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|--------------------|----------|----------------|----------------------|-------------|----------------------|
| DATE IN 6-10-11 | SUSPENSE | ENGINEER DB | LOGGED IN 6.13.11 | TYPE NSL | APP NO 1116450966 |
|--------------------|----------|----------------|----------------------|-------------|----------------------|

P. T. W.

208701

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
State of NM 35 # 1

6410

ADMINISTRATIVE APPLICATION CHECKLIST 30-091-20944

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]

Ros. state

[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 | | | |

RECEIVED OCD

2011 JUN 10 A 11: 53

June 6, 2011

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

Re: State of New Mexico 35 #1
NW/4 Sec 35, T6S-R34E
Roosevelt County, New Mexico

Dear Mr. ^{Brooks} Jones:

Enclosed is the information necessary for approval for Non-Standard Location approval for the above referenced well. The well was permitted on a 320 acre spacing as a Wildcat well and completed on 40 acres in the San Andres formation. The well is shut in at this time pending approval from the New Mexico Oil Conservation Division.

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

Sincerely,



Catherine Smith
Regulatory

DISTRICT I
1825 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 and Natural Resources Department

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|----------------------------|---|-------------------------|
| API Number 30-041-20944 | Pool Code 97898 | Pool Name San Andres |
| Property Code 38458 | Property Name STATE OF NEW MEXICO 35 | Well Number 1 |
| OGRID No. 208706 | Operator Name HUNTINGTON ENERGY, LLC | Elevation 4304' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|-----------|
| C | 35 | 06 S | 34 E | | 660 | NORTH | 1350 | WEST | ROOSEVELT |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|----------------------------|-----------------|--------------------|-----------|
| Dedicated Acres NENW-40 | Joint or Infill | Consolidation Code | 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>SURFACE LOCATION Lat - N 33°45'26.650" Long - W 103°26'22.619" NMSPC - E 812969.405 (NAD-83)</p> | <p>OPERATOR CERTIFICATION</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> 6/7/11 Signature Date</p> <p>Catherine Smith Printed Name</p> <p>csmith@huntingtonenergy.com Email Address</p> |
| | <p>SURVEYOR CERTIFICATION</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>Date Surveyed: JAN 11 2010</p> <p>Signature & Seal of Professional Surveyor: </p> |
| | <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 23999</p> |

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

State of New Mexico 35 #1
NE/4 NW/4 Sec 35, T6S-R34E
660' FNL & 1350' FWL
Roosevelt County, New Mexico

