

12-1-11 DATE IN	SUSPENSE	ENGINEER DB	LOGGED IN	TYPE SD	PTGW APP NO. 1134128649
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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 Energy, LLC  
Ute Mtn Ute #114  
201141

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-045-35321

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]

- [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 \_\_\_\_\_
- [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

15-32N-14W  
Santa Fe

- [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

Signature

CSmith@huntingtonenergy.com 12-1-11  
Title Date

e-mail Address



RECEIVED OCD  
2011 DEC -1 P 1:36

November 29, 2011

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

Attn: Mr. David Brooks

Re: Simultaneous Dedication Application  
Ute Mountain Ute #114  
API#: 30-045-35321  
NW/4 SW/4 Sec 15-T32N-R14W  
San Juan County, New Mexico

23861 FSL & 895 FWL

11391  
870 FSL & 285 FWL

Dear Mr. Brooks:

Huntington Energy, L.L.C. requests approval for Simultaneous Dedication for the above referenced well. The Ute Mountain Ute #114, which was spud on November 25, 2011, will be completed in the Barker Creek Dakota Pool, 160 acre spacing. Currently, the Barker Dome #21, SWSW Sec 15-T32N-R14W, San Juan County, operated by Burlington Resources Oil and Gas Company, is producing from the Barker Creek Dakota Pool also. Burlington Resources has signed and approved a Designation of Successor Operator for the Ute Mountain Ute #114, granting approval for Huntington Energy to drill and complete the well. A copy of the Designation of Successor Operator, which was filed with the approved permit, is attached. The location for the Ute Mountain Ute #114 well does not have special rules, so the well is drilled on 160 acre spacing.

If you need any additional information, please contact me at (405) 840-9876 ext. 129. Thank you for your time and consideration.

Sincerely,

Catherine Smith  
Regulatory



## DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

Burlington Resources Oil & Gas Company, LP is the current Lessee and Operator on the records of the BIA Services and Mineral Management Services of the Ute Mt. Ute Oil & Gas Lease No. I-22-IND-2772. Burlington Resources Oil & Gas Company, LP hereby designates:

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

as its agent, with full authority to act in its behalf in complying with the terms and provisions of the said oil & gas lease and the regulations applicable thereto and on whom the supervisor or his representatives may serve written or oral instructions in securing compliance with the Oil & Gas Operating Regulations with respect to drilling, testing and completing, from the surface down to the base of the Morrison Formation for the following Ute Mt. Ute well:

### **Ute Mountain Ute #114, SW/4 of Sec 15-T32N-R14W, San Juan Co., NM**

It is understood that this Designation of Agent does not relieve the Operator of responsibility for compliance with the terms and provisions within the Ute Mt. Ute oil & gas leases and the Oil & Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest in the lease committed hereto.

In the case of default on 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 its representatives.

The Operator agrees promptly to notify the oil and gas supervisor of any changes 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.

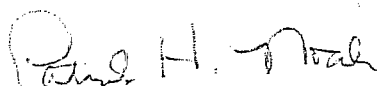
This Designation of Agent shall be effective until the well described above is drilled, completed, including the installation of surface facilities and connection to a gas sales pipeline. However, this Designation of Agent shall automatically terminate at first sales for the well.

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

### ACKNOWLEDGMENT

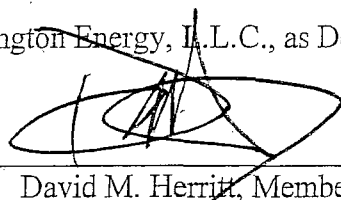
Burlington Resources Oil & Gas Company, LP  
By: BROG GP Inc., its sole General Partner,  
As Lessor, and Operator of the Ute Mt. Ute Lease  
described herein.

Dated : 11-2-11

By:   
Patrick H. Noah PLB  
Attorney-in-Fact

Huntington Energy, L.L.C., as Designated Agent

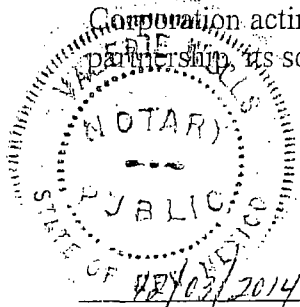
Dated : 11-3-11

By :   
David M. Herritt, Member

STATE OF NEW MEXICO:

COUNTY OF SAN JUAN:

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of November, 2011 by Patrick H. Noah, as Attorney-in-Fact of BROG GP Inc., a Delaware Corporation acting on behalf of Burlington Resources Oil & Gas Company LP, a Delaware limited partnership, its sole General Partner.



My Commission Expires

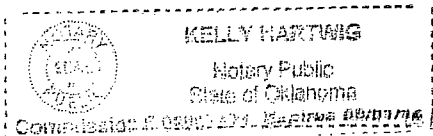
A handwritten signature in cursive script, likely belonging to the Notary Public.

NOTARY PUBLIC

STATE OF OKLAHOMA:

COUNTY OF OKLAHOMA:

The foregoing instrument was acknowledged before me this 3 day of November, 2011, by David M. Herritt, as a Member of Huntington Energy, L.L.C., a Texas Limited Liability Company, on behalf of said company



08/01/14  
My Commission Expires

A handwritten signature in cursive script, likely belonging to the Notary Public.

NOTARY PUBLIC

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

Huntington Energy, L.L.C. ("Agent") indicates its acceptance of this Designation of Agent by placing its authorized signature on the Designation of Agent to which this exhibit is attached and agrees to drill and complete or plug and abandon the Ute Mountain Ute well described therein as a reasonable and prudent operator in accordance with the terms and conditions of the Ute Mountain Ute lease, 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 e-mail 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 final prints of all well surveys made during the drilling or upon completion of wells.
9. Furnish Operator a representative an adequate cut of all cores and ditch samples, if 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/or BIA Services 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: Paul Brindle  
P.O. Box 4289  
Farmington, New Mexico 87499-4289  
Telephone (505) 324-6153  
Fax No. (505) 326-9781

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, December 21, 2011 3:02 PM  
**To:** 'csmith@huntingtonenergy.com'  
**Subject:** Huntington Energy, LLC - Ute Mountain Ute #114

Dear Ms. Smith

We will need additional information to process the referenced application for simultaneous dedication.

First, we need to know why a determination was made to drill a second well in this 160-acre spacing unit.

Second, we need to know if there are any other operators of units offsetting this spacing unit other than Burlington.

Thanks

David K. Brooks



## Brooks, David K., EMNRD

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**From:** Cathy Smith [CSmith@huntingtonenergy.com]  
**Sent:** Thursday, December 22, 2011 8:32 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Huntington Energy, LLC - Ute Mountain Ute #114

David,

We are testing horizons that were not penetrated in the prior Burlington wellbore. We will be drilling in the Dakota formation, but deeper zones.

There are not any other operators of units offsetting this spacing unit besides us and Burlington. Burlington Resources and Huntington Energy are the only operators in Sections 10, 14, 16 & 22.

If you will need any additional information, please let me know. Hopefully this is the information you need for the processing.

Thank you!

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

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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Wednesday, December 21, 2011 4:02 PM  
**To:** Cathy Smith  
**Subject:** Huntington Energy, LLC - Ute Mountain Ute #114

Dear Ms. Smith

We will need additional information to process the referenced application for simultaneous dedication.

First, we need to know why a determination was made to drill a second well in this 160-acre spacing unit.

Second, we need to know if there are any other operators of units offsetting this spacing unit other than Burlington.

Thanks

David K. Brooks