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July 28, 1992

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

**RECEIVED**

JUL 28 1992

OIL CONSERVATION DIVISION

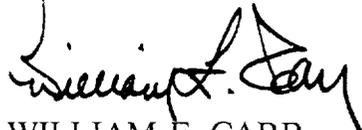
10537

**Re: In the Matter of the Application of American Hunter Exploration, Ltd., for an Unorthodox Location and Directional Drilling, Rio Arriba County, New Mexico**

Dear Mr. LeMay:

Enclosed in triplicate is the Application of American Hunter Exploration, Ltd. in the above-referenced case. American Hunter Exploration respectfully requests that this matter be placed on the docket for the August 20, 1992 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR

WFC:sg  
Enclosures

cc w/enclosure: Mr. Jim Lister  
American Hunter Exploration, Ltd.  
410 Seventeenth Street, Suite 1200  
Denver, Colorado 80202

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JUL 28 1992

BEFORE THE

OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF AMERICAN HUNTER EXPLORATION, LTD.  
FOR AN UNORTHODOX LOCATION AND  
DIRECTIONAL DRILLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

CASE NO. 10537

APPLICATION

AMERICAN HUNTER EXPLORATION, LTD., by its undersigned attorneys, hereby make application to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location, and for directional drilling, and in support of this application states:

1. American Hunter is the operator of Section 5, Township 27 North, Range

(1) West, N.M.P.M., Rio Arriba County, New Mexico.

2. Due to topographic conditions, American Hunter proposes to drill its Jicarilla 5A Well No. 1 from an unorthodox surface location 830 feet from the North line and 1075 feet from the East line of said Section 5.

3. American Hunter seeks an exception to Rule 4A of the Special Pool Rules and Regulations for the West Puerto Chiquito-Manco Oil Pool to permit it to drill this well at the proposed unorthodox surface location.

4. American Hunter seeks an exception to Division Rule 104F(2) to permit it to drill this well to an unorthodox bottomhole location within 50 feet of a point 660 feet from the North line and 1900 feet from the East line of said Section 5.

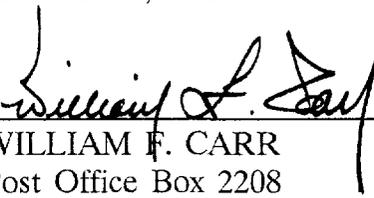
5. Because of these unique surface and bottom hole conditions, American Hunter must directionally drill this well and therefore seeks an exception to Division General Rule 111.

6. Approval of this application will afford American Hunter the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, American Hunter respectfully requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division of August 20, 1992, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE &  
SHERIDAN, P.A.

By:   
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Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
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ATTORNEYS FOR AMERICAN  
HUNTER EXPLORATION, LTD.