

CASE 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 County, New Mexico. Applicant, in the above-styled 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 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. The 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. Said area is located approximately 24 miles south of Dulce, New Mexico. Also to be considered is the rescission of Division Order No. R-9536, dated June 27, 1991.

CASE 10251: (Reopened)

In the matter of Case 10251 being reopened upon the application of Kaiser-Francis Oil Company for the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 36 East, Lea County, which is located approximately 7 miles northwest of Carlsbad, New Mexico.