

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION  
FOR THE LEAVRY CANYON 28 B #1 GAS WELL  
IN THE BLANCO MESA VERDE POOL  
455' FNL & 1510' FEL SEC. 28, T. 27 N., R. 2 W., RIO ARRIBA COUNTY, NM  
BY EnRe CORPORATION

I. The well is on Jicarilla Apache Tribal Trust surface and minerals. An onsite was held prior to drilling in 1992. Application for Permit to Drill is on file and the approved cover sheet is attached.

II. A C-102 (hachure marks are for proposed Mesa Verde unit, whole section was originally dedicated to Gallup per R-9733) and map showing the well location, stand up proration unit (NE4 and Lots 1 and 2 of Sec. 28 which total 215.04 acres), and lease (all of T. 27 N., R. 2 W. is tribal lease 701-94-0010 and totals 16,958.57 ac.) are attached.

III. The closest producing well (besides this one) is Jicarilla Energy's JVA 3 which is 3,110' northwest in 21-27n-2w. A map is attached showing the 28 B 1 well (square), surrounding existing wells (large dots), quarter-quarter lines (dotted line), and existing spacing units (dashed lines). There is only one lease/mineral agreement (701-94-0010) within a minimum 3,089' radius. It comprises all of T. 27 N., R. 2 W. EnRe and the Jicarilla Apache Tribe are the only royalty or working interest owners.

IV. A copy of the Leavry Canyon 7.5' USGS map is attached. Lease is marked by a solid line. The proposed wellsite is marked by a square. Proposed proration unit (215.04 ac.) is marked by dashed lines. Quarter-quarter lines are dotted lines. Closest existing well is Jicarilla Energy's JVA 3 which is 3,110' northwest in 21-27n-2w. There are no proposed wells in the surrounding seven sections.

V. Request for a non-standard location is based on the recompletion exception in Rule 104. F. (1).

VI. Archaeology is not an issue.

VII. Location is outside of the orthodox drilling window due to the presence of EnRe's existing wellbore which was originally permitted and drilled into the Gavilan-Mancos Extension pool. It has since been plugged back.

VIII. Directional drilling is not feasible because it is not cost effective. EnRe's recent Cedar Canyon 22-G well (22-28n-1w) required 4 sidetracks.

IX. I hereby certify that notice has been sent to the following lessees, lessors, surface management agencies, operators of spacing units, or owners of undrilled leases which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct:

BIA  
Jicarilla Apache Tribe  
MW Petroleum  
Omimex Petroleum

Kathryn Kokke Wood, Sec Treasurer 2-22-95  
Signature, Title, & Date

STATE OF New Mexico )  
NOTARY ) SS:  
COUNTY OF Santa Fe )  
PUBLIC )

The foregoing instrument was acknowledged before me this 22nd day of February,  
1995 by Kathryn Kokke Wood. Witness my hand and official seal.

[Signature]  
Notary Public

My Commission Expires: 12/12/95

Business Address: 455 St. Michael's Drive

UNITED STATES  
DEPARTMENT OF THE INTERIOR

OIL CONSERVATION DIVISION  
RECEIVED

BUREAU OF LAND MANAGEMENT

30-039-25233

5. LEASE DESIGNATION AND SERIAL NO.  
Contract 701-90-0001

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
Jicarilla Apache

7. UNIT AGREEMENT NAME  
N/A

8. FARM OR LEASE NAME  
Jicarilla

9. WELL NO.  
28B-1

10. FIELD AND TOOL OR WILDCAT  
West Puerto Chiquito Mancos  
GAUILLAN

11. SEC. T. E. M. OR BLK. AND SURVEY OR AREA  
28-T27N-R2W EXT

12. COUNTY OR PARISH  
Rio Arriba

13. STATE  
New Mexico

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
92 00' 13' PM 10 30  
DRILL  DEEPEN  PLUG BACK

b. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER   
SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
American Hunter Exploration Ltd.

