



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402



IN REPLY REFER TO:
Asta Unit NMNM-132633X

October 31, 2014

Huntington Energy, LLC
Attn: Steven J. Goetzinger
908 N.W. 71st Street
Oklahoma City, OK 73116

Dear Mr. Goetzinger:

On October 30, 2014 Huntington Energy, LLC requested a suspension of the Asta Unit obligation well under the terms of the unit agreement, section 23 unavoidable delay. The Asta Unit agreement under section 23, states: "All obligations under the agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substance from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part by strike, act of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not."

On May 29, 2014 the BLM required that the obligation well be drilled before November 29, 2014 pursuant to section 9 of the unit agreement and Plan of Development. No extension of time beyond November 29, 2014 will be granted to commence the obligation well other than Unavoidable delay (Section 23), where justified. Any extension granted for unavoidable delay requires written justification and documentation prior to the critical date and is limited to 30 day with possible renewal for 30 day periods if the delay is extensive, with timely written documentation for each extension.

According to information you have provided, Huntington Energy, LLC is in negotiation with the Navajo Tribe. At this point and time an agreement for surface disturbance has not been reached. APD's have been submitted to the BLM in a timely manner but have not been approved.

The suspension of the obligation well is effective the first of the month in which the suspension request is filed October 1, 2014, per Section 23 of the unit agreement, unavoidable delay. During the term of the suspension of the obligation well, you will still have to pay the advanced annual rental.

Huntington will be required to spud the Obligation Well within 60 days of receiving an approved APD. Any extension granted for unavoidable delay is limited to 30 days with possible renewal for 30 day periods if the delay is extensive, with timely written documentation for each extension.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Mankiewicz", with a large, stylized flourish at the end.

Dave Mankiewicz
Assistant Field Manger, Minerals

Cc: Commissioner of Public Lands, Santa Fe, NM
New Mexico Oil Conservation Division
Office of Natural Resources Revenue

Bcc: Atsa Unit File
NMF0111: Minerals/Units/Atsa Unit