

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF-078925	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Huntington Energy, L.L.C.		7. If Unit or CA Agreement, Name and No. Canyon Largo Unit	
3a. Address 6301 Waterford Blvd., Suite 400 Oklahoma City, OK 73118		8. Lease Name and Well No. Canyon Largo Unit 476	
3b. Phone No. (include area code) (405) 840-9876		9. API Well No. 30-039-29651	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NWNE</b> , 1310' FNL & 1665' FEL NMPM At proposed prod. zone		10. Field and Pool, or Exploratory Basin Dakota	
14. Distance in miles and direction from nearest town or post office* 35 miles SE from Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area Lot B, Sec 26, T24N-R6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		12. County or Parish Rio Arriba Co.	
16. No. of Acres in lease 2240		13. State NM	
17. Spacing Unit dedicated to this well 320 <b>E/S</b>			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file NMB000076	
19. Proposed Depth 7000'			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6743' GL		23. Estimated duration	
22. Approximate date work will start*			

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Catherine Smith</i>	Name (Printed/Typed) Catherine Smith	Date 8/10/05
Title Land Associate		
Approved by (Signature) <i>D. Montez</i>	Name (Printed/Typed)	Date 4/28/06
Title AFM	Office FFO	

Application approval does not warrant or certify the 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.

\*(Instructions on reverse)

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

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.

NMOC



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 Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-10  
Revised June 10, 2001

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

2005 SEP 6 AM 10 20

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29651		*Pool Code 71599	*Well Name 070 FARMINGTON Basin Dakota ✓
*Property Code 6886 32660	*Property Name CANYON LARGO UNIT		*Well Number 476
*GRID No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6743'

<sup>10</sup> Surface Location

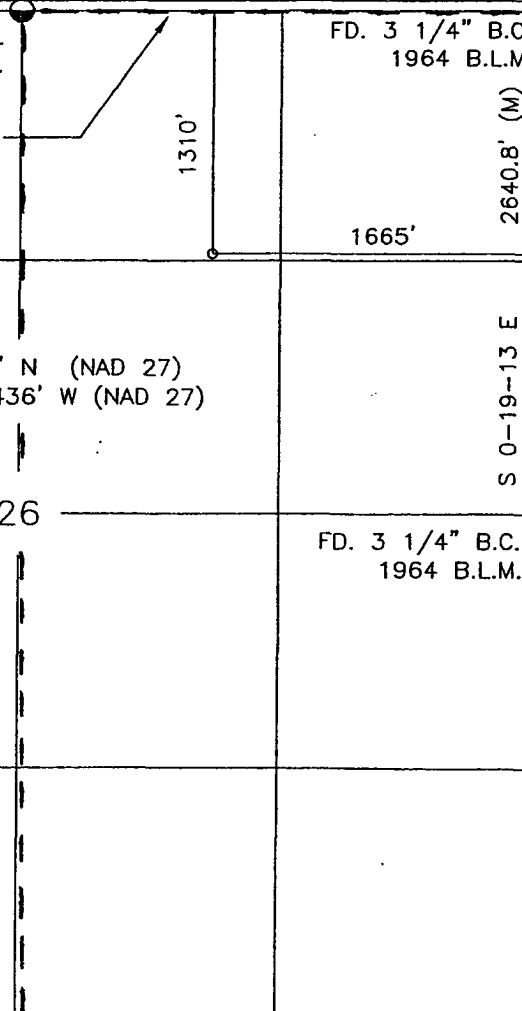
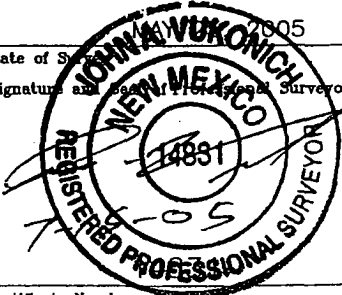
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	26	24-N	6-W		1310	NORTH	1665	EAST	RIO ARRIBA