3. ADDRESS OF OPERATOR  
410 - 17 Street, Suite #1220, Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface  
455'FNL & 1510'FEL (NW NE) Sec 28 T27N R2W  
At proposed prod. zone  
455'FNL & 1510'FEL (NW NE) Sec 28 T27N R2W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
+ 10 miles north of Gauilan

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
N/A

16. NO. OF ACRES IN LEASE  
N/A

17. NO. OF ACRES ASSIGNED TO THIS WELL  
430.56

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
N/A

19. PROPOSED DEPTH  
7830 TVD

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
7418' GR

22. APPROX. DATE WORK WILL START  
October 1, 1992

23. PROPOSED CASING AND CEMENTING PROGRAM DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	400'	To surface
7 7/8"	5 1/2"	17#	7830'	To surface

A 12 1/4" vertical surface hole will be drilled to 400'. A 7 7/8" main hole will then be drilled to a total depth of approximately 7830'. At this point 5 1/2" casing will be run and cemented in accordance with NTL-FRA 90-1.

EXHIBITS ATTACHED

- "A" Location Survey Plat
- "B" Drilling Program
- "C" Wellbore Schematic
- "D" Blowout Prevention Diagram
- "E" Drilling Pad Layout
- "F" Cross Section of Drilling Pad
- "G" Drill Rig Layout
- "H" Access Road
- "I" Surface Use Program

18. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Bruce Thistle TITLE Drilling Technologist DATE September 3, 1992

(This space for Federal or State office use)

PERMIT NO.

RECEIVED

APPROVED AS AMENDED

OCT 07 1992

OCT 02 1992

OIL CON. DIV.

for Dr. Bruce Spence  
AREA MANAGER  
NMOCD

"Approval of this action does not warrant that the applicant holds legal or equitable rights or title to this lease."

\*See Instructions on Reverse Side

18-9733 (E)

EXHIBIT A

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

92 SEP 18 PM 2:22

719 P.M. HUN, N.M.

Subject to Approvals  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

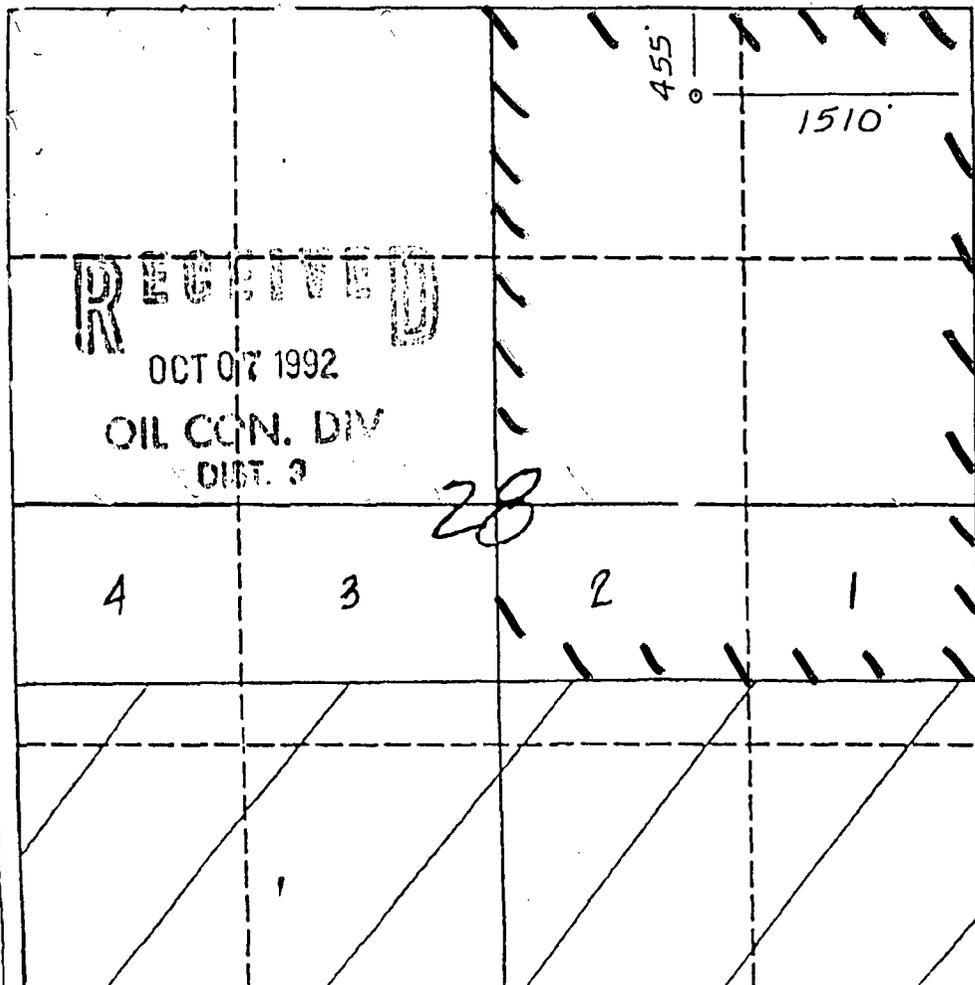
DISTRICT III  
1000 Rio Brisos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator American Hunter Exploration Ltd.		Lease Jicarilla 28 B		Well No. # 1
Unit Letter B	Section 28	Township 27 North	Range 2 West	County RIO ARRIBA
Actual Footage Location of Well: 455 feet from the North line and 1510 feet from the East line				
Ground level Elev. 7418	Producing Formation GALLUP	Pool LA PUERTO ENRIQUETA MANCOS	Dedicated Acreage: 430.56 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
  - Yes  No If answer is "yes" type of consolidation \_\_\_\_\_
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



