

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10506

APPLICATION OF AMERICAN HUNTER EXPLORATION, LTD.
FOR AN EXCEPTION TO THE PROVISIONS OF THE
DIVISION'S NO-FLARE RULE 306;
CANCELLATION OF OVERPRODUCTION OR, IN THE
ALTERNATIVE, SPECIAL PROVISIONS GOVERNING
OVERPRODUCTION; AND THE ADOPTION OF
SPECIAL OPERATING PROCEDURES,
RIO ARRIBA COUNTY, NEW MEXICO.

RECEIVED

JUN 08 1997

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 _____
Campbell, Carr, Berge & Sheridan _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

Benson-Montin-Greer Drilling Co.

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin, Esq. _____
Kellahin, Kellahin & Aubrey _____
Post Office Box 2265 _____
Santa Fe, New Mexico 87504 _____

(505) 982-4285 _____

STATEMENT OF CASE

APPLICANT

American Hunter Exploration, Ltd., Applicant, in the above-referenced cause, seeks an order permitting the Jicarilla "3F" Well No. 1, surface location being 1845 feet from the North line and 1900 feet from the West line (Unit F) of Section 3, Township 27 North, Range 1 West (which is approximately 24 miles south of Dulce, New Mexico), to continue to produce at a rate no higher than that which corresponds to the 800 barrels of oil per day and associated GOR of 2,000 to 1 which is established by the Special Pool Rules and Regulations for the West Puerco Chiquito-Mancos Oil Pool; granting an exception to the No-Flare Provisions of Division General Rule 306; cancelling the current overproduction for the Jicarilla "3F" Well No. 1 or, in the alternative, adopting procedures which will permit the Jicarilla "3F" Well No. 1 to be produced in accordance with a Division approved program for the effective production and development of the Mancos formation in this area; and granting such other relief as the Division deems appropriate.

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

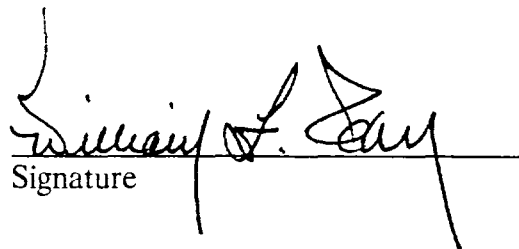
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jim Lister, Landman	15 Minutes	Approximately 5
Jim Artindale, Petroleum Engineer	40 Minutes	Approximately 40

OPPOSITION

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


Signature