<sup>11</sup> 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

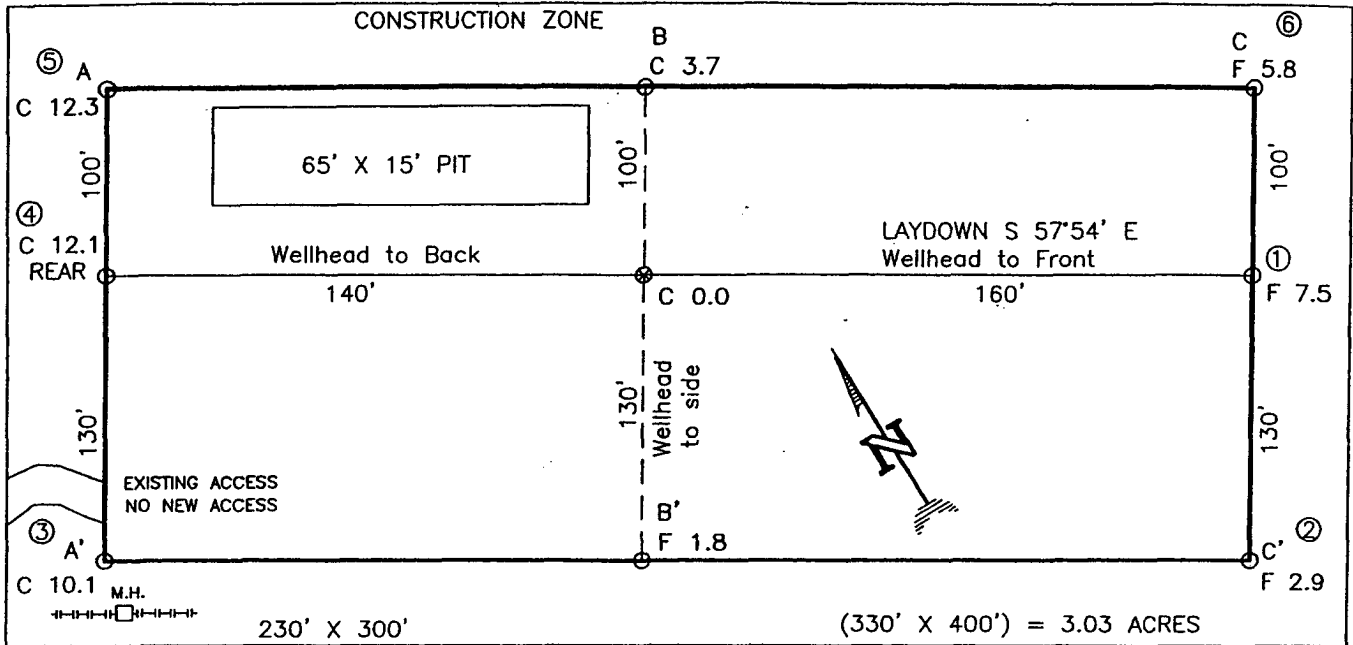
<sup>12</sup> Dedicated Acres DK-E/320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