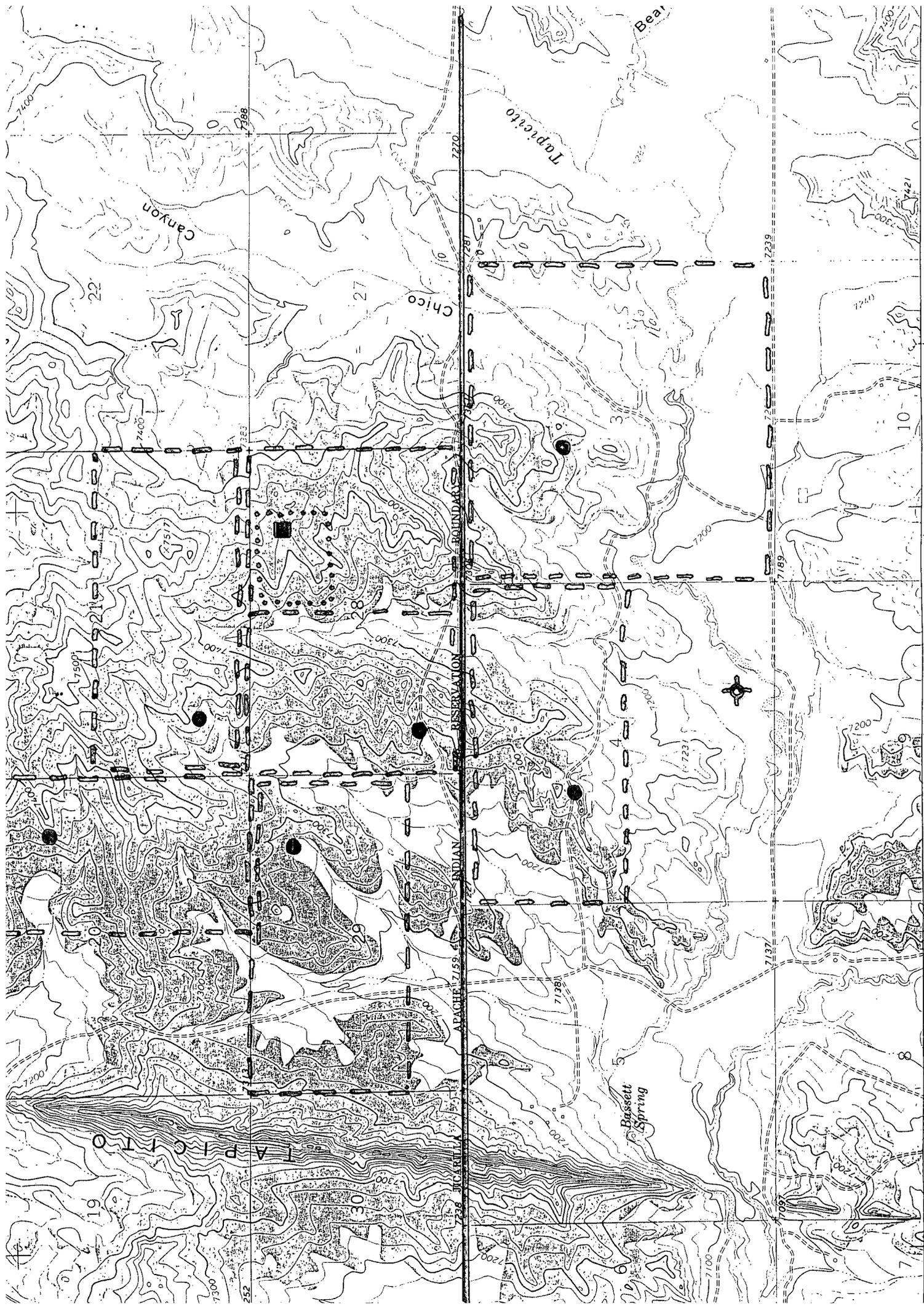
**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *B. Thistle*  
Printed Name: BRUCE C. THISTLE  
Position: DRILLING TECHNOLOGIST (AHEL)  
Company: AMERICAN HUNTER EXPLORATION LTD.  
Date: SEPT. 03/92.

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 8-92  
Name: C. EDWARDS  
Signature: *C. Edwards*  
Professional Surveyor  
6857

Certificate No. 6857



5 R. 2 W. 1314 1315 (OJ/T/O) 4556 / NE 1316 3171 230' 318 319000m. E. 319000m. E. INTERIOR—GEOLOG.

SCALE 1:24 000

1 MILE

R

February 12, 1995

Darrell Tafoya  
 BIA Branch of Realty  
 P.O. Box 167  
 Dulce, NM 87528

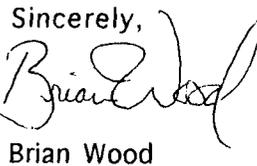
Dear Darrell,

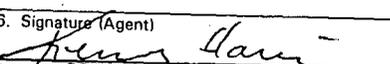
As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard locations for wells. This letter is a notice only. No action need be taken unless you have questions or objections. EnRe is seeking approval for recompleting in the Mesa Verde for wells which were originally drilled into the Mancos. This will eliminate the need to drill new wells and disturb more land. The 24 N is 180' too close to the quarter section line between the SW4 and SE4. The 28 B is 335' too close to the north section line. The wells are ≈3,089' from the closest lease line (from 28 B to south line of T. 27 N., R. 2 W.).

Well Names: Leavry Canyon 24 N #1 and 28 N #1 wells  
Legal Location: 1025' FSL & 2030' FWL Sec. 11 (24 B #1)  
 455' FNL & 1510' FEL Sec. 15 (28 N #1)  
 both T. 27 N., R. 2 W., Rio Arriba County, NM on 701-94-0010  
Approximate Locations: ≈28 air miles south of Dulce, NM  
Applicant Name: EnRe Corporation (210) 826-0681  
Applicant's Address: P.O. Box 6027, San Antonio, Tx. 78209

Submittal Information: Applications for non-standard locations will be filed with the NM Oil Conservation Division this week. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,  
  
