

11/29/06 DATE IN	SUSPENSE	CATANACH ENGINEER	11/29/06 LOGGED IN	NSL TYPE	APP NO. P TDSOL633340576
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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



1906

ADMINISTRATIVE APPLICATION CHECKLIST

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

- [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.

Print or Type Name

Signature

Title

Date

e-mail Address



November 14, 2006

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Aztec, NM 87505

Re: Canyon Largo Unit #313
Sec 28, T25N-R6W
Rio Arriba County, New Mexico

Dear Mr. Brooks:

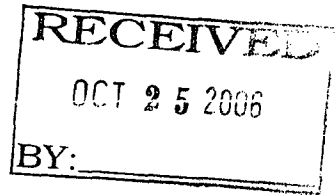
Enclosed are documents for filing a Non-Standard Proration Unit approval for the above referenced well. Huntington Energy, L.L.C. plans to deepen the well. The Bureau of Land Management and New Mexico Oil Conservation Division have approved the Permit to Drill, pending approval of the Non-Standard Proration for this location.

Thank you for your help with this matter. If you need any additional information, please contact me at (405) 840-9876.

Sincerely,

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

Cathy Smith
Land Associate



October 13, 2006

Resource Development Technology, LLC
P.O. Box 1020
Morrison, Colorado 80465

Attn: Heather Lohman
Land Manager

Re: Waiver of Non-Standard Proration Unit
Canyon Largo Unit Well # 313
NE/4 of Section 28, T25N-R6W
Rio Arriba County, NM

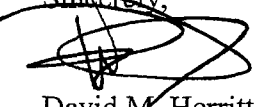
Gentlemen ;

Huntington Canyon Largo, L.L.C. is the operator of the Canyon Largo Unit Gallup PA. The Canyon Largo Unit Gallup PA well # 313, a TA well located in the NE/4 NE/4 of Section 28, T25N-R6W is no longer necessary for unit operations. Huntington has obtained the CLU Gallup PA owner's approval and now wishes to deepen said well to the Dakota Formation. The Canyon Largo Unit Agreement provides for Dakota wells to be drilled on a 320 acre stand up unit basis.

Resources Development Technology operates the Old Rock Com # 2 well , a Dakota well located in the SE/4 SE/4 of Section 28, T25N-R6W, and is not located within the boundaries of Canyon Largo Unit. Because of such, it will be necessary for Huntington to obtain administrative approval for a Non-Standard Proration Unit consisting of 160 acres, being the NE/4 of Section 28, T25N-R6W.

Therefore, pursuant to the above, Huntington Canyon Largo, LLC respectfully requests Resource Development Technology, LLC's approval of the Non-Standard Proration Unit for the CLU # 313, described above, and waive any objections thereto. If you agree, please signify your approval by executing below, and returning this waiver to my attention.

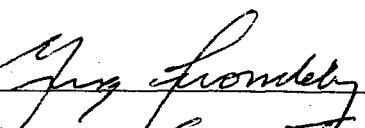
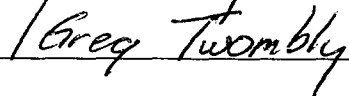
Sincerely,


David M. Herritt
Member

Resource Development Technology, LLC

By:

Print Name :

Canyon Largo Unit #313: Non-Standard Proration Unit

The Canyon Largo Unit #313, located 790' FNL and 790' FEL, Section 28, T25N-R6W, Rio Arriba County, NM, is currently producing from the Gallup Formation. Huntington Energy, L.L.C. has filed an Application for Permit to Drill to deepen this well to the Dakota formation. The Application has been approved by the Bureau of Land Management and the New Mexico Oil Conservation Division with a stipulation for non-standard approval. Per spacing rules, the Dakota formation in the unit requires a 320 acre standup spacing unit covering the E/2 of Section 28. However, the SE/4 of Section 28 cannot be included in the unit. The Old Rock Com #2 well is located in the SE/4 of Sec 28, T25N-R6W and is a sub economic producing Dakota well, not located within the Canyon Largo Unit. Therefore, the CLU 313 deepening to the Dakota will need a Non-Standard Proration approval for 160 dedicated acres for a Dakota deepening, consisting of the NE/4 of Section 28, T25N-R6W, Rio Arriba County, New Mexico containing 160 acres, more or less.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. 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-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22939		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 6886	⁵ Property Name Canyon Largo Unit		⁶ Well Number 313
⁷ OGRID No. 208706	⁸ Operator Name Huntington Energy, L.L.C.		⁹ Elevation 6320' GL