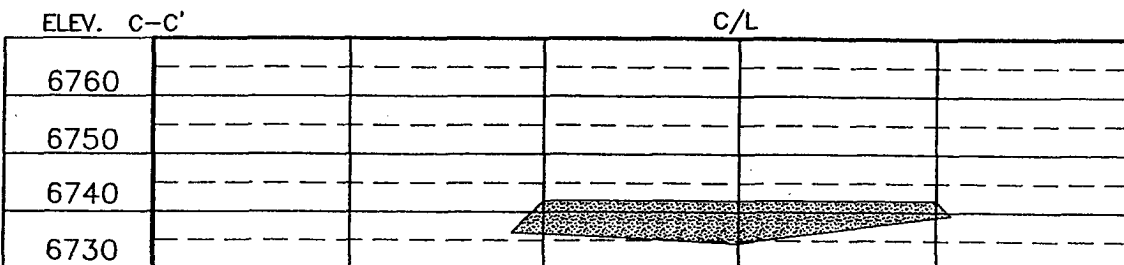
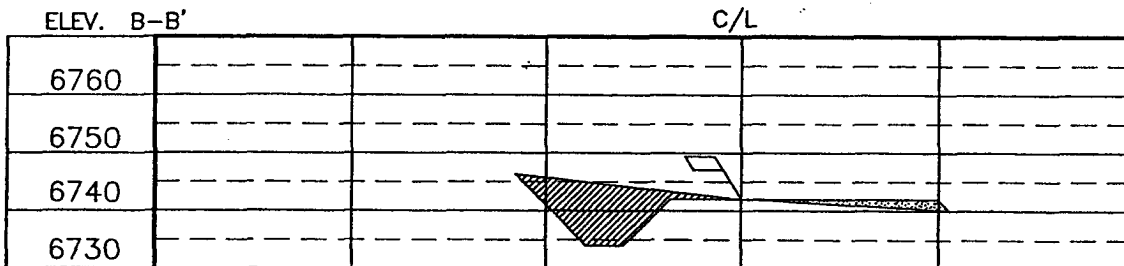
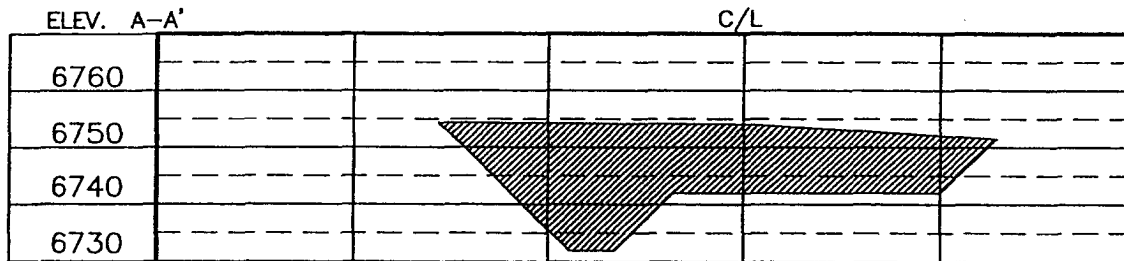
<sup>16</sup> FD. 3 1/4" B.C. 1964 B.L.M.  S 89-53-38 E 2619.2' (M)  LAT. 36°17.2495' N (NAD 27) LONG. 107°26.0436' W (NAD 27)  26		<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>Catherine Smith</u> Printed Name Catherine Smith Title Land Associate Date July 19, 2005
		<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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.  Date of Survey <u>2005</u> Signature and Seal of Professional Surveyor:  Certificate Number _____

HUNTINGTON ENERGY, LLC  
 CANYON LARGO UNIT No. 476, 1310 FNL 1665 FEL  
 SECTION 26, T24N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N. M.  
 GROUND ELEVATION: 6743', DATE: MAY 25, 2005

LAT. = 36°17.2495' N.  
 LONG. = 107°26.0436' W  
 NAD 27



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.

REVISION:	DATE:	REVISED BY:
<p><b>Daggett Enterprises, Inc.</b>          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</p>		
DRAWN BY: B.L.	CADFILE: HTG034CF8	DATE: 07/09/05
ROW: HTG034		

## OPERATIONS PLAN

Well Name: Canyon Largo Unit #476  
Location: 1310' FNL, 1665' FEL, SWNE Sec 26, T-24-N, R-6-W NMPM  
Rio Arriba County, NM  
Formation: Basin Dakota  
Elevation: 6743' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>
Ojo Alamo	1641'	1896'
Kirkland	1896'	1977'
Fruitland	1977'	2215'
Pictured Cliffs	2215'	2322'
Lewis Shale	2322'	2560'
Huerfanito	2560'	3741'
Cliff House	3741'	3787'
Menefee	3787'	4412'
Point Lookout	4412'	4603'
Mancos	4603'	5483'
Gallup (Niobrara)	5483'	6426'
Greenhorn	6426'	6492'
Graneros	6492'	6529'
Dakota	6529'	6854'
Morrison	6854'	
TD	7000'	

Logging Program:

Mud log – 2800' to TD  
Open hole logs– Platform Express  
Cased hole logs – CBL/GR – TD to 5200'  
Cores & DST's – none

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 – 320'	Spud	8.4-8.9	40-50	no control
320 – 7000'	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:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 7000'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7000'	2 3/8"	4.7#	J-55
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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. ~~BOP~~

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 1/2" x 1 1/2" x 1 1/2" 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/265 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (312 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 1/2"

Lead with 700 sx 65/35 Standard Poz w/6% gel, 1/4# Flocele, 10# Gilsonite, 3/10% Halad 9, 1/10% HR5 (1.96 yld). Tail w/900 sx 50/50 Standard Poz w/35 Gel, 9/10% Halad9, 2/10% CFR 3, 5# Gilsonite, 1/4# Flocele (1.47 yld).

