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March 24, 2014

Ms. Florene Davidson
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 15117; Application of Huntington Energy, L.L.C. for approval of a Federal Exploratory Unit which includes minerals owned by the State of New Mexico, as to the Basin; Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Davidson,

Enclosed for filing, please find two originals and a copy of the referenced Application, together with two copies of a proposed form of notice.

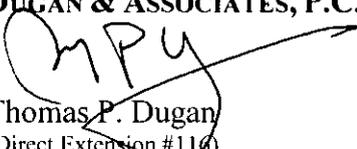
Please set this Application for hearing on the May 1, 2014 Examiner docket.

In addition, kindly file stamp and return the extra copy of the application in the enclosed return mail envelope after noting thereon the case number assigned to this application.

Please do not hesitate to call the undersigned if you have any questions.

Yours truly,

DUGAN & ASSOCIATES, P.C.


Thomas P. Dugan
(Direct Extension #110)
(E-mail: tpdugan@dugan-law.com)

TPD/ah
Enclosures

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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APPLICATION OF HUNTINGTON ENERGY, L.L.C.
FOR APPROVAL OF A FEDERAL EXPLORATORY
UNIT WHICH INCLUDES MINERALS OWNED BY
THE STATE OF NEW MEXICO, AS TO THE
BASIN; FRUITLAND COAL GAS POOL, SAN JUAN
COUNTY, NEW MEXICO

Case No. 15117

APPLICATION

Huntington Energy, L.L.C. ("Applicant"), pursuant to NMAC 19.15.20.14, hereby makes application for an order approving its proposed A'tsa' Federal Exploratory Unit ("FEU"). In support of this application, Applicant states:

1. The proposed Unit Area for this FEU consists of 14,545.28 acres, more or less, of federal and state lands situated in Township 25 North, Range 13 West, N.M.P.M. and Township 24 North, Range 13 West, N.M.P.M., all in San Juan County, New Mexico as follows:

Township 25 North, Range 13 West

Section 5: All
Sections 8 & 9: All
Sections 16 & 17: All
Section 19-21: All
Sections 28-34: All

Township 24 North, Range 13 West

Sections 3-10: All.

2. A map of the FEU area and a detailed legal description is attached hereto and incorporated herein as Exhibit A.

3. Both the New Mexico State Land Office (“SLO”) and the Bureau of Land Management (“BLM”) have provided preliminary approval of this FEU and the related Unit Agreement. The minerals in the proposed FEU are all owned by the United States of America with the exception of Section 16 in Township 25 North, Range 13 West, N.M.P.M., where the minerals are owned by the State of New Mexico. Federal minerals consist of 13,905.28 acres or 95.60% of the proposed FEU. State minerals consist of 640.00 acres or 4.40% of the proposed FEU. There are no privately owned minerals.

4. Applicant holds rights under a Farmout Agreement, dated March 15, 2012, from Burlington Resources Oil and Gas Company, LP (“Burlington”). Applicant is designated Unit Operator in the Unit Agreement. The proposed FEU is an undivided unit limited to the Fruitland Coal formation. There are no unleased minerals.

5. The Unit Agreement has been approved informally by a sufficient percentage of the interest owners within the proposed FEU to provide effective control of unit operations. 87.9% of the acreage within the Unit is fully committed (meaning that all owners of all interests in that acreage have approved the Unit Agreement); 4.4% is effectively committed (meaning that all owners of record title and/or working interests in that acreage have approved the Unit Agreement). 7.7% of the total acreage remains uncommitted to the proposed Unit.

6. It is proposed that a test well be drilled to a depth of 1,200 feet, or to test 50 feet below the top of the Fruitland Coal whichever is lower.

7. There is one existing and producing well within the proposed FEU which will be committed to the FEU. It is the Hoodoo Well No. 1 (API No. 30-045-30858) located 660 feet from the North and East lines (Unit A) of Section of 16, Township 25 North, Range 13 West, N.M.P.M., which produces from the Fruitland Coal formation, currently operated by Burlington.

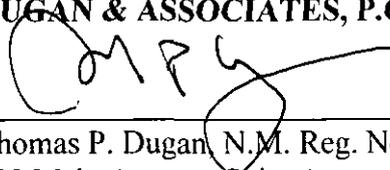
8. There is one other well currently producing from the Fruitland Coal within the proposed FEU, the Moncisco AZZ Federal Well No. 1 (API No. 30-045-30883), located 660 feet from the North and East lines (Unit A) of Section 29, Township 25 North, Range 13 West. It is operated by Dugan Production Corporation and it is not expected to be committed to the FEU.

9. The formation of the FEU is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that this Application be set for hearing before an Examiner of the Oil Conservation Division and that, after notice and hearing, the Division Director issue an Order approving the proposed Unit.

RESPECTFULLY SUBMITTED, this 24th day of March, 2014.

DUGAN & ASSOCIATES, P.C.



