Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. NMSF 078881
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No. CANYON LARGO UNIT
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. CANYON LARGO UNIT 463
2. Name of Operator HUNTINGTON ENERGY, L.L.C. Contact: CATHY SMITH E-Mail: CSMITH@HUNTINGTONENERGY.COM	9. API Well No. 3003929361
3a. Address 6301 WATERFORD BLVD., SUITE 400 OKLAHOMA CITY, OK 73118 — 3b. Phone No. (include area code) Ph: 405-840-9876 Fx: 405-840-2011	10. Field and Pool, or Exploratory BASIN DAKOTA
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface SWNE Lot G 1825FNL 2435FEL 36.41641 N Lat, 107.54290 W Lon At proposed prod. zone SWNE Lot G 1825FNL 2435FEL 36.41641 N Lat, 107.54290 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T25N R7W Mer NMP G
14. Distance in miles and direction from nearest town or post office* 35 MILES SE OF BLANCO, NM	12. County or Parish RIO ARRIBA — 13. State NM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) — 16. No. of Acres in Lease 2410.50	17. Spacing Unit dedicated to this well 320.00 E/2
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. — 19. Proposed Depth 7100 MD	20. BLM/BIA Bond No. on file NMB000076
21. Elevations (Show whether DF, KB, RT, GL, etc. 6394 GL — 22. Approximate date work will start	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
(Electronic Submission)	CATHY SMITH Ph: 405-840-9876	12/02/2004

Title: GENERAL CONTACT

Approved by (Signature)	Name (Printed/Typed)	Date
		4-13-05
Title AFM	Office FFO	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #51473 verified by the BLM Well Information System
For HUNTINGTON ENERGY, L.L.C., sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Departm
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-
Revised June 10, 2
Submit to Appropriate District Of
State Lease - 4 Co
Fee Lease - 3 Co

☐ AMENDED REPO

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-29361	71599	Basin Dakota

[4] Property Code	[5] Property Name	[6] Well Number
~~6886~~ 32660	CANYON LARGO UNIT	463

[7] OGRID No.	[8] Operator Name	[9] Elevation
208706	HUNTINGTON ENERGY, L.L.C.	6394'

[10] Surface Location

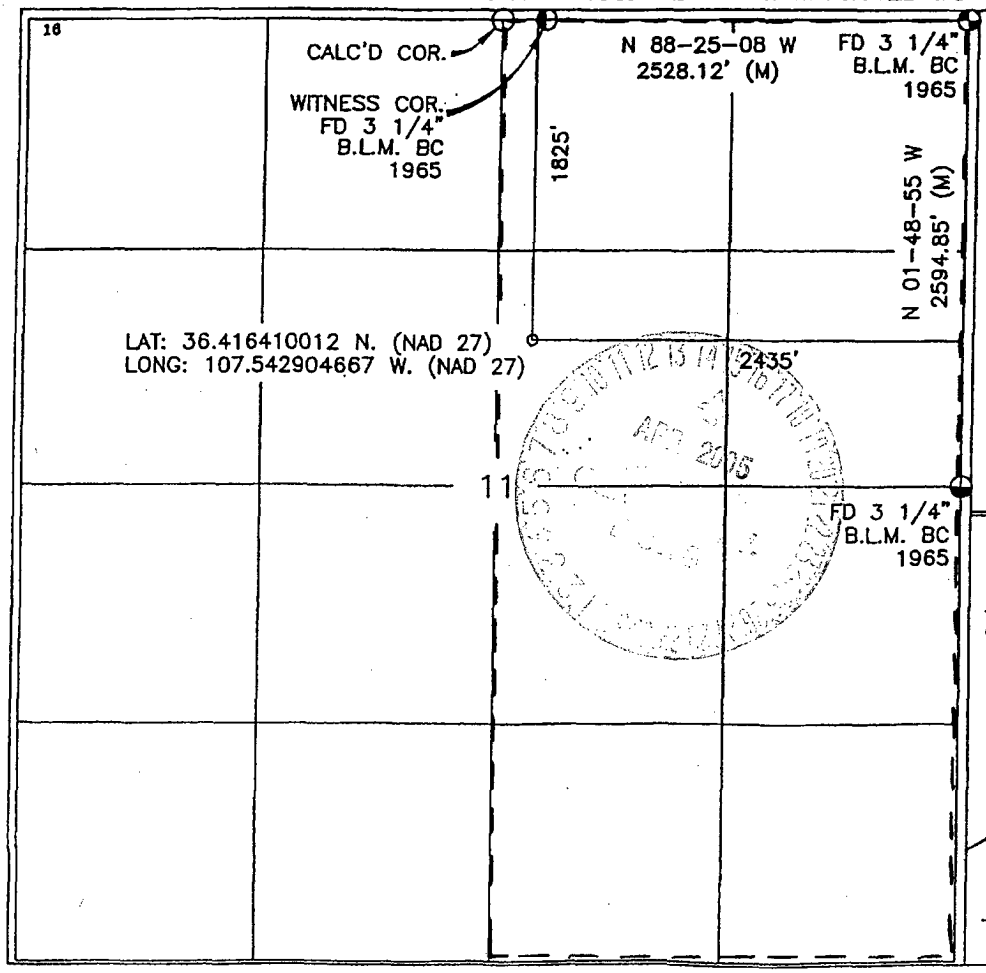
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	11	25-N	7-W		1825	NORTH	2435	EAST	RIO ARRIBA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
DK-E/320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATEI
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATIO

I hereby certify that the information contained herein is true and complete to the best of my knowledge an belief

Catherine Smith
Signature

Catherine Smith
Printed Name

Land Associate
Title

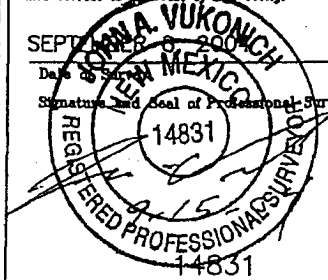
September 17, 2004
Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this pla was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

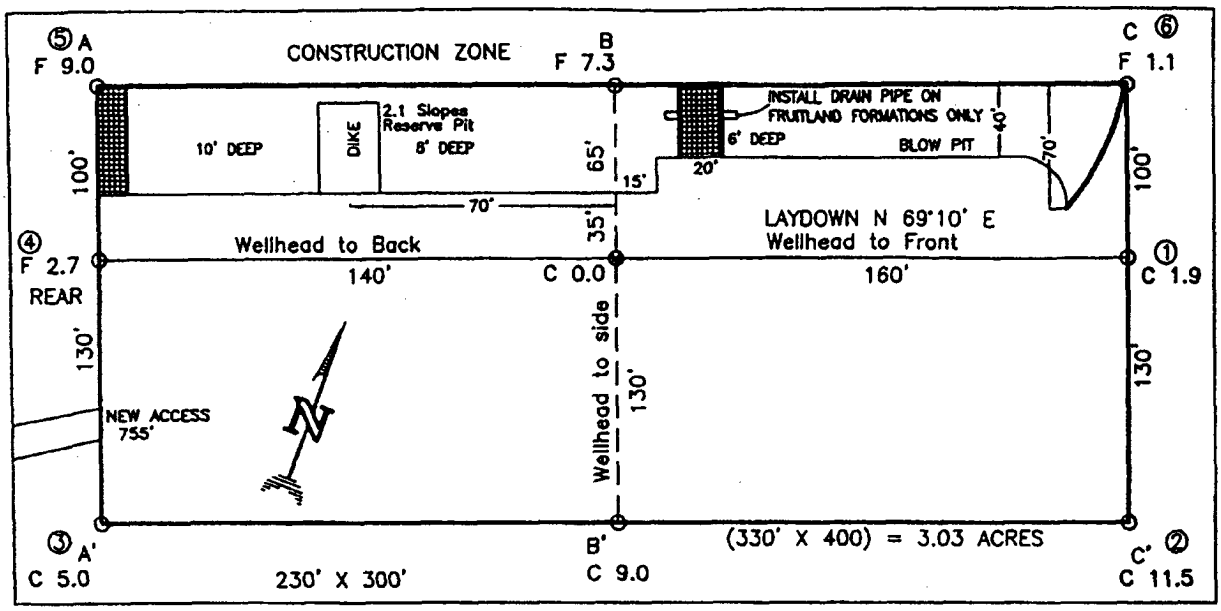
SEPTEMBER 8, 2004
Date Of Survey

Signature and Seal of Professional Surveyor:



