

**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**

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\_\_\_\_\_  
( ) \_\_\_\_\_  
name, address, phone and  
contact person

**ATTORNEY**

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( ) \_\_\_\_\_

**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**

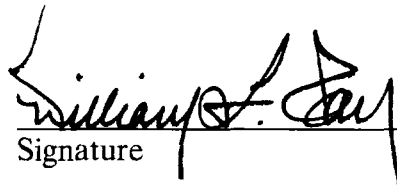
<b>WITNESSES</b> (Name and expertise)	<b>EST. TIME</b>	<b>EXHIBITS</b>
James C. Lister, Geologist	10 Min.	Approximately 6
Alex Bondarchuk, Drilling	15 Min.	Approximately 4

**OPPOSITION**

<b>WITNESSES</b> (Name and expertise)	<b>EST. TIME</b>	<b>EXHIBITS</b>
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**PROCEDURAL MATTERS**

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

  
Signature