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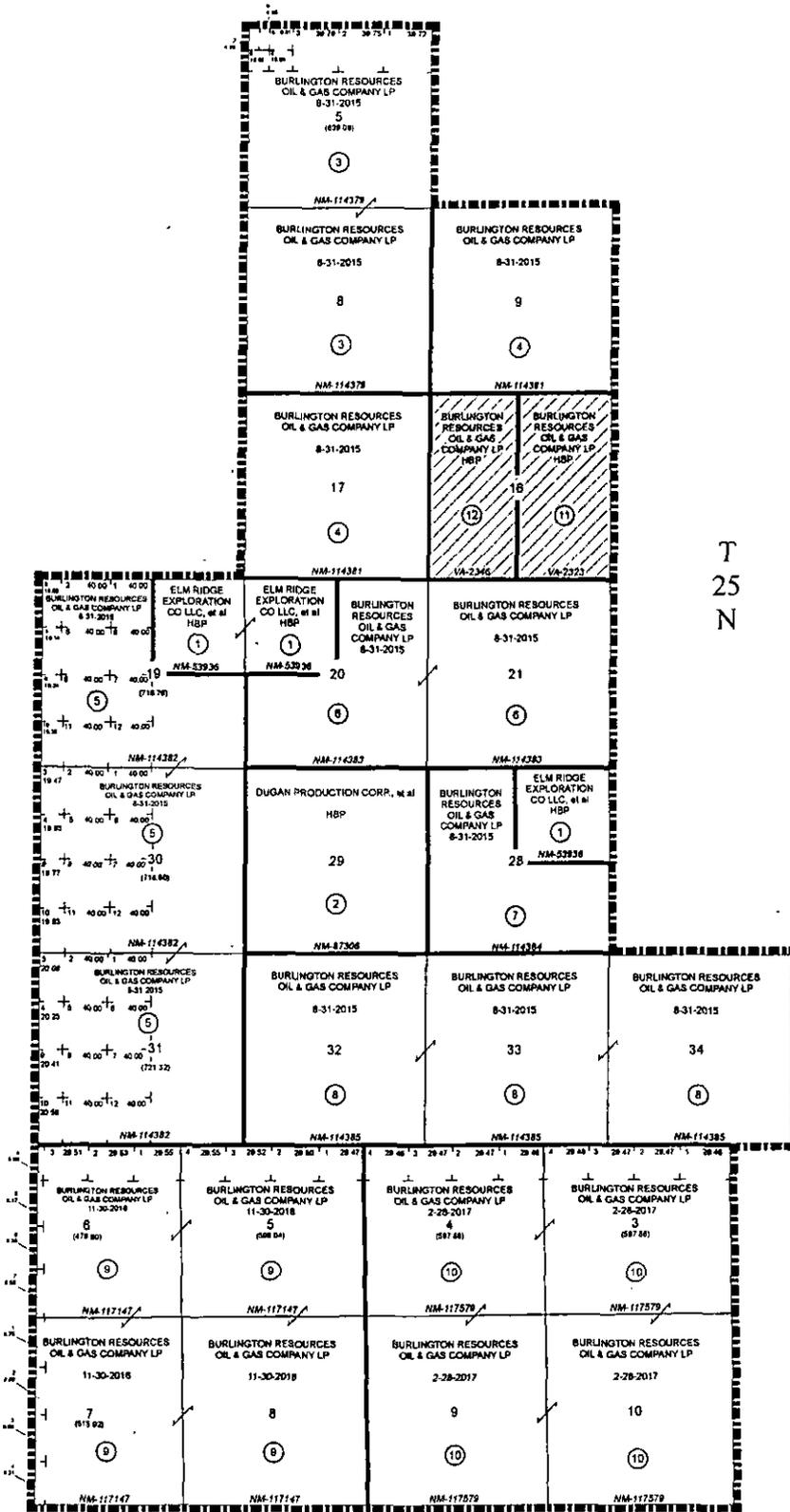
Attorney for Huntington Energy, L.L.C.

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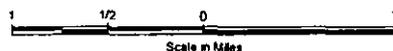
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EXHIBIT "A"

	ACREAGE	PERCENTAGE
FEDERAL LANDS	13,905.28	95.60%
STATE LANDS	640.00	4.40%
TOTALS	14,545.28	100.00%

ATSA UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

UNIT OUTLINE TRACT NUMBER



NOTE: UNLESS OTHERWISE NOTED HEREIN THE SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

HUNTINGTON ENERGY, LLC
OKLAHOMA CITY, OKLAHOMA

Case No. 15117; *Application of Huntington Energy, L.L.C. for approval of a Federal Exploratory Unit which includes minerals owned by the State of New Mexico, as to the Basin; Fruitland Coal Gas Pool, San Juan County, New Mexico.* Applicant seeks approval of the A'tsa' Unit, consisting of 14,545.28 acres, more or less, of federal and State lands situated in various sections of Township 25 North, Range 13 West, N.M.P.M. and Township 24 North, Range 13 West, N.M.P.M., all in San Juan County, New Mexico, as to the Fruitland Coal formation. This area is located approximately 30 miles south of Farmington, New Mexico.

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