

MEMORANDUM

TO: Shelley Keen
FROM: Steve Lester 
DATE: August 11, 2010
RE: Request for Extension of Time to Complete Transfer 75058

Schelhorn filed the transfer application in 2008 to change the POD for a well to be drilled on Schelhorn property (SWSE) instead of using the neighbor's well (SESW). There were no protests or other complications in this transfer. It was approved in July 2009 with a one year period to complete the work.

Schelhorn now seeks up to four more years to complete the proposed change. However, the request notes ongoing efforts to use the neighbor's well. This implies Schelhorn would be diverting right 63-32256 from an unauthorized POD if the agreement with the neighbors worked out. Any approval for more time to complete Transfer 75058 should somehow address this issue. Perhaps a conditional approval for more time would be appropriate.

The problem with a conditional approval for more time is that it appears to add to the conditions of approval for the transfer after the final order approving the transfer took effect.

This is an unusual situation. Perhaps the following solution might work:

- Recommend that Schelhorn file an additional transfer application to add the original POD to 63-32256. If approved, that would allow use of one or both POD for Schelhorn. Such a transfer could easily be expedited – for example, it probably should not need legal notices. Issues about the neighbor's well could be covered under condition 004 regarding trespass.
- Approve one or two more years to complete Transfer 75058 if Schelhorn files the additional transfer.
- This combination would prevent possible illegal diversion by Schelhorn. Both approvals could be issued together in a timely manner.