Alternate Two-stage cement job as follows:

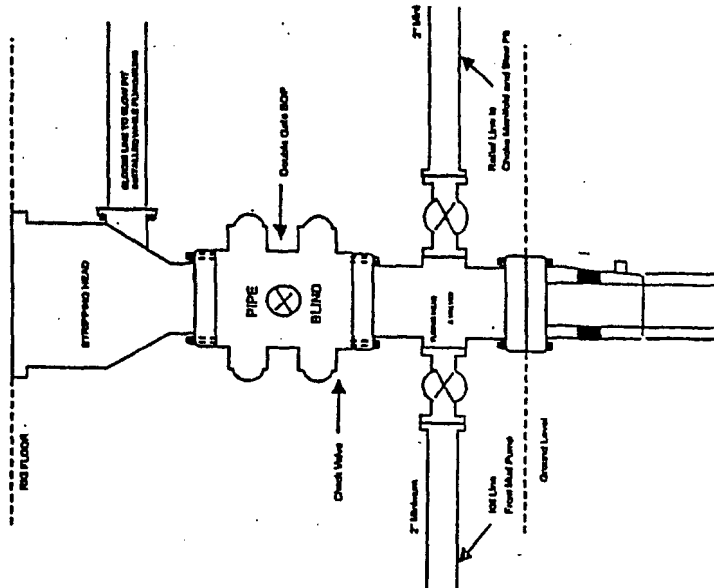
First Stage: Cement to circulate to stage tool @ 5066'. Lead with 700 sx Class "G" 50/50 poz (13#, 1.47 yd) w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps Fluid loss, 0.15% dispersant, 0.1% retarder. WOC 4 hours prior to pumping second stage. (Slurry volume: 1029 cu. ft. Excess slurry: 50%).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

Second Stage: Cement to circulate to surface. Cement with 700 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~~ 2040 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 4<sup>th</sup> 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.

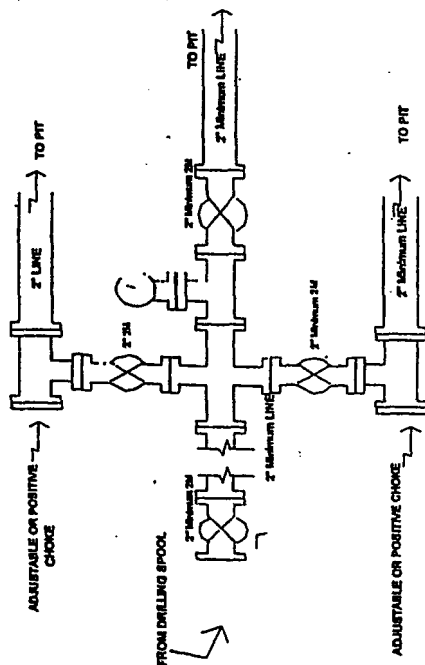
## Completion/Workover Rig BOP Configuration 2,000 psi System



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

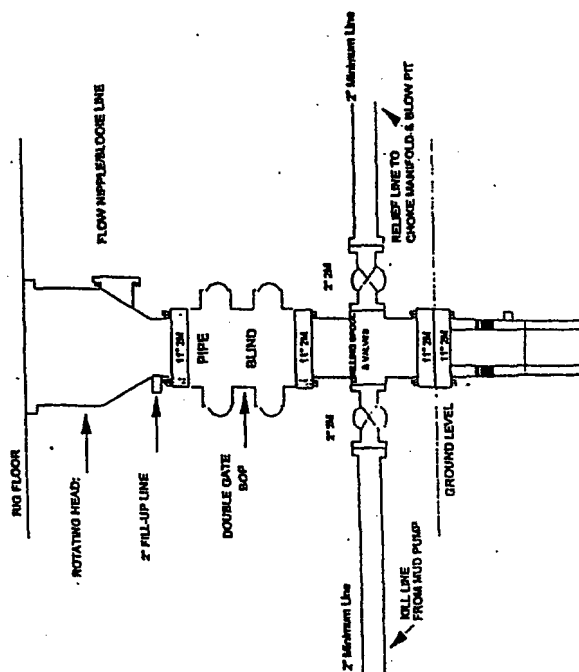
## Drilling Rig Choke Manifold Configuration 2000 psi System



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

Figure #3

## 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 #4