

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 078879
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator HUNTINGTON ENERGY, L.L.C. Contact: CATHY SMITH E-Mail: csmith@huntingtonenergy.com		7. If Unit or CA Agreement, Name and No.
3a. Address 6301 WATERFORD BLVD., SUITE 400 OKLAHOMA CITY, OK 73118		8. Lease Name and Well No. CANYON LARGO UNIT 453
3b. Phone No. (include area code) Ph: 405.840.9876 Ext: 0 Fx: 405.840.2011		9. API Well No. 3003927583
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SESW Lot N 1195FSL 1570FWL At proposed prod. zone SESW Lot N 1195FSL 1570FWL		10. Field and Pool, or Exploratory BASIN DAKOTA
14. Distance in miles and direction from nearest town or post office* 34 MILES SE OF BLANCO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 24 T25N R7W Mer NMP N
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 320.00	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7700 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6899 GL	22. Approximate date work will start 03/31/2004	17. Spacing Unit dedicated to this well N/2 320 AC
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:

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

25. Signature (Electronic Submission)	Name (Printed/Typed) CATHY SMITH	Date 01/21/2004
Title GENERAL CONTACT		
Approved by Signature David J. Markiewicz	Name (Printed/Typed)	Date FEB 24 2004
Title Office		

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.

Additional Operator Remarks (see next page)

Electronic Submission #27035 verified by the BLM Well Information System  
For HUNTINGTON ENERGY, L.L.C., sent to the Farmington

THIS ACTION IS SUBJECT TO TECHNICAL AND  
PROCEDURAL REVIEW PURSUANT TO 43 CFR 3165.3  
AND APPEAL PURSUANT TO 43 CFR 3165.4

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PROCEDURAL REVIEW PURSUANT TO 43 CFR 3165.3  
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\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

HOLDING FOR operator change

NMOC

DISTRICT I  
1999 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
611 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Grande Rd., Artesia, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27583		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 6886	*Property Name 32660 CANYON LARGO UNIT		*Well Number 453
*OCED No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6899'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	24	25-N	7-W		1195'	SOUTH	1570'	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres DK-W/320					*Joint or Infill		*Consolidation Code		*Order No.

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

FD 3 1/4" B.L.M. BC 1965		24		FEB 2004 RECEIVED OIL CON. DIV. DIST. 3		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Catherine Smith Signature Catherine Smith Printed Name Land Associate Title 12-12-03 Date	
N 00-04-22 E 2593.3' (M)		1570'		LAT: 36°22'54" N. (WGS 84) LONG: 107°31'46" W. (WGS 84)		18 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.  D.A. JOHNSON Signature and Seal of Professional Surveyor 14827 RESIDED PROFESSIONAL SURVEYOR Certificate Number	
FD 3 1/4" B.L.M. BC 1965		S 87-37-21 E 2617.5' (M)		FD 3 1/4" B.L.M. BC 1965			

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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.**

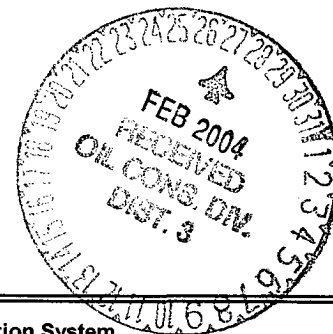
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF078879
2. Name of Operator HUNTINGTON ENERGY LLC		6. If Indian, Allottee or Tribe Name
3a. Address 6301 WATERFORD BLVD SUITE 400 OKLAHOMA CITY, OK 73118		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405.840.9876 Ext: 0 Fx: 405.840.2011		8. Well Name and No. CANYON LARGO UNIT 453
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T25N R7W SESW Lot N 1195FSL 1570FWL		9. API Well No. 30-039-27583-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA
		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 checked="" 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original APD
	<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 recompleate 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 recompleation 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.)

Change of Cement Procedure from APD - Operations Plan- filed 1/21/04-Production casing and Alternate Two-Stage Cement Job. Change 5% gel to 3% gel and Litecrete Cement Class "G" from 11.4# to 12#. Revised Operations Plan and Cementing Lab Report are attached.



14. I hereby certify that the foregoing is true and correct. Electronic Submission #27789 verified by the BLM Well Information System For HUNTINGTON ENERGY LC, sent to the Farmington Committed to AFMSS for processing by ADRIENNE GARCIA on 02/17/2004 (04AXG0615SE)	
Name (Printed/Typed) CATHY SMITH	Title GENERAL CONTACT
Signature (Electronic Submission)	Date 02/11/2004

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <b>/s/ David J. Mankiewicz</b>	Title	FEB 24 2004
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

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 \*\***

**NMOC**

## OPERATIONS PLAN

Well Name: **Canyon Largo Unit #453**  
Location: 1195' FSL, 1570' FWL, SW/4, Sec 24, T-25-N, R-7-W NMPM  
 Rio Arriba County, NM  
Formation: Basin Dakota  
Elevation: 6899' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2031'	
Ojo Alamo	2031'	2261'	aquifer
Kirtland	2261'	2461'	gas
Fruitland	2461'	2741'	gas
Pictured Cliffs	2741'	2841'	gas
Lewis	2841'	3111'	gas
Huerfano Bentonite	3111'	3581'	gas
Chacra	3581'	4281'	gas
Massive Cliff House	4281'	4351'	gas
Menefee	4351'	4961'	gas
Massive Point Lookout	4961'	5261'	gas
Mancos	5261'	6541'	gas
Gallup	6541'	6916'	gas
Greenhorn	6916'	6996'	gas
Graneros	6996'	7046'	gas
Dakota	7046'	7356'	gas
Morrison	7356'		gas
TD	7420'		

### Logging Program:

Open hole – Neutron-Density, Sonic, Image Log – 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:

<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 – 7420'	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 ¼"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 7420'	4 ½"	11.6#	N-80

### Tubing Program:

0' – 7420'	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.

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/336 sx Class "B" cement w/3% calcium chloride and 1/4#/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 1/2"

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#, 1.47yd) 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#, 1.18yd) (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.