



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

IN THE MATTER OF THE APPLICATION
OF AMERICAN HUNTER EXPLORATION, LTD.
FOR AMENDMENT OF ORDER NO. R-9536,
RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 10403

APPLICATION

AMERICAN HUNTER EXPLORATION, LTD., through its undersigned attorneys, seeks amendment of Oil Conservation Division Order No. R-9536 to change (1) the surface location of the horizontal well approved therein, (2) the approved drilling program, and (3) the project area and in support of this application states:

1. By Order No. R-9536 entered on June 27, 1991, the Division granted the application of American Hunter Exploration, Ltd. for the horizontal drilling of its Jicarilla 4-A Well No. 1 from an unorthodox surface location 330 feet from the North and East lines of (Unit A) of Section 4, Township 27 North, Range 1 West, N.M.P.M., Rio Arriba County, New Mexico. The well was to be drilled vertically 7,100 feet, plugged back to 6,300 feet, deviated from the vertical in a westerly direction and drilled so as to intersect the Niobrara formation and continue drilling horizontally therein within a window described as a rectangle 330 to 1,830 feet from the North line and 330 to 3,230 feet from the East line of Section 4.

2. Data obtained from recent seismic work in this area shows the existence of a geologic anomaly under the well location which will prevent American Hunter

Exploration, Ltd. from drilling this well as originally proposed.

3. American Hunter Exploration, Ltd. seeks amendment of Division Order No. 9536 to authorize the drilling of the Jicarilla 3-F Well No. 1 from a standard surface location 1,650 feet from the North line and 2,000 feet from the West of Section 3, Township 27 North, Range 1 West to a kickoff point of approximately 5,455 feet and, after logging the well, to directionally drill this well in a westerly direction at an angle of approximately 75° for about 3,650 feet to a total measured depth of 9,500 feet to test the Niobrara A and B zones of the Mancos Shale. The well will be located within a rectangle 2,000 feet by 4,000 feet described as 330 to 2,330 feet from the North line of Sections 3 and 4 with the eastern side of the drilling window 2,000 feet from the West line of Section 3 and the western side of the drilling window 2,000 feet from the East line of Section 4.

4. A 640-acre spacing and proration unit comprised of the W/2 of Section 3 and the E/2 of Section 4 should be dedicated to the well in the West Puerto Chiquito-Mancos Oil Pool and a 640-acre allowable of 800 BOPD should be assigned to the well.

5. Approval of this application will enable American Hunter Exploration, Ltd. to produce its just and fair share of the reserves from this pool and is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, American Hunter Exploration, Ltd. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter its Order granting this application and amending Order No. R-9536 as requested herein.

Respectfully submitted,

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