 Brian Wood

<b>SENDER:</b> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Darrell Tafoya BIA Realty PO Box 167 Dulce, NM 87528		4a. Article Number 2 766 607 814	
5. Signature (Addressee)  6. Signature (Agent) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise 7. Date of Delivery 2/14	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

47 Vermont Loop, Santa Fe, New Mexico 87505 (505) 466-8120

February 12, 1995

Thurman Velarde  
Oil & Gas Administration  
P.O. Box 507  
Dulce, NM 87528

Dear Thurman,

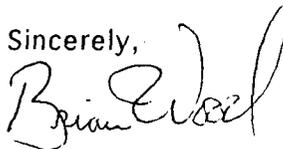
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Legal Location: 1025' FSL & 2030' FWL Sec. 11 (24 B #1)  
455' FNL & 1510' FEL Sec. 15 (28 N #1)  
both T. 27 N., R. 2 W., Rio Arriba County, NM on 701-94-0010  
Approximate Locations:  $\approx 28$  air miles south of Dulce, NM  
Applicant Name: EnRe Corporation (210) 826-0681  
Applicant's Address: P.O. Box 6027, San Antonio, Tx. 78209

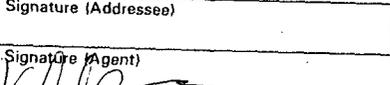
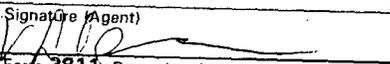
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Please call me if you have any questions.

Sincerely,



Brian Wood

<b>SENDER:</b> <ul style="list-style-type: none"><li>• Complete items 1 and/or 2 for additional services.</li><li>• Complete items 3, and 4a &amp; b.</li><li>• Print your name and address on the reverse of this form so that we can return this card to you.</li><li>• Attach this form to the front of the mailpiece, or on the back if space does not permit.</li><li>• Write "Return Receipt Requested" on the mailpiece below the article number.</li><li>• The Return Receipt will show to whom the article was delivered and the date delivered.</li></ul>		I also wish to receive the following services (for an extra fee): <ul style="list-style-type: none"><li>1. <input type="checkbox"/> Addressee's Address</li><li>2. <input type="checkbox"/> Restricted Delivery</li></ul> Consult postmaster for fee.	
3. Article Addressed to: Thurman Velarde Jicarilla Oil + Gas Admin. PO Box 507 Dulce, NM 87528		4a. Article Number 2 766 607 813	
5. Signature (Addressee) 		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) 		7. Date of Delivery 2/16/95	
		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

U.S. Form 3811, December 1991 U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

17 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

February 20, 1995

Clark Storms  
Omimex Petroleum, Inc.  
8055 E. Tufts Ave. Parkway, #1060  
Denver, Co. 80237

Dear Mr. Storms:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

EnRe has plugged back its Leavry Canyon 28 B #1 Gavilan-Mancos oil well and is applying to convert it to a Blanco-Mesa Verde gas well. The wellbore is less than the standard 790' from a section line. It is 3,089' from the closest lease line (south line of T. 27 N., R. 2 W.) and 3,110' from the closest existing well (JVA #3 in SWSW 21-27n-2w).

Well Name: Leavry Canyon 28 B #1

Producing Zone: Mesa Verde

Legal Location: 455' FNL & 1510' FEL Sec. 28, T. 27 N., R. 2 W., Rio Arriba County, NM on 701-94-0010

Approximate Locations: 28 air miles south of Dulce, NM

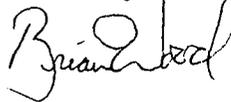
Applicant Name: EnRe Corporation (210) 826-0681

Applicant's Address: P.O. Box 6027, San Antonio, Tx. 78209

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division this week. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,



