

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:

RECEIVED  
SEP 14 1992  
OIL CON. DIV.  
DISC NO. 10536  
Order No. R-9720

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 24N-1 (27-2) Well to be drilled at an unorthodox oil well location 1000 feet from the South line and 2250 feet from the West line (Unit N) of Section 24, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. All of Section 24 is to be dedicated to this well forming a standard 640-acre spacing and proration unit for this pool.

(3) The proposed well is subject to the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, specifically Rule No. (4) which requires that wells be located no closer than 1650 feet from the outer boundary of the proration unit nor closer than 330 feet from any quarter section line.

(15) The offsetting acreage to the east of the proposed unorthodox well location is operated by the applicant and is being developed as a Joint Venture Property with the Jicarilla Apache Tribe.

(16) The offsetting acreage to the south of the proposed unorthodox location is operated by the Jicarilla Apache Tribe and American Hunter and is being developed as a Joint Venture Property between the two parties.

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

(18) 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:**

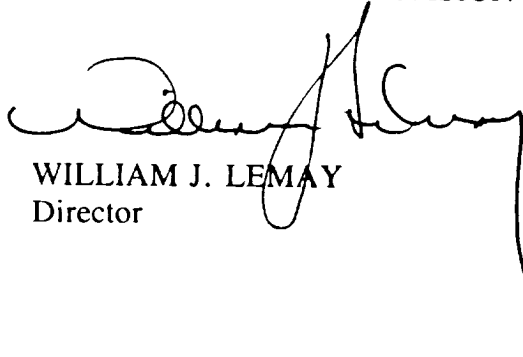
(1) The applicant, American Hunter Exploration, Ltd. is hereby authorized to drill its Jicarilla 24N-1 (27-2) Well at an unorthodox oil well location 1025 feet from the South line and 2030 feet from the West line (Unit N) of Section 24, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

(2) All of Section 24 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