

BEFORE THE  
OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF AMERICAN HUNTER EXPLORATION, LTD.  
FOR HORIZONTAL DRILLING, A  
NON-STANDARD SPACING UNIT,  
AND SPECIAL ALLOWABLE,  
RIO ARRIBA COUNTY, NEW MEXICO.

RECEIVED

OIL CONSERVATION DIVISION

CASE NO. 10299  
10300

APPLICATION

COMES NOW AMERICAN HUNTER EXPLORATION, LTD., through its undersigned attorneys, and hereby makes application to horizontally drill its Jicarilla 6A Well No. 1, for a non-standard spacing unit, an unorthodox well location, and a special allowable, and in support thereof states:

1. Applicant is the operator of the Gallup formation, East Puerto Chiquito-Mancos Oil Pool, underlying Section 6, Township 27 North, Range 1 East, N.M.P.M., Rio Arriba County, New Mexico, and proposes to horizontally drill its Jicarilla 6A Well No. 1 from an orthodox surface location of 660 feet from the North line and 700 feet from the East line of Section 6 by initially drilling a vertical pilot hole to a total depth of approximately 2,850 feet. The vertical hole will be plugged back to approximately 500 feet above the Niobrara member of the Gallup formation. The well will then be directionally drilled along a westerly azimuth to reach a deviation of approximately 80 plus degrees at the top of the Niobrara member (approximately 2,369 feet TVD), and then continue drilling a high angle hole until approximately 2,000 feet of lateral distance is attained.

2. The well will be on a 640-acre non-standard spacing or proration unit comprised of Section 6 and the wellbore will be located at a setback from the outer boundary of Section 6 of at least 330 feet and will be within a target area from 330 feet to 2,160 feet from the North line and from 700 feet to 3,200 feet from the East line of Section 6.

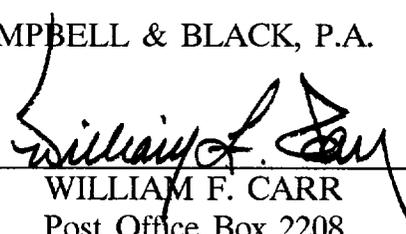
3. Applicant also seeks an exception to the spacing and well location requirements of the Special Rules for the East Puerto Chiquito-Mancos Oil Pool for the Jicarilla 6A Well No. 1 and an exemption from the oil well allowable limitations for this pool to permit an increased allowable for this well based on the total acreage dedicated to it.

4. Granting this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on May 2, 1991, and, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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