Brian Wood

<b>SENDER:</b> Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Clark Storms Omimex Petroleum Inc 8055 E Tufts Ave Denver Co. 80237 R.W.Y.F.		4a. Article Number: Z 1106 607 816	
4b. Service Type: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise		Date of Delivery: 2/23/95	
5. Signature (Addressee): Clark Storms		8. Addressee's Address (Only if requested and fee is paid):	
6. Signature (Agent): A.M. Reddy			

PS Form 3811, December 1991 U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service

# PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

17 Verano Loop, Santa Fe, New Mexico 87505 (505) 466-8120

February 20, 1995

Glenn Otness  
MW Petroleum Corporation  
1700 Lincoln St., Suite 2000  
Denver, Co. 80203-4520

Dear Mr. Otness:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location for a well. This letter is a notice only. No action is needed unless you have questions or objections.

EnRe has plugged back its Leavry Canyon 28 B #1 Gavilan-Mancos oil well and is applying to convert it to a Blanco-Mesa Verde gas well. The wellbore is less than the standard 790' from a section line. It is 3,089' from the closest lease line (south line of T. 27 N., R. 2 W.) and 3,110' from the closest existing well (JVA #3 in SWSW 21-27n-2w).

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Legal Location: 455' FNL & 1510' FEL Sec. 28, T. 27 N., R. 2 W., Rio Arriba County, NM on 701-94-0010

Approximate Locations: 28 air miles south of Dulce, NM

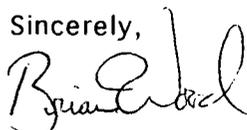
Applicant Name: EnRe Corporation (210) 826-0681

Applicant's Address: P.O. Box 6027, San Antonio, Tx. 78209

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division this week. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 2040 S. Pacheco, Santa Fe, NM 87504. Their phone number is (505) 827-7131.

Please call me if you have any questions.

Sincerely,



Brian Wood

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Article Addressed to: Glenn Otness MW Pet Corp 1700 Lincoln St Suite 2000 Denver, Co 80203		4a. Article Number Z 7046607813	
5. Signature (Addressee) [Signature]		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
6. Signature (Agent) [Signature]		7. Date of Delivery 2/20	
PS Form 3811, September 1991 U.S. GPO: 1992-323-402		8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service

**PERMITS WEST**, INC.

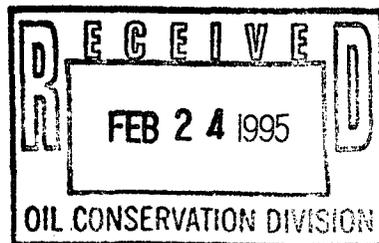
PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87505

(505) 466-8120

February 25, 1995

Mike Stogner  
NM Oil Conservation Div.  
2040 South Pacheco  
Santa Fe, NM 87504



Dear Mike,

On behalf of EnRe Corporation I am enclosing two copies each of two applications for non-standard locations. Both wells were drilled into the Mancos in 1992, completed, and later plugged back to the Mesa Verde. The applications are for non-standard locations in the Blanco-Mesa Verde. Both are too close to quarter section lines. Closest lease line is at least 3,089' away. Closest existing well of any type is at least 3,110' away.

Please call me if you have any questions.

*NSL - EnRe - 2*

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian Wood".

Brian Wood

cc (w/ encl.): Ernie Busch  
Mitch Michelson

**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. 10538  
Order No. R-9733**

**APPLICATION OF AMERICAN HUNTER  
EXPLORATION, LTD. FOR AN UNORTHODOX  
OIL WELL LOCATION AND A NON-STANDARD  
OIL PRORATION UNIT, 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 and September 17, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 22nd 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 Gavilan-Mancos Oil Pool, as promulgated by Division Order No. R-7407, as amended, for its Jicarilla 28B-1 (27-2) Well to be drilled at an unorthodox oil well location no closer than 330 feet from the North line nor closer than 1400 feet from the East line (Unit B) of Irregular Section 28, Township 27 North, Range 2 West, Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico. All of Section 28 is to be dedicated to this well forming a non-standard 430.56-acre spacing and proration unit for this pool.

