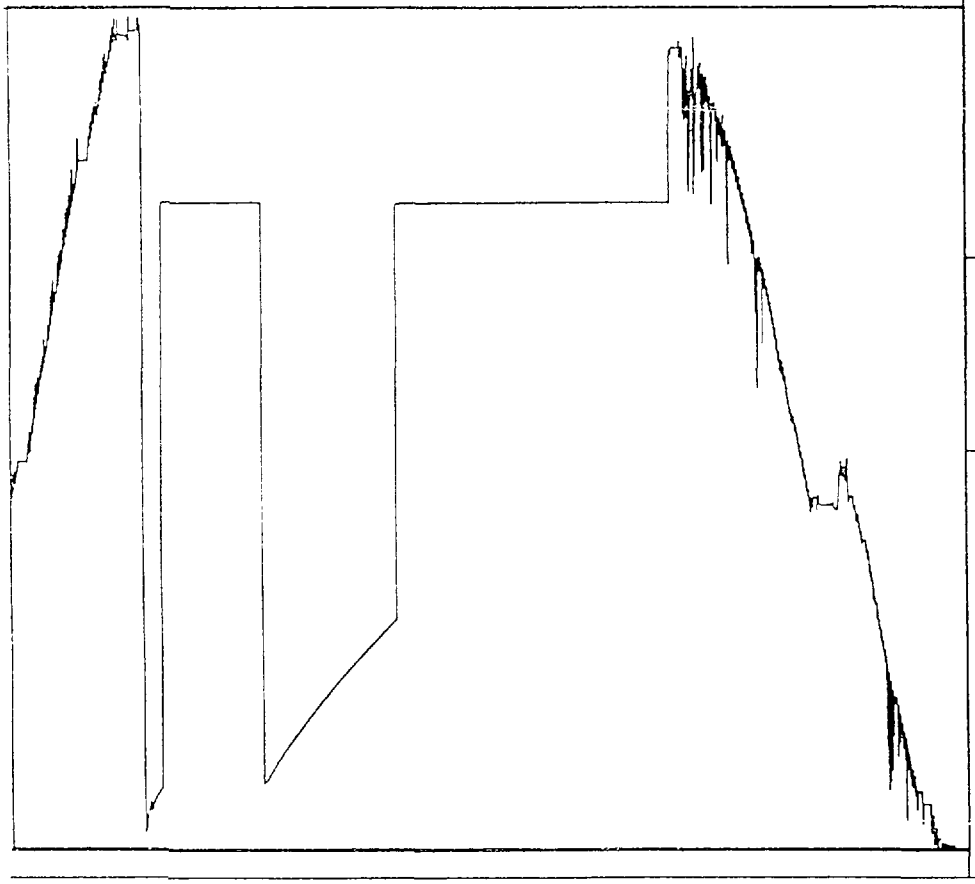
56 Inverness Drive East
Englewood, CO 80112

MANZANO OIL CORP.
TICKET #012087

Contractor	Ziadril
Rig No.	10
Spot	182' FNL & 507' FWL
Sec	26
Twp.	13 S
Rng.	29 E
Field	Wildcat
County	Chaves
State	New Mexico
Elevation	3820' KB
Formation	Devonian

Surface Choke	1/8"
Bottom Choke	3/4"
Hole Size	7 7/8"
Core Hole Size	None
DP Size & Wt.	4 1/2" 16.60
Wt. Pipe	None
I.D. of DC	2 1/4"
Length of DC	732'
Total Depth	9862'
Type Test	Conventional
Interval	9828'- 9862'

Mud Type	--
Weight	9.5
Viscosity	40
Water Loss	--
Filter Cake	--
Resistivity	-- @ °F
	85,000 Ppm. NaCl
B.H.T.	165.4 °F
Co. Rep.	Ronnie Carre
Tester	Mike Fraley
Baker Dist.	Hobbs NM



		REPORTED	CORRECTED	
Opened Tool @		06:46		hrs.
Flow No.	1	15	16	min.
Shut-in No.	1	90	89	min.
Flow No	2	120	119	min.
Shut-in No.	2	240	240	min.
Flow No.	3	None Taken		min.
Shut-in No.	3	"	"	min.

Recorder Type		STI 8000	
No.	01119	Cap. 10000	psi
Depth		9833	feet
Inside		Clock	
Outside	x	Range	hrs.