Non-Standard Location Application

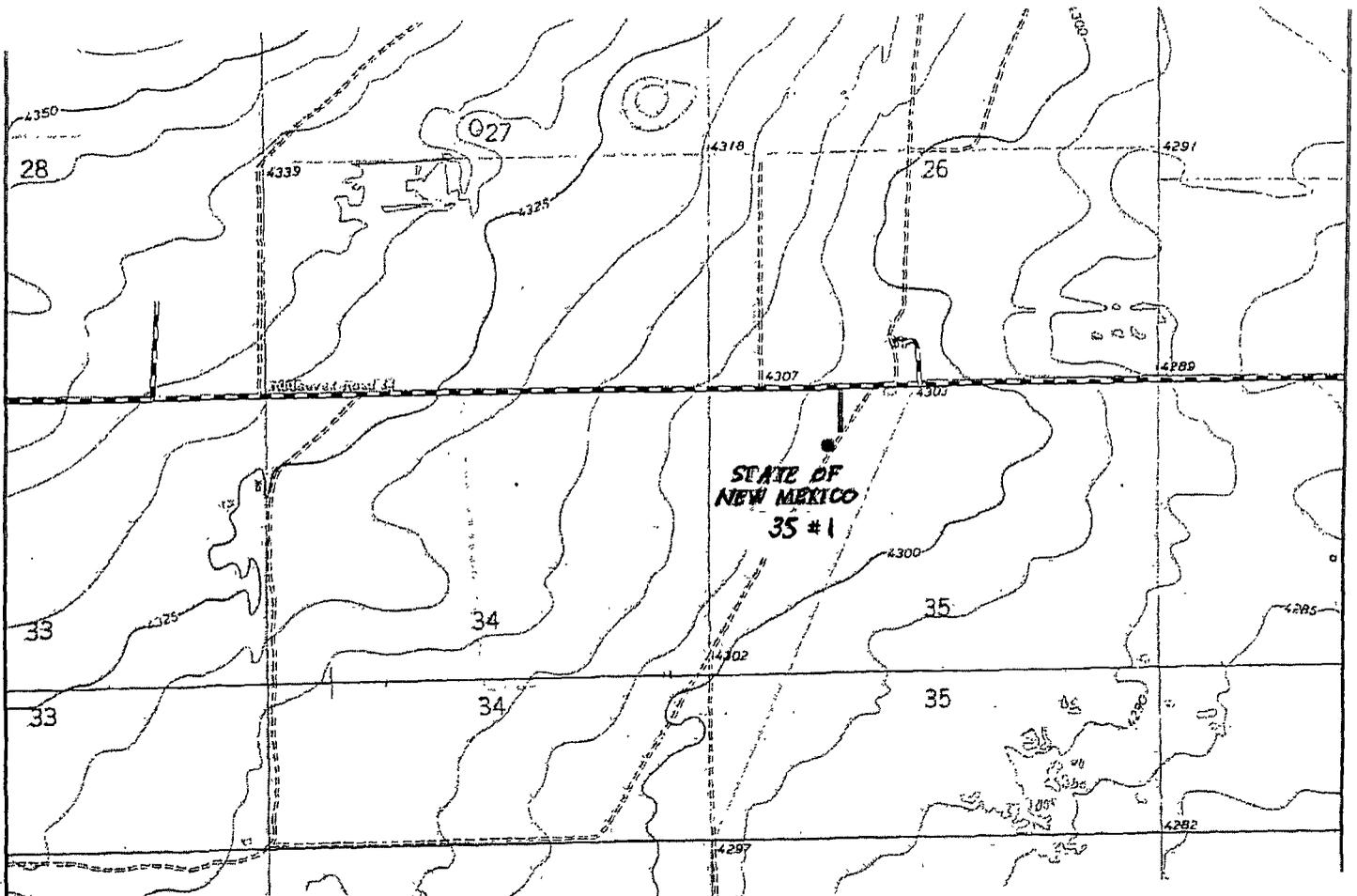
The above referenced well was permitted as a Wildcat well on a 320 acre unit. The well was completed as an oil well in the San Andres formation, which requires 40 acres. The footages of the well are 660' FNL & 1350' FWL. The well is 30' from the boundary, which classifies it as non-standard per NMOCD rules. Therefore, we are requesting approval for the State of New Mexico 35 #1 Non-Standard Location.

Operators Affected:

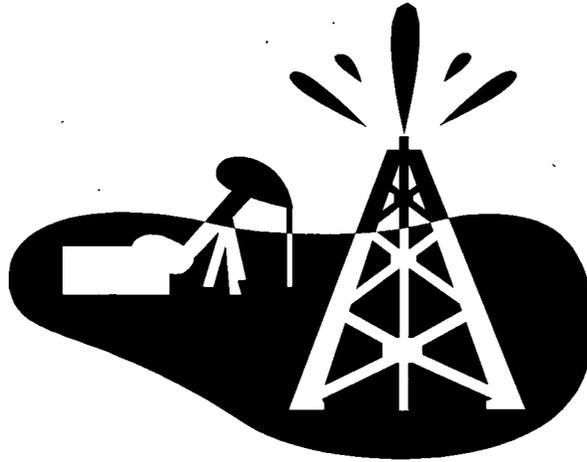
None.

HUNTINGTON ENERGY, L.L.C.

STATE OF NEW MEXICO 35 #1
NW/4, SEC 35-T6S-R34E
660' FNL & 1350' FWL
ROOSEVELT COUNTY, NM



Scale: 1" = 2000'



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3460
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Catherine Smith 405-840-2011

FROM: David Brooks

DATE: 6-28-2011

PAGES: 2

SUBJECT: State of NM 35 Well #1

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 28, 2011

Ms. Catherine Smith
Huntington Energy, L.L.C.
908 N.W. 71st Street
Oklahoma City, OK 73116

VIA FAX
FAX No. 405-840-2011

**Re: State of New Mexico 35 Well No. 1