



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 2, 1998

Thornton Operating Corporation  
C/O Campbell, Carr, Berge & Sheridan, P.A.  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr

Dear Mr. Carr:

Reference is made to your letter dated February 24, 1998, whereby you requested authorization for Thornton Operating Corporation to produce its McClellan Federal Well No. 1A pending the outcome of Case No. 11949 which is currently scheduled to be heard at the Examiner Hearing on March 19, 1998.

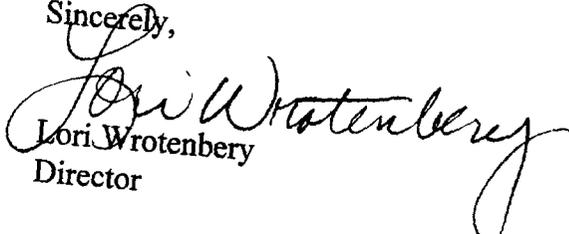
It is our understanding that by Order No. R-9514-C, the Division authorized Thornton to re-enter the McClellan Federal Well No. 1A at a surface location 182 feet from the North line and 507 feet from the West line (Unit D) of Section 26, Township 13 South, Range 29 East, NMPM, and directionally drill in a northwesterly direction so as to bottom the well in the West King Camp-Devonian Pool in a target area within 100 feet of a point 148 feet from the South line and 177 feet from the West line of Section 23. It is further our understanding that pursuant to Order No. R-9514-C, Thornton re-entered and directionally drilled the McClellan Federal Well No. 1A to a bottomhole location outside of the target area 48 feet from the South line and 285 feet from the West line of Section 23. As a result, Thornton filed the application in Case No. 11949 to amend the bottomhole location for the subject well.

Inasmuch as the new bottomhole location is less unorthodox than the bottomhole location originally approved, Thornton is hereby authorized to produce the McClellan Federal Well No. 1A subject to the following conditions:

- a) Case No. 11949 shall be heard at the hearing on March 19, 1998; and,
- b) in the event Case No. 11949 is contested, Thornton may be required to shut-in the subject well in order to make up production which is accrued prior to the issuance of an order in this case.

If you should have any questions, please contact Mr. David Catanach at (505) 827-8184.

xc: OCD-Artesia  
Case File-11949 ✓  
Case File-11615

Sincerely,  
  
Lori Wrotenberg  
Director