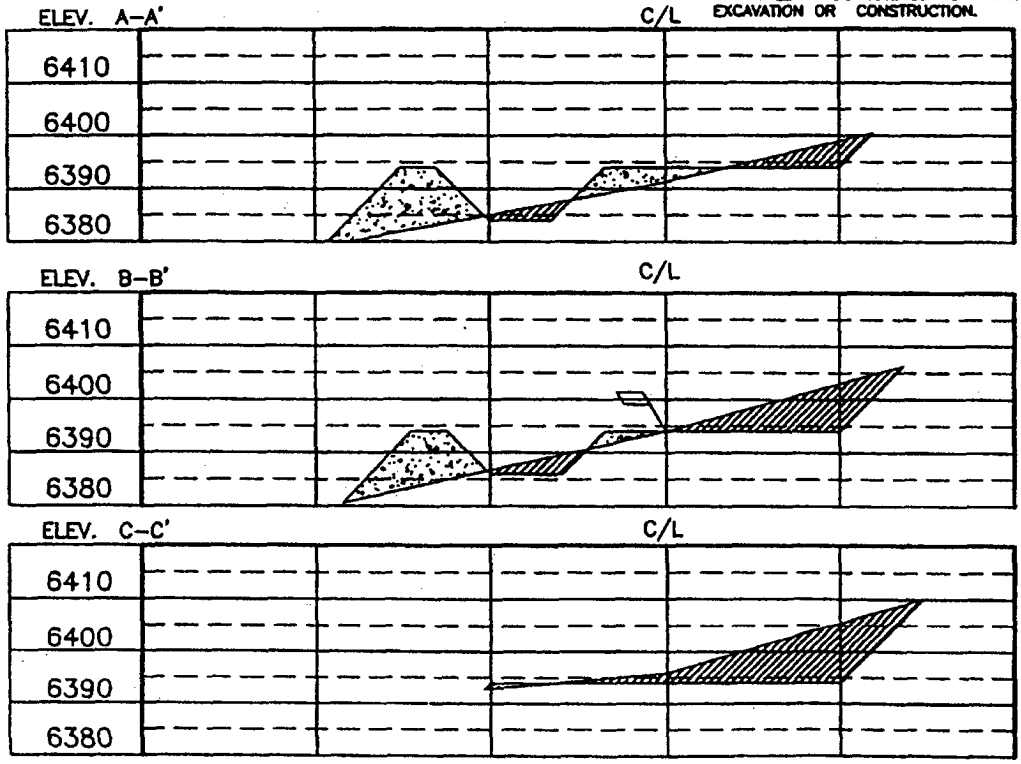
14831
Certificate Number

HUNTINGTON ENERGY, LLC
CANYON LARGO UNIT 463, 1825 FNL 2435 FEL
SECTION 11, T-25-N, R-7-W, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 6394, _ DATE: SEPTEMBER 8, 2004



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE:
DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. No. 14831

REVISED BY:
DATE:
REVISION:
SURVEY BY: A.G.
DRAWN BY:
date: 09/14/04
JOB#: HGT016
DRAWING: HGT016CF8

OPERATIONS PLAN

Well Name:	**Canyon Largo Unit #463**
Location:	1825' FNL, 2435' FEL, NE/4 Sec 11, T-25-N, R-7-W NMPM Rio Arriba County, NM
Formation:	Basin Dakota
Elevation:	6394' GL

Formation Tops:	Top	Bottom
Surface	San Jose	1636'
Ojo Alamo	1636'	1806'
Kirkland	1806'	2016'
Fruitland	2016'	2318'
Pictured Cliffs	2318'	2384'
Lewis	2384'	2689'
Huerfanito Bentonite	2689'	3154'
Chacra	3154'	3866'
Cliff House	3866'	3952'
Menefee	3952'	4606'
Point Lookout	4606'	4806'
Mancos	4806'	6151'
Gallup	6151'	6518'
Greenhorn	6518'	6581'
Graneros	6581'	6631'
Dakota	6631'	6943'
Morrison	6943'	
TD	7100'	

Logging Program:

Open hole – Neutron-Density, Microlog – TD to minimum operations depth, DIL-GR-TD to surface
Cased Hole – CBL-CCL-GR – TD to surface
Cores – none
Mud log – TD to 6000'

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 – 320'	Spud	8.4-8.9	40-50	no control
320 – 7100'	LSND	8.4-9.0	40-60	8-12

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 ¼"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 7100'	4 ½""	11.6#	N-80

Tubing Program:

	0' – 7100'	2 3/8"	4.7#	J-55

BOP Specifications, Wellhead and Tests:

Surface to TD –

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations:

6" 3000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth:

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Wellhead:

8 5/8" x 4 ½" x 1 ½" x 1 ½" x 3000 psi tree assembly.

General:

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper Kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing –

Cement to surface w/336 sx Class "B" cement w/3% calcium chloride and ¼#/sx cellophane flakes (396 cu. ft. of slurry, 200% excess to circulate to surface).
WOC 8 hr. prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production Casing – 4 ½"

Lead with 800 sx 9.5 ppg Litecrete Blend w/0.11% dispersant, 0.5% fluid loss. Tail w/407 sx Class "G" cement w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps fluid loss, 0.15% dispersant, 0.1% retardant, 0.1% antifoam (Slurry volume: 2603 cu. ft. Excess slurry 50%).

Alternate Two-stage cement job as follows:

First Stage: Cement to circulate to stage tool @ 5066'. Lead with 700 sx Class "G" 50/50 poz (13#, 1.47 yd) w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps Fluid loss, 0.15% dispersant, 0.1% retarder. WOC 4 hours prior to pumping second stage. (Slurry volume: 1029 cu. ft. Excess slurry: 50%). DV Tool at 5000 ft.

Second Stage: Cement to circulate to surface. Cement with 670 sx Class "G" (12#, 2.9yd) TXI Liteweight cement w/2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Celloflake, 0.2% antifoam. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 1914 cu. ft. Excess slurry: 50%). Tail w/50 sx Class "B" w/1/4# Flocele (15.6#, 1.18 yd), (Slurry 59 cu. ft., Excess 50%).

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-five centralizers - one every 4th joint to the base of the Ojo Alamo @ 2448'. Two turbolizing type centralizers – one below and one into the base of the Ojo Alamo @ 2448'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

Additional Information:

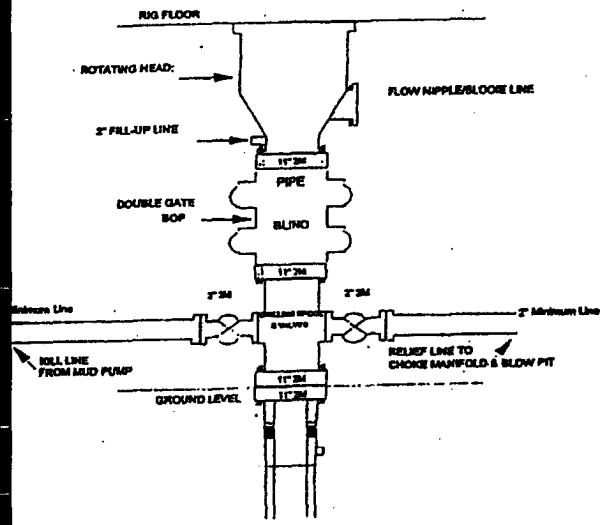
The Dakota formations will be completed.

- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of the Section 23 is dedicated to this well.
- This gas is dedicated.
- Anticipated pore pressure

Fruitland Coal	300 psi
Pictured Cliffs	500 psi
Mesa Verde	700 psi
Dakota	3000 psi

HUNTINGTON ENERGY, L.L.C.

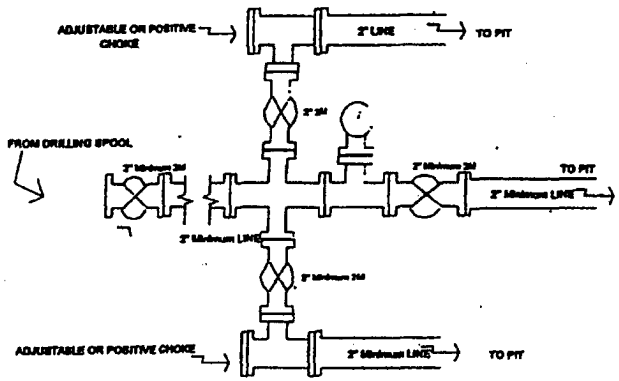
Drilling Rig
2000 psi System



BOP installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1

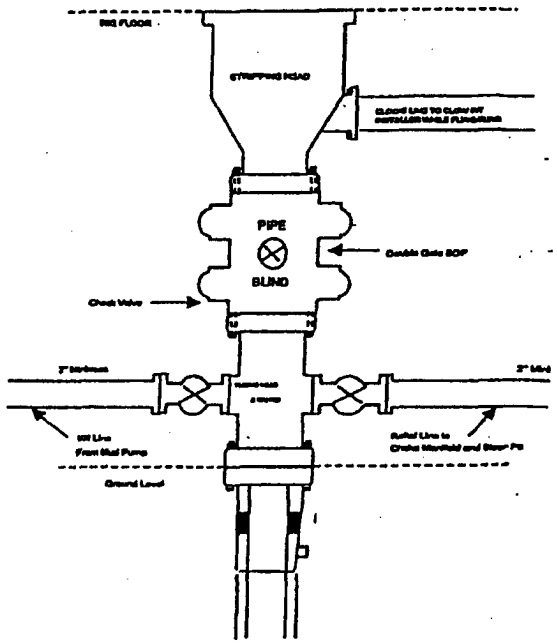
Drilling Rig
Choke Manifold Configuration
2000 psi System



Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Completion/Workover Rig
BOP Configuration
2,000 psi System



Minimum BOP installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi stripping head.

Figure #2