Initial Hydrostatic	A	5046
Final Hydrostatic	K	4940
Initial Flow	B	94
Final Initial Flow	C	368
Initial Shut-in	D	3980
Second Initial Flow	E	387
Second Final Flow	F	1405
Second Shut-in	G	3978
Third Initial Flow	H	
Third Final Flow	I	
Third Shut-in	J	

McCLELLAN FEDERAL #1
DEVONIAN ~ 9828'- 9862'
DST #1
09-28-1995

Pipe Recovery

Reverse circulated to reservoir pit:
2878' Oil = 40.9 bbl.
830' Water = 5.0 bbl.

Gravity:
Top: 46.0 Deg API @ 60 Deg F
Chlorides:
Middle: 20,000 ppm Cl. titrated.
Bottom: 20,000 ppm Cl. titrated.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 8

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997

Company: Manzano Oil Corp.
Well: McClellan Federal #1
DST No: 1

09-28-1995

SAMPLER REPORT

Pressure in Sampler:	300	psig
Total Volume of Sampler:	2600	cc.
Total Volume of Sample:	2160	cc.
Oil:	2150	cc.
Water:	10	cc.
Mud:	None	cc.
Gas:	0.40	cu. ft.
Other:	None	
Sample:	20,000 ppm Cl. titrated.	
	Resistivity	

Make up Water @ °F of Chloride Content ppm.

Mud Pit Sample @ °F of Chloride Content 85,000 ppm.

Gas / Oil Ratio 30/1 cu.ft./bbl. Gravity 46.0 °API @ 60 °F

Where was sample drained On Location.

Remarks:

D.R.S.

Company: Manzano Oil Corp.
Well: McClellan Federal #1, DST #1
Field: Wildcat 09-28-1995

Gauge Depth ..... 9833.0 feet

[INPUT PARAMETERS]
(Build-Up Analysis)

Well Type - OIL			
Reservoir Pressure	psia	P	3979
Reservoir Temperature	Deg F	T	165
Final Shut-in Pressure	psia	Psi	3978
Final Flowing Pressure	psia	Pwf	1405
Oil Flow Rate	STB/D	Qo	434
Sand Thickness	feet	hnet	12
Wellbore Radius	feet	rw	0.3280
Formation Porosity	%	POR	6
Extrapolated Pressure	psia	P*	3979
Extrapolated Press @ 1hr	psia	P1hr	3977
Semi-Log Slope	psi/cycle	M	-4.926
Production Time	hrs	tp	2.30
Shut-in Time	hrs	tsi	4.00

Uo (cp)	2.5823E+00	Bo (RB/STB)	1.1224E+00
Co (1/psi)	4.1207E-06	Ct (1/psi)	9.6810E-06

[CALCULATED RESULTS]

(Semi-Log) Analysis			Pressure Method
Transmissibility	md-ft/cp	kh/u	16078.476
Flow Capacity	md-ft	kh	41519.066
Permeability	md	k	3459.922
Skin Damage	total	S	+592.85
Pressure Drop due to Skin	psia	dP	+2536.03
Flow Efficiency	%	FE	+1.48
Drainage Radius	feet	rd	2786

D.R.S.

Company: Manzano Oil Corp.
Well: McClellan Federal #1
DST No: 1 09-28-1995

This analysis has been made on the basis of the liquid recovery and equations applicable to liquid recovery tests, the Horner extrapolation method and comparative log/log analysis.