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
A	28	25N	6W		790	North	790	East	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

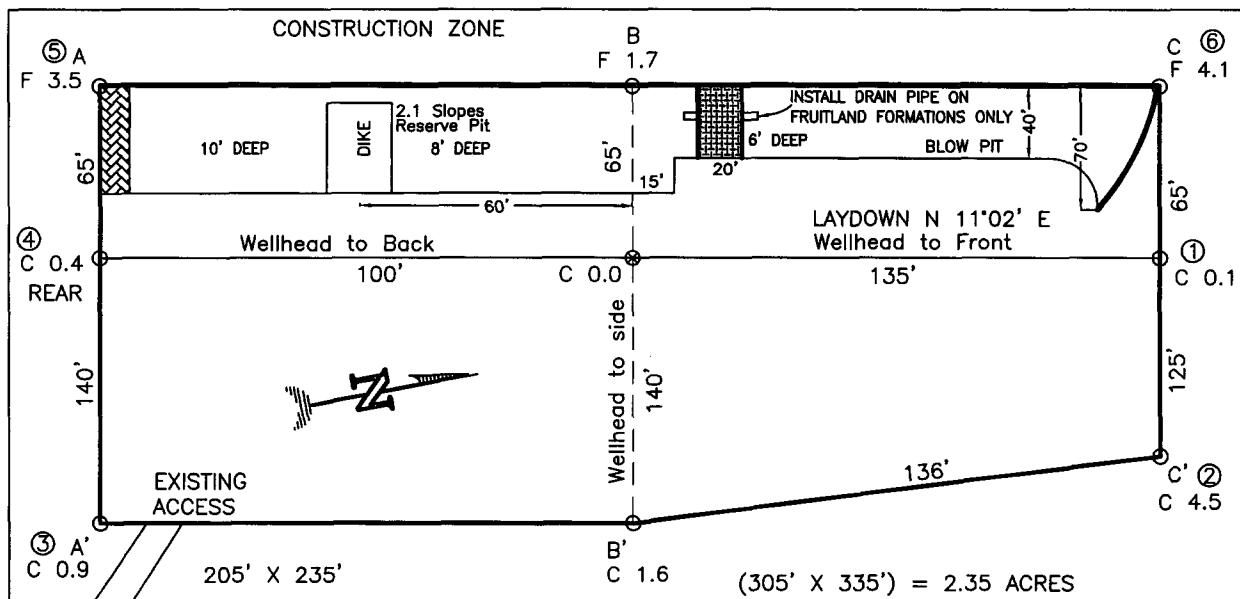
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<div style="position: relative; height: 150px;"> <div style="position: absolute; top: 0; right: 0; left: 0; bottom: 0; border: 1px solid black; width: 100%; height: 100%;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <div style="border: 1px solid black; width: 100px; height: 100px; position: relative;"> <div style="position: absolute; top: 0; right: 0; left: 0; bottom: 0; border: 1px solid black; width: 100%; height: 100%;"></div> <div style="position: absolute; top: 0; right: 0; left: 0; bottom: 0; border: 1px solid black; width: 100%; height: 100%;"></div> </div> </div> </div>	<p>17 OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><i>Catherine Smith</i> 9/26/06 Signature Date</p> <p>Catherine Smith Printed Name</p>	
		<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

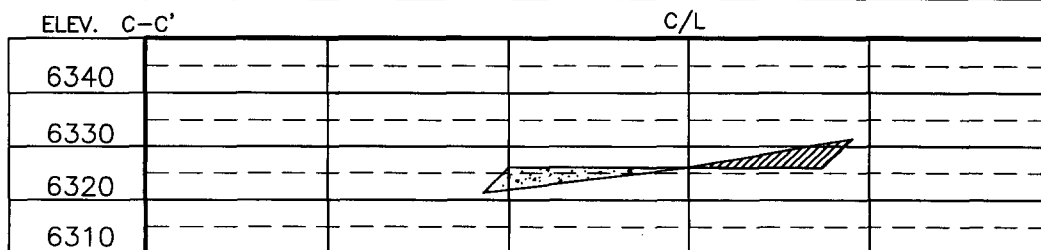
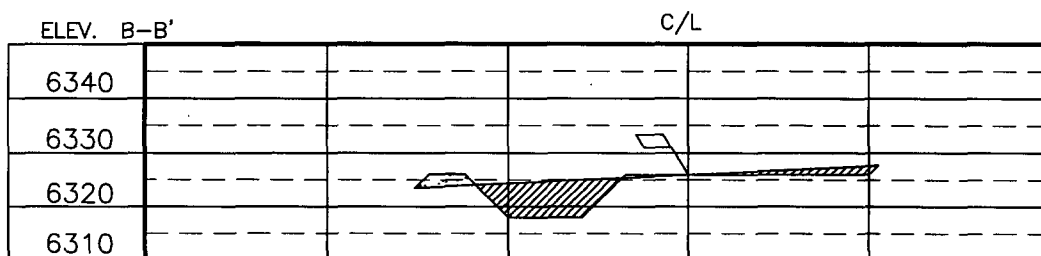
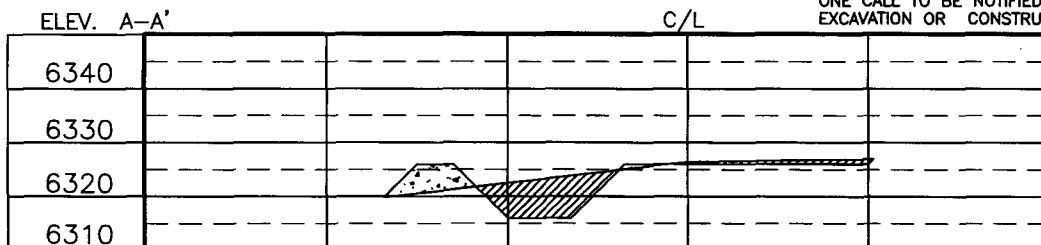
HUNTINGTON ENERGY, LLC
 CANYON LARGO UNIT No. 313, 800 FNL 780 FEL
 SECTION 28, T-25-N, R-6-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO
 GROUND ELEVATION: 6326, DATE: OCTOBER 13, 2006



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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 style="text-align: center;">Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-8019 NEW MEXICO P.L.S. No. 8894 TADFILE: HTG06SCFB DATE: 10/28/06</p>		
<p style="text-align: center;">DRAWN BY: A.G. ROW# HTG068</p>		

CLU 313
6,020
GALLUP

CLU 42
2,708
PICTURED CLIFFS

CLU 315
6,437
GALLUP

CLU 207
2,698
PICTURED CLIFFS

CLU 319
7,116
GALLUP/DAKOTA

Old Rock 3
6,060
GALLUP

Old Rock 2
6,820
DAKOTA

Old Rock Com 1
2,705
PICTURED CLIFFS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

OCT 2006

2006 SEP 28 AM 11:33

RECEIVED
070 FARMINGTON NM

1a. Type of work: <input type="checkbox"/> DRILL <u>deeper</u> <input checked="" type="checkbox"/> REENTER		3. Lease Serial No. NMSF 079071	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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. Canyon Largo Unit	
3a. Address 6301 Waterford Blvd., Suite 400 Oklahoma City, OK 73118		8. Lease Name and Well No. Canyon Largo Unit #313	
3b. Phone No. (include area code) (405) 840-9876		9. API Well No. 30-039-22939	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SWNE, 790' FNL & 790' FEL At proposed prod. zone same		10. Field and Pool, or Exploratory Basin Dakota	
14. Distance in miles and direction from nearest town or post office* 12 miles NE of Lybrook		11. Sec., T. R. M. or Blk. and Survey or Area Sec 28-25N-6W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 840'	16. No. of acres in lease 560	17. Spacing Unit dedicated to this well 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3400'	19. Proposed Depth 7000'	20. BLM/BIA Bond No. on file NMB000076	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6320' GL	22. Approximate date work will start*	23. Estimated duration	

24. Attachments Note: E/L dedication would require a CA

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <u>Catherine Smith</u>	Name (Printed/Typed) Catherine Smith	Date 09/26/2006
Title Land Associate		

Approved by (Signature) Original Signed: Stephen Mason	Name (Printed/Typed)	Date SEP 29 2006
Title		Office

Application approval 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.
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 page 2)

NMOCD

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