(3) The proposed well is subject to the Special Rules and Regulations for the Gavilan-Mancos Oil Pool, specifically Rule No. (4) which requires that wells be located no closer than 790 feet from the outer boundary of the proration unit nor closer than 330 feet from any quarter-quarter section line.

(4) The subject well will be drilled to the Mancos formation at an estimated depth of 7,700 feet.

(5) The Mancos formation consists of a highly fractured shale and for a well in this formation to be a commercial producer it must intersect the natural fracture system in the reservoir.

(6) To locate the fracture system in the Mancos formation, seismic lines were shot across the proposed dedicated acreage.

(7) The location of these seismic lines was dictated, in part, by surface geology and topographic conditions and the seismic locations were approved by the Jicarilla Tribe.

(8) Although the seismic lines across Section 28 traverse only unorthodox locations as established by the Special Rules and Regulations for the Gavilan-Mancos Oil Pool, these lines are at reasonable locations to enable the owners in this and offsetting tracts to gather data on and evaluate this formation.

(9) The proposed unorthodox location is on or in close proximity to a seismic line traversing Section 28 and shows what is interpreted to be the natural fracture system at this location.

(10) The drilling of a well at a standard location in this section cannot be justified because sufficient seismic data indicating the presence of a natural fracture system does not exist.

(11) Development of this spacing and proration unit with a well at the proposed unorthodox location is the most prudent location from which to develop this acreage to produce the reserves thereunder in the Mancos formation and should thereby prevent waste.

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

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

(14) The proposed non-standard proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(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.

(16) The subject well should be assigned an acreage factor of 0.67 for purposes of assigning an allowable in the Gavilan-Mancos Oil Pool.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, American Hunter Exploration, Ltd. is hereby authorized to drill its Jicarilla 28B-1 (27-2) Well at an unorthodox oil well location no closer than 330 feet from the North line nor closer than 1400 feet from the East line (Unit B) of Irregular Section 28, Township 27 North, Range 2 West, Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico.

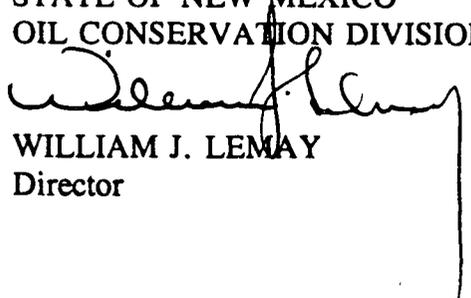
(2) All of Section 28 shall be dedicated to the above-described well forming a non-standard 430.56-acre spacing and proration unit, also hereby approved.

(3) The subject well is hereby assigned an acreage factor of 0.67 for purposes of assigning an allowable in the Gavilan-Mancos Oil Pool.

(4) 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

S E A L

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

02/28/95 08:01:05  
OGOMES -EMGO

API Well No : 30 39 25233 Eff Date : 06-10-1994 WC Status : A  
Pool Idn : 27194 GAVILAN MANCOS  
OGRID Idn : 133182 ENRE CORP  
Prop Idn : 15665 LEAVRY CANYON 28 B

Well No : 001  
GL Elevation: 7418

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: B	28	27N	02W	FTG 455 F N	FTG 1510 F E	A

Lot Identifier:  
Dedicated Acre: 430.56  
Lease Type : J  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025:Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

Sec : 28 Twp : 27N Rng : 02W Section Type : NORMAL

D 40.00  Indian owned	C 40.00  Indian owned	B 40.00  Indian owned A	A 40.00  Indian owned
E 40.00  Indian owned	F 40.00  Indian owned	G 40.00  Indian owned	H 40.00  Indian owned

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

Sec : 28 Twp : 27N Rng : 02W Section Type : NORMAL

4 27.82  Indian owned  A	3 27.70  Indian owned	2 27.58  Indian owned	1 27.46  Indian owned

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

111  
27.58  
27.46  

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75.04  
16  

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215.04