

**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. 10403

APPLICATION OF AMERICAN HUNTER
EXPLORATION, LTD. FOR A HIGH ANGLE/
HORIZONTAL/DIRECTIONAL DRILLING PILOT
PROJECT, SPECIAL OPERATING RULES
THEREFOR, A NON-STANDARD OIL PRORATION
UNIT, AN UNORTHODOX OIL WELL LOCATION,
AND TO RESCIND DIVISION ORDER NO. R-9536,
RIO ARRIBA, NEW MEXICO.

RECEIVED
OCT 11 1991
OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

American Hunter Exploration, Ltd.
c/o Jim Lister _____
410 17th Street, Suite 1220 _____
Denver, Colorado 80202 _____
(303) 825-5212 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

() _____
name, address, phone and
contact person

ATTORNEY

() _____

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

American Hunter Exploration, Ltd., applicant in the above-captioned cause, seeks the formation of a 650.05-acre non-standard oil spacing and proration unit in the West Puerto Chiquito-Mancos Oil Pool comprising of Lots 3 and 4, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 3 and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of Section 4, both in Township 27 North, Range 1 West, for the purpose of initiating a high angle/horizontal directional drilling pilot project. Applicant proposes to commence its Jicarilla 3-F Well No. 1 to be located at an unorthodox surface oil well location 1650 feet from the North line and 2000 feet from the West line (Unit F) of said Section 3, drill vertically to a depth of approximately 5455 feet, kick-off in a westerly direction, build angle to approximately 75 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 3650 feet. Applicant further requests that special operating provisions be established for said project including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window described as a rectangle 330 feet to 2330 feet from the North line of Sections 3 and 4 with the eastern side of the drilling window 2000 feet from the West line of Section 3, and the western side 2000 feet from the East line of Section 4. Also to be considered is the rescission of Division Order No. R-9536, dated June 27, 1991.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

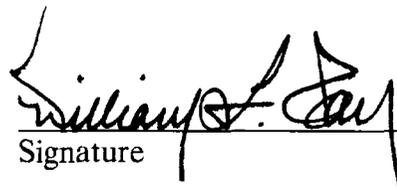
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
James C. Lister, Geologist	10 Min.	Approximately 6
Alex Bondarchuk, Drilling	15 Min.	Approximately 4

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature