

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 078880
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.		7. If Unit or CA Agreement, Name and No.
Contact: CATHY SMITH E-Mail: csmith@huntingtonenergy.com		8. Lease Name and Well No. CANYON LARGO UNIT 428E
3a. Address 6301 WATERFORD BLVD., SUITE 400 OKLAHOMA CITY, OK 73118	3b. Phone No. (include area code) Ph: 405.840.9876 Ext: 0 Fx: 405.840.2011	9. API Well No. 3003927584
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface NESE Lot J 1525FSL 1380FEL At proposed prod. zone NESE Lot J 1525FSL 1380FEL		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, NM		11. Sec., T., R., M., or Blk. and Survey or Area J Sec 13 T25N R7W Mer NMP
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
16. No. of Acres in lease 320.00		13. State NM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		17. Spacing Unit dedicated to this well E12 32CAC
19. Proposed Depth 7700 MD		20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc. 6889 GL		23. Estimated duration
22. Approximate date work will start 03/31/2004		

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 (Electronic Submission)	Name (Printed/Typed) CATHY SMITH	Date 01/21/2004
Title GENERAL CONTACT		
Approved by (Signature) /s/ 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 #27055 verified by the BLM Well Information System
For HUNTINGTON ENERGY, L.L.C., sent to the Farmington

ONLY 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 3165.4

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

HOLD C104 FOR operator change

NMOCD

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

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

DISTRICT III
1000 Elv. Branch Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-27584		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 6886	*Property Name CANYON LARGO UNIT		*Well Number 428 E
*OCD No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6889'

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
J	13	25-N	7-W		1525'	SOUTH	1380'	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
*Dedicated Acres DK-E/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

16		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	
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. 11-13-03 Date of Survey NEW MEXICO Signature and Seal of Registered Surveyor 14827 PROFESSOR 14827 Certificate Number		FD 3 1/4" B.L.M. BC 1965	
LAT: 36°23'48" N. (WGS 84) LONG: 107°31'19" W. (WGS 84)		1380'	
FD 3 1/4" B.L.M. BC 1965		N 87-42-33 W 2599.3' (M)	
1525'		N 00-19-18 W 2600.8' (M)	

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. NMSF078880	
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. NMNM78383D	
3b. Phone No. (include area code) Ph: 405.840.9876 Ext: 0 Fx: 405.840.2011		8. Well Name and No. CANYON LARGO UNIT 428E	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T25N R7W NESE Lot J 1525FSL 1380FEL		9. API Well No. 30-039-27584-00-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 A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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.)

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 TXI Liteweight 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 #27750 verified by the BLM Well Information System For HUNTINGTON ENERGY LLC, sent to the Farmington Committed to AFMSS for processing by ADRIENNE GARCIA on 02/17/2004 (04AXG0613SE)	
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 <u>/s/ David J. Markiewicz</u>	Title	Date 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.

OPERATIONS PLAN

Well Name: Canyon Largo Unit #428E
Location: 1525' FSL, 1380' FEL, SE/4 Sec 13, T-25-N, R-7-W NMPM
 Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6889' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>Contents</u>
Surface	San Jose	2101'	
Ojo Alamo	2101'	2301'	aquifer
Kirtland	2301'	2486'	gas
Fruitland	2486'	2761'	gas
Pictured Cliffs	2761'	2863'	gas
Lewis	2863'	3131'	gas
Huerfano Bentonite	3131'	3601'	gas
Chacra	3601'	4301'	gas
Massive Cliff House	4301'	4376'	gas
Menefee	4376'	4991'	gas
Massive Point Lookout	4991'	5301'	gas
Mancos	5301'	6591'	gas
Gallup	6591'	6961'	gas
Greenhorn	6961'	7026'	gas
Graneros	7026'	7066'	gas
Dakota	7066'	7381'	gas
Morrison	7381'		gas
TD	7450'		

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:

<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 - 7450'	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' – 7450'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7450'	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.

1.18 ft³/sk, 15.6 ppg

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

Production Casing – 4 1/2"

= 2016 ft³

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%).

tail: 1.44 ft³/sk

13 ppg

6.5 gal/sk

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 ft³/sk) 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#, 2.9 ft³/sk) 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 ft³/sk). (Slurry 59 cu ft, Excess 50%).

total: 2002 ft³

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.

Lead: 9.5 ppg
2.52 ft³/sk
6.38 gal/sk