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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. 10535
Order No. R-9719

APPLICATION OF AMERICAN HUNTER
EXPLORATION, LTD. FOR AN UNORTHODOX
OIL WELL LOCATION, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 20, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of September, 1992, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

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, American Hunter Exploration, Ltd. (American Hunter), seeks an exception to Rule No. (4) of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as promulgated by Division Order No. R-6469-B, as amended, for its Jicarilla 2A-1 (27-2) Well to be drilled at an unorthodox oil well location 1000 feet from the North line and 1300 feet from the East line (Unit A) of Section 2, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. All of Section 2 is to be dedicated to this well forming a standard 640-acre spacing and proration unit for this pool.

(14) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(15) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

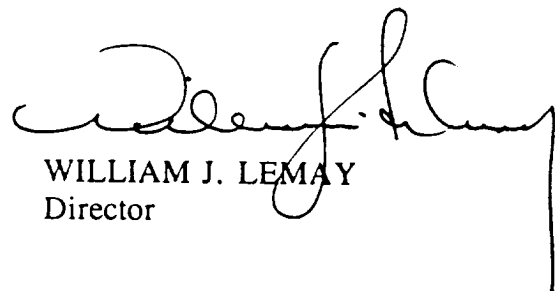
(1) The applicant, American Hunter Exploration, Ltd. is hereby authorized to drill its Jicarilla 2A-1 (27-2) Well at an unorthodox oil well location 1000 feet from the North line and 1300 feet from the East line (Unit A) of Section 2, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

(2) All of Section 2 shall be dedicated to the above-described well forming a standard 640-acre spacing and proration unit for this pool.

(3) Jurisdiction of this cause is 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


WILLIAM J. LEMAY
Director

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