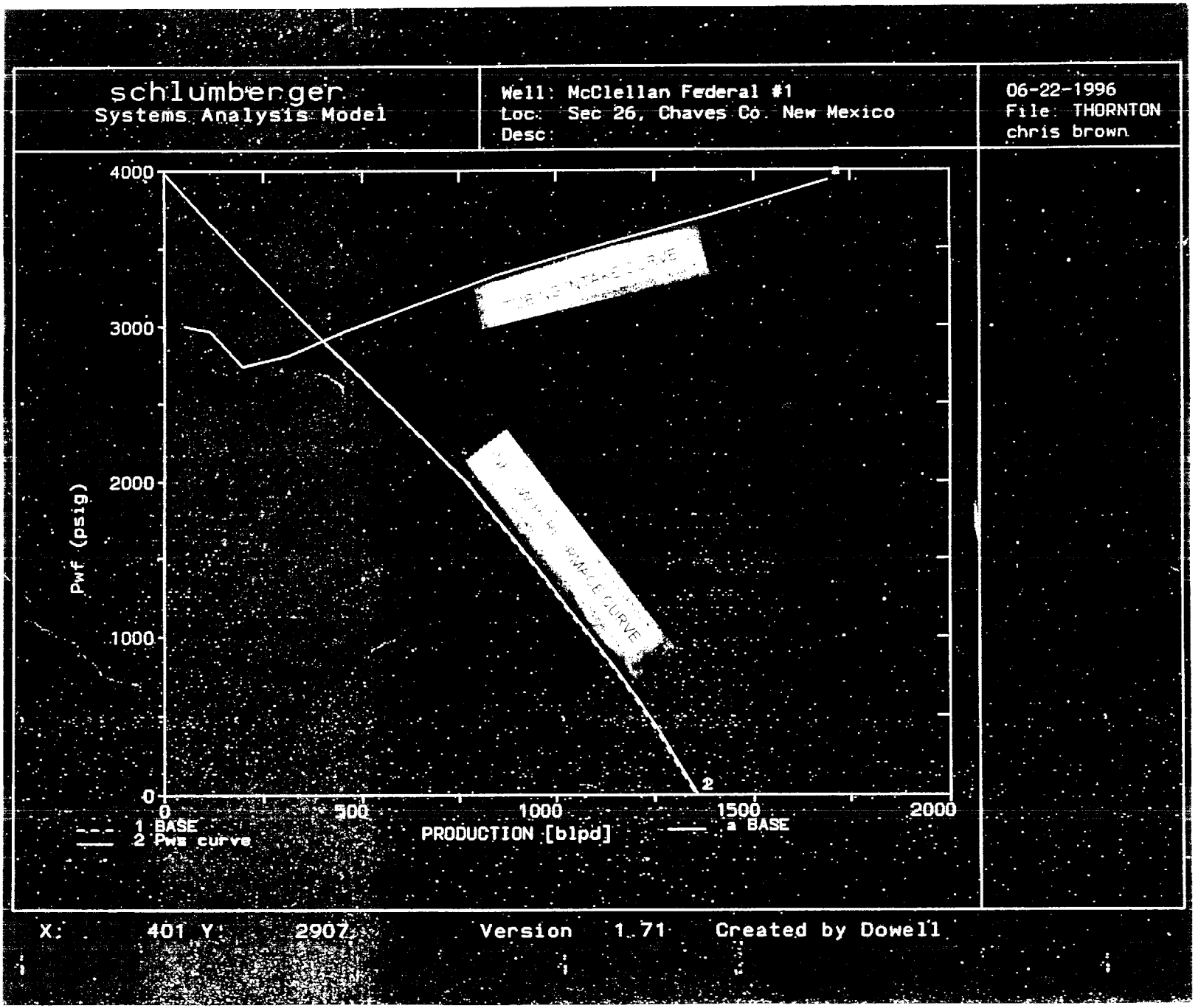
The semi-log plots indicate a maximum initial reservoir pressure of 3980 psi and a maximum final reservoir pressure of 3979 psi which is equivalent to a subsurface pressure gradient of 0.405 psi/ft at gauge depth.

The Average Production Rate which was used in this analysis has been calculated from analysis of the flow pressure curves using a liquid gradient for the recovered oil of 0.345 psi/ft.

For purposes of this analysis a Pay Thickness of 12 feet and an Average Porosity of 6% has been used.

The calculated Skin Factor indicates significant well-bore damage was present at the time of this formation test.

The evaluation criteria used in the drillstem test analysis system indicate this is a good mechanical test and the results obtained in this analysis should be reliable within reasonable limits relative to the assumptions which have been made.


schlumberger
Systems Analysis Model
Well: McClellan Federal #1
Loc: Sec 26, Chaves Co. New Mexico
Desc:
06-22-1996
File: THORNTON
chris brown
4000
3000
2000
1000
0
Pwf (psig)
0
500
1000
1500
2000
PRODUCTION [blpd]
1 BASE
2 Pws curve
a BASE
2
X: 401 Y: 2907
Version 1.71
Created by Dowell

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 11615 (De Novo) Exhibit No. 9

Submitted by: Thornton Operating Corporation

Hearing Date: April 10, 1997