

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078876
2. Name of Operator HUNTINGTON ENERGY LLC Contact: CATHY SMITH E-Mail: csmith@huntingtonenergy.com		6. If Indian, Allottee or Tribe Name
3a. Address 908 NW 71ST ST OKLAHOMA CITY, OK 73116	3b. Phone No. (include area code) Ph: 405.840.9876 Fx: 405-840-2011	7. If Unit or CA/Agreement, Name and/or No. <i>Canyon Largo Unit</i>
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T25N R7W SESE 505FSL 158FEL 36.351350 N Lat, 107.571950 W Lon		8. Well Name and No. CLU 2507-33-513 1H
		9. API Well No. 30-039-31151-00-S1
		10. Field and Pool, or Exploratory DUFER'S POINT
		11. County or Parish, and State RIO ARRIBA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other	
<i>BP</i>	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Huntington Energy, L.L.C. requests an Onshore Order Variance, Onshore Order 4, Part IV, in order to implement digital tank measurement and load line sampling. The request for variance is attached.

OIL CONS. DIV DIST. 3

JUN 4 2014

14. I hereby certify that the foregoing is true and correct. Electronic Submission #245254 verified by the BLM Well Information System For HUNTINGTON ENERGY LLC, sent to the Farmington Committed to AFMSS for processing by JIM LOVATO on 05/28/2014 (14JXL0138SE)	
Name (Printed/Typed) CATHY SMITH	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 05/12/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>JIM LOVATO</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>05/28/2014</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>Farmington</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

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Huntington Energy, L.L.C.
908 NW 71st Street
Oklahoma City, OK 73116
(405) 840-9876 & Fax # (405) 840-2011

CLU 2507 33 513 #1H
S/2 Sec 33-25N-7W
Rio Arriba Co., NM

Sundry Attachment – Request for Variance:

Huntington Energy, LLC (HE), in cooperation with Western Refining, Resource Automation, Advanced Telemetrics, and the Bureau of Land Management, have implemented a pilot digital tank measurement (total level, interface level, & temperature) and load line sampling program. The purpose of the pilot program was to compare accuracy of the digital tank measurement system and load line sampling process with the manual gauging and sampling method. In accordance with Onshore Order 4, Section III, Part E, we have met and presented the performance data, field test results, and supporting data with the BLM in a meeting on May 5th, 2014. This data demonstrates that the proposed alternate oil sales measurement system meets and exceeds the objectives of the applicable minimum standards in Section III, Part C.

The pilot program occurred over eight (8) oil sales where the BLM was witness to the proposed methods for opening/closing gauging as well as representative oil sampling. The digital tank level measurement and oil sampling were demonstrated to be an accurate alternative method in comparison with the typical manual gauging and sampling methods. Use of the digital tank measurement system and sampling method was also shown to significantly reduce the risk of accident and/or injury for BLM inspectors and oil purchasers alike, eliminating the need to climb the stairs to the top of the tanks. This alternative method also prevents the introduction of O₂ into the vapor recovery system and exposure to potentially harmful or explosive tank vapors. Huntington Energy, LLC (HE) is formally requesting a variance as outlined in Onshore Order 4, Part IV, in order to implement immediately the digital tank measurement (level, interface, & temperature) in conjunction with load line sampling, as the custody transfer meter method for oil sales, wherever this system is utilized in the Canyon Largo Unit.