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March 26, 1991

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OIL CONSERVATION DIVISION

10284

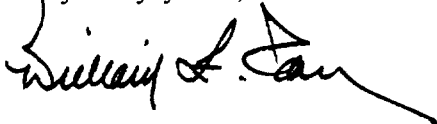
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of American Hunter Exploration, Ltd. for
an Unorthodox Well Location, 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, Ltd. respectfully requests that this
matter be placed on the docket for the April 18, 1991 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Mr. Jeff Kirn
Mr. Jim Lister
American Hunter Exploration, Ltd.
410 Seventeenth Street
Suite 1220
Denver, Colorado 80202

BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION
OF AMERICAN HUNTER EXPLORATION, LTD.
FOR AN UNORTHODOX WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE NO. 16284

APPLICATION

COMES NOW AMERICAN HUNTER EXPLORATION, LTD., through its undersigned attorneys, hereby makes application to the Oil Conservation Division for approval of an unorthodox well location in the Gallup formation, and in support thereof states:

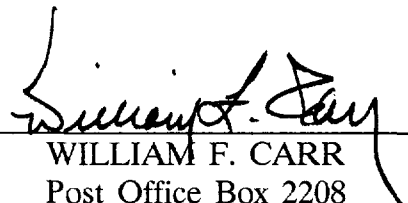
1. Applicant is the operator of Section 2, Township 27 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico and proposes to drill its Jicarilla 2A Well No. 1 at a point 600 feet from the North line and 1150 feet from the East line of said Section 2.
2. Applicant seeks an exception to the well location requirements of Rule 4(A) of the Special Rules for the West Puerto Chiquito-Mancos Oil Pool (Order No. R-2565-B), to permit the drilling of the well at the above described unorthodox location to a depth sufficient to adequately test the Gallup formation, West Puerto Chiquito-Mancos Oil Pool.
3. A standard 640-acre proration unit comprised of Section 2 should be dedicated to the well.

4. That approval of this application will afford applicant 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, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 18, 1991, and, that after notice and hearing as required by law, the Division enter its Order granting this application and providing such other and further relief as is proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR AMERICAN
HUNTER EXPLORATION, INC.