

DATE IN 12.13.11	SUSPENSE	ENGINEER D/K B	LOGGED IN 12.13.11	TYPE NSL	APP NO. 1134741540
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Huntington*  
 RECEIVED OGD 208706  
*Canyon Largo #503*  
 2011 DEC 13 AM 8:33

**ADMINISTRATIVE APPLICATION CHECKLIST**

*30-029-31097*

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

*6530*

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

*23-25N-7W*  
*Rio*

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☒ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note:** Statement must be completed by an individual with managerial and/or supervisory capacity.

Catherine Smith  
 Print or Type Name

*Catherine Smith*  
 Signature

Regulatory  
 Title

12/7/2011  
 Date

csmith@huntingtonenergy.com  
 e-mail Address



December 7, 2011

New Mexico Oil Conservation Division  
1220 S. Saint Francis Dr.  
Santa Fe, NM 87505

Attn: Mr. Will Jones

RE: Non-Standard Location Application  
Canyon Largo Unit #505  
Sec 23-T25N-R7W  
Rio Arriba Co., NM

Dear Mr. Jones:

Enclosed is the information necessary for Non-Standard Location approval for the above referenced well. If there is any additional information needed, please contact me at (405) 840-9876 ext. 129.

Thank you!

Sincerely,

A handwritten signature in cursive script that reads 'Catherine Smith'.

Catherine Smith  
Regulatory

**Huntington Energy, L.L.C.**  
**908 N.W. 71<sup>st</sup> St.**  
**Oklahoma City, OK 73116**  
**(405) 840-9876 – Office    (405) 840-2011 - Fax**

**Canyon Largo Unit #505 Non-Standard Location**

**Location:    645' FNL & 199' FEL**  
**NE/4 Sec 23, T25N-R7W, Rio Arriba County, NM**

The Application for Permit to Drill for the Canyon Largo Unit #505 has been approved by the Bureau of Land Management. The well is located 645' FNL & 199' FEL. Per NMOCD location requirements, the well is less than 660' to the outer boundary of the quarter section. The location is non-standard due to topography issues. Therefore, the CLU #505 will need a Non-Standard Location approval.

**Operators Affected:**

Burlington Resources Oil & Gas Company, LP  
P.O. Box 5289  
Farmington, NM 87499

\*Notification: Designation of Agent from Burlington Resources is attached with application. Notice has been sent.

RECEIVED

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

OCT 31 2011

Form C-102  
Revised July, 16, 2010  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-31097</b>	<sup>2</sup> Pool Code <b>71599</b>	<sup>3</sup> Pool Name <b>Basin Dakota</b>
<sup>4</sup> Property Code <b>32660</b>	<sup>5</sup> Property Name <b>CANYON LARGO UNIT</b>	
<sup>7</sup> GRID No. <b>208706</b>	<sup>8</sup> Operator Name <b>HUNTINGTON ENERGY, LLC</b>	<sup>6</sup> Well Number <b>505</b>
		<sup>9</sup> Elevation <b>6839'</b>

## <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
A	23	25-N	7-W		645	NORTH	199	EAST	RIO ARriba

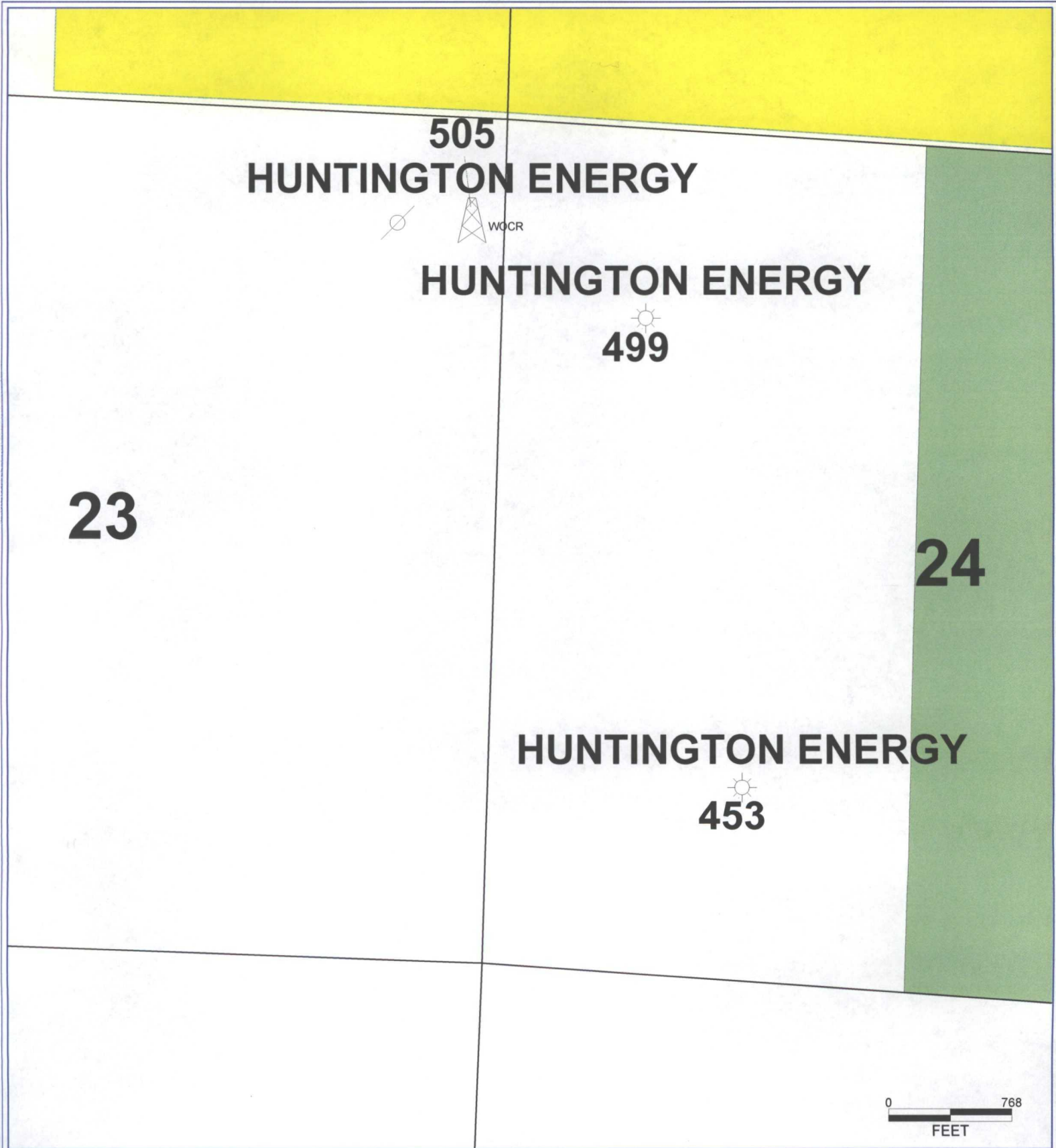
## <sup>11</sup> Bottom Hole Location If Different From Surface

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 <b>E/2-320</b>			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<p>16</p> <p>FD. 3 1/4" BC. 1965 BLM</p> <p>N 88°56'17" W 2604.50' (M) N 88°58' W 2603.70' (R)</p> <p>FD. 3 1/4" BC. 1965 BLM</p> <p>645'</p> <p>199'</p> <p>N 00°01' E 2594.46' (R) S 00°02'33" W 2595.14' (M)</p> <p>FD. 3 1/4" BC. 1965 BLM</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Catherine Smith</i> <b>7/14/11</b> Signature Date</p> <p><b>Catherine Smith</b> Printed Name</p> <p><b>csmith@huntingtonenergy.com</b> E-mail Address</p>	
	<p><b>17</b></p> <p><b>23</b></p> <p><b>SURFACE:</b> LAT: 36.39099° N. (NAD 83) LONG: 107.53555° W. (NAD 83) LAT: 36°23'27.53" N. (NAD 27) LONG: 107°32'05.81" W. (NAD 27)</p>	<p><b>18</b></p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><b>MARCH 16 2011</b> Date of Survey</p> <p><b>NEW MEXICO</b> REGISTERED PROFESSIONAL SURVEYOR 8894</p> <p>Certificate Number</p>

Canyon Largo Unit #505  
NENE Sec 23-25N-7W, Rio Arriba Co., NM





## DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Unit Operator, hereafter referred to as "Operator", under the Canyon Largo Unit Agreement, Rio Arriba County, New Mexico No.: 14-08-001-1059 approved July 22, 1952 and hereby designates:

NAME: **Huntington Energy, L.L.C.**  
ADDRESS: **908 N.W. 71<sup>st</sup> St.**  
**Oklahoma City, OK 73116**

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing the unitized substances to a depth covering the top to the base of the Dakota formation for the following well:

**CANYON LARGO UNIT # 505**  
**NE/4 of Section 23, T25N, R7W**  
**E/2 Dakota Formation**  
**Rio Arriba County, New Mexico**

It is understood that this Designation of Agent does not relieve the Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representatives.

The Operator agrees promptly to notify the oil and gas supervisor of any change in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This Designation of Agent is limited to field operations only and does not cover administrative action, which shall require the specific authorization of the Operator.

This Designation of Agent shall be effective until the Canyon Largo Unit #505 has been drilled, completed and deemed commercial by the BLM. Operator shall track and submit commerciality analysis to the appropriate BLM authority. Once said well has been deemed commercial, Operator shall give Huntington Energy, L.L.C. notice thereof. Upon such notice, Huntington Energy, L.L.C shall ensure the well and related facilities, including telemetry, meet Operator's requirements, as previously provided to Huntington Energy L.L.C., and thereafter Operator will assume operations for the well the first of the month subsequent to the well being deemed commercial.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

10/25/11  
Date

Burlington Resources Oil & Gas Company LP  
By: BROG GP Inc., its sole General Partner,  
As Canyon Largo Unit Operator

By: Patrick H. Noah *wny*  
Patrick H. Noah  
Attorney-in-Fact

10/26/11  
Date

Huntington Energy, L.L.C.

By: [Signature]  
David M. Herrin, Member

**EXHIBIT "A"**  
**DESIGNATION OF AGENT**

Huntington Energy, L.L.C. ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature in the space provided below and agrees to drill and complete or plug and abandon said Canyon Largo Unit #505 as a reasonable and prudent operator in accordance with the terms and conditions of the Canyon Largo Unit Agreement and Canyon Largo Unit Operating Agreement, and also agrees to the following conditions. Agent shall:

1. Submit to Operator's representative for approval all casing programs and equipment specifications prior to the drilling of any well.
2. Notify Operator when drilling Operations are commenced.
3. Furnish Operator with complete daily driller's tour report, at Agent's expense.
4. Furnish Operator with daily reports by telephone call or facsimile at Agent's expense, as to the formation or formations penetrated during the previous day's drilling, the depth at which each formation is encountered, and the depth at which the report is made.
5. Allow representatives of Operator access to the derrick floor at all times at their sole risk and expense.
6. Notify Operator of intentions to core, drill stem test, stimulate, or run well surveys in sufficient time to enable Operator's representatives to be present; and also notify Operator in sufficient time in order that Operator may attend and witness any and all potential tests and packer leakage test.
7. Cause all cores having shows of oil and gas to be analyzed by a competent core analysis laboratory. Three preliminary and three final copies of any conventional core analysis will be furnished to Operator. Any special core analysis performed at the request of Agent will be considered proprietary information and will be paid for solely by Agent.
8. Furnish Operator three field prints and five final prints of all well surveys made during drilling or upon completion of wells.
9. Furnish Operator a representative and adequate cut of all cores and ditch samples taken during the drilling of wells.
10. Provide Operator with copies of drilling time records, hole deviation tests and all records required by the governmental agencies having jurisdiction of the wells.
11. Notify of any intention to plug and abandon wells and allow Operator forty-eight (48) hours in which to concur.

12. Furnish the Bureau of Land Management and the Oil Conservation Division of the State of New Mexico all proper and necessary reports and well data in the required numbers and time periods as specified by the Bureau of Land Management and the Oil Conservation Commission of the State of New Mexico, with a copy to Operator at the addresses hereinafter provided.
13. Provide the Commissioner of Public Lands of the State of New Mexico with copies of all reports and other well data submitted in accordance with the preceding paragraph.
14. Comply with all regulations of the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA) as such may be amended from time to time, and pay any costs, fees, and claims including attorneys fees and penalties imposed because of Agent's failure to comply with FOGRMA regulations.

Agent agrees to release, protect, indemnify and defend Operator and all of Operator's affiliated and subsidiary companies and the agents, servants and employees of Operator and all of its affiliated and subsidiary companies, and the insurers of each of them, and to save and hold them harmless from and against any and all claims or liability (including court costs and attorney fees) for damage or loss of property of all character; from and against any and all claims for death, or injury to persons, including, but not limited to, employees or agents of Agent resulting from or arising out of the operations conducted or caused or permitted to be conducted by Agent in connection with the wells described hereinabove; and from and against any and all claims for labor and materials and any other costs and expense in connection with Agent's operations hereunder.

Such indemnity by Agent shall apply to any loss or damage or personal injury or death:

- (i) which arises directly, indirectly or incident to the Agent's operation;
- (ii) without regard to cause or causes thereof, including, without limitation, strict liability, breach of warranty (express or implied), imperfection of materials, condition of any premises or transport to or from such premises;
- (iii) whether the claim therefore is based on common law, civil law or statute.

However, such indemnity by Agent shall not apply and may not be relied upon by Operator to the extent that any claim or liability is found by a court or other tribunal of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Operator.

All notices, samples or other information required to be furnished shall be sent to:

Burlington Resources Oil & Gas Company LP  
Attn: Ben Malone  
P. O. Box 4289  
Farmington, New Mexico 87499-4289  
Telephone (505) 326-9749  
Fax No. (505) 324-3829



December 7, 2011

Bureau of Land Management  
1235 La Plata Hwy, Suite A  
Farmington, NM 87401

Re: Non-Standard Location Application Notification  
Canyon Largo Unit #505  
Sec 23-T25N-R7W  
Rio Arriba Co., NM

Gentlemen:

Enclosed is an application for notification for Non-Standard Location approval which has been sent to the New Mexico Oil Conservation Division for the above referenced well. The well is located 199' from the east section line, which is less than 660' to the outer boundary. Therefore, the well is a non-standard location. Burlington Resources is the only other operator within the allotted boundary and has signed a Designation of Agent for Huntington Energy.

Please contact me if you need any additional information. My telephone number is (405) 840-9876 ext. 129.

Thank you!

Sincerely,

A handwritten signature in cursive script that reads 'Catherine Smith'.

Catherine Smith  
Regulatory

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, December 21, 2011 4:39 PM  
**To:** 'csmith@huntingtonenergy.com'  
**Subject:** Canyon Largo #505; NSL Application

Dear Ms. Smith

This application requires notice to operators or owners in offsetting units toward which the location encroaches. In this case, since the location encroaches to the north, east and northeast, notice would be required to operators or owners in the S/2 or E/2 of Section 14, the S/2 or W/2 of Section 13 and the N/2 of W/2 of Section 24. Exceptions exist only if the applicant owns 100% of the working interest in the offsetting unit, or if the working interest ownership in the offsetting unit is identical to the ownership in the unit where the well is to be located.

Please advise status of ownership and furnish proof of notice, as necessary.

Sincerely

David K. Brooks  
Legal Examiner



December 22, 2011

ConocoPhillips Company  
P.O. Box 4289  
Farmington, New Mexico 87499-4289

Attn: Paul R. Brindle  
Landman

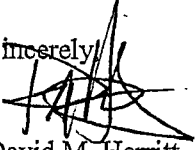
Re: Waiver of Non-Standard Location  
CLU Well # 505, 645' FNL & 199' FEL of  
NE/4 of Section 23, T25N-R7W  
Rio Arriba County, NM

Gentlemen ;

Pursuant to that certain CLU Farmout Agreement, Huntington Energy, L.L.C. plans to drill the referenced CLU No. 505 well. The original location was at a legal location, however, because of the topography in this area, it was necessary to locate the well at a non-standard location to the east. Burlington is the only offset operator to this well.


Therefore, pursuant to the above, Huntington Energy, LLC respectfully requests Burlington Resources Oil & Gas Company/ConocoPhillips Company's approval of the CLU No. 505's non-standard location for this proposed Dakota well, described above, and waive any objections thereto. If you agree, please signify your approval by executing below, and returning this waiver to my attention.

Sincerely,

  
David M. Herritt  
Member

Burlington Resources Oil & Gas Company LP  
By BROG GP Inc., its sole General Partner

By:



Patrick H. Noah, Attorney-in-Fact



**Brooks, David K., EMNRD**

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**From:** Cathy Smith [CSmith@huntingtonenergy.com]  
**Sent:** Thursday, December 22, 2011 9:15 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** FW: CLU 505  
**Attachments:** 2011122210093863.pdf

David,

Attached is the NSL Waiver Letter from Burlington/Conoco. They got it signed very quickly today!!! I will send the original to you if you need it.

Thank you!

Cathy

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**From:** Howell, Dawn M [mailto:Dawn.M.Howell@conocophillips.com]  
**Sent:** Thursday, December 22, 2011 10:12 AM  
**To:** Cathy Smith  
**Subject:** RE: CLU 505

Cathy-

Attached is a scanned copy of the executed waiver. The Original will go in the mail to you today.

Wishing you a Merry Christmas and a Blessed New Year!

***Dawn M. Howell, CPLTA***  
**CONOCOPHILLIPS**  
*Land Analyst*  
*Lower 48 Land*  
*San Juan Business Unit*  
*Phone: 505-599-4030*  
*Fax: 505-326-9781*



Please think green before printing this e-mail.

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**From:** Cathy Smith [mailto:CSmith@huntingtonenergy.com]  
**Sent:** Thursday, December 22, 2011 9:02 AM  
**To:** Howell, Dawn M; Brindle, Paul R  
**Subject:** [EXTERNAL]CLU 505

Paul & Dawn,

Attached is a Non-Standard Location Waiver Letter for the Canyon Largo Unit #505 well. Due to topography issues, the well will be 199' FEL, making it a NSL. Can you please have the attached NSL letter signed and returned to me as soon as possible? I would greatly appreciate it! We are processing the NSL with the NMOCD and had submitted the Designation of Agent letter as a supplement. But, the waiver letter would allow for easier processing.

Thank you! Hope you and your family have a very Merry Christmas!

Cathy Smith  
Huntington Energy, L.L.C.  
908 N.W. 71<sup>st</sup> St.  
Oklahoma City, OK 73116  
(405) 840-9876 ext. 129

**Brooks, David K., EMNRD**

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**From:** Cathy Smith [CSmith@huntingtonenergy.com]  
**Sent:** Thursday, December 22, 2011 9:01 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Canyon Largo #505; NSL Application

David,  
Huntington & Burlington are both the only operators in the locations below. I have emailed a Non-Standard location Waiver Letter to Dawn Howell at Burlington. Hopefully, they will send that to me in the next week or two. (They have to have their attorney sign off on the letter, and sometimes that takes several weeks. I think he only comes in once per week.) I will overnight the signed letter to you when that is received. The Designation of Agent Letter was signed by BR and sent with the application. I mailed BR the NSL packet, but did not send it certified mail. I am doing that today.  
Thank you!  
Cathy

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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Wednesday, December 21, 2011 5:39 PM  
**To:** Cathy Smith  
**Subject:** Canyon Largo #505; NSL Application

Dear Ms. Smith

This application requires notice to operators or owners in offsetting units toward which the location encroaches. In this case, since the location encroaches to the north, east and northeast, notice would be required to operators or owners in the S/2 or E/2 of Section 14, the S/2 or W/2 of Section 13 and the N/2 of W/2 of Section 24. Exceptions exist only if the applicant owns 100% of the working interest in the offsetting unit, or if the working interest ownership in the offsetting unit is identical to the ownership in the unit where the well is to be located.

Please advise status of ownership and furnish proof of notice, as necessary.

Sincerely

David K. Brooks  
Legal Examiner