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. 10286

APPLICATION OF AMERICAN HUNTER EXPLORATION, LTD. FOR A HIGH ANGLE/ HORIZONTAL/DIRECTIONAL DRILLING PILOT PROJECT, SPECIAL OPERATING RULES THEREFOR, TWO NON-STANDARD OIL PRORATION UNITS, AND TWO UNORTHODOX OIL WELL LOCATIONS, RIO ARRIBA, NEW MEXICO.

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OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell & Black, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Benson-Montin-Greer Drilling Corp. 221 Petroleum Center Building____ Farmington, New Mexico 87401___

(505) 325-8874 name, address, phone and contact person Campbell & Black, P.A.____ Post Office Box 2208_____ Santa Fe, New Mexico 87504_____ (505) 988-4421_____

William F. Carr, Esq.____

ATTORNEY

W. Thomas Kellahin_____ Kellahin, Kellahin & Aubrey____ Post Office Box 2265_____ Santa Fe, New Mexico 87504_____ (505) 982-4285_____

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 authority to initiate a high angle/horizontal directional drilling pilot project in Sections 4 and 6, Township 27 North, Range 1 West, forming two non-standard oil spacing and proration units in the West Puerto Chiquito-Mancos Oil Pool comprising 651.76 acres and 620.97 acres, respectively. Within each proration unit, applicant proposes to commence from surface unorthodox oil well locations (Section 4: 330 feet from the North and East lines and Section 6: 450 feet from the North line and 400 feet from the East line), drill vertically to a depth of 7,500 feet, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2,000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of each wellbore in each proration unit to the following described target windows: Section 4: 330 to 1,830 feet from the North line and 400 to 2,900 feet from the East line.

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
Ivan Kercher, Land	10 Min.	Approximately 4
James C. Lister, Geologist	10 Min.	Approximately 3
Jim Artindale, Reservoir Engineer	15 Min.	Approximately 4
Alex Bondarchuk, Drilling	10 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise) EST. TIME

EXHIBITS

PROCEDURAL MATTERS

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

American Hunter Exploration, Ltd. has requested that the portion of this case concerning its Jicarilla 6A Well be continued for four weeks and will request that this case be consolidated with Cases 10285, 10300 and 10302.

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

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CASE NO. 10286

APPLICATION OF AMERICAN HUNTER EXPLORATION, LTD. FOR A HIGH ANGLE/ HORIZONTAL/DIRECTIONAL DRILLING PILOT PROJECT, SPECIAL OPERATING RULES THEREFOR, AND TWO NON-STANDARD OIL PRORATION UNITS, RIO ARRIBA COUNTY, NEW MEXICO

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OIL CONSERVATION DIV. SANTA FE

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by BENSON-MONTIN-GREER DRILLING CORP. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

ATTORNEY

ATTORNEY

APPLICANT (name, address, phone and contact person)

American Hunter Exploration, Ltd. William F. Carr CAMPBELL & BLACK, P.A. P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

OPPOSITION OR OTHER PARTY (name, address, phone and contact person)

Benson-Montin-Greer Drilling Corp.KELLAHIN, KELLAHIN & AUBREY221 Petroleum Center Bldg.P.O. Box 2265Farmington, NM 87401Santa Fe, New Mexico 87504Attn: Albert R. Greer(505) 982-4285 (505) 325-8874

W. Thomas Kellahin

STATEMENT OF CASE

<u>APPLICANT</u> (Please make a concise statement of what is being sought with this application and the reasons therefore.)

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.)

Benson-Montin-Greer Drilling Corp. opposes the applicant's request in this case.

PROPOSED EVIDENCE

APPLICANT

-

WITNESSES	EST. TIME	EXHIBITS
(name and expertise)		

OPPOSITION

WITNESSES EST. TIME EXHIBITS (name and expertise)

Unknown.

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

By:

W. Thomas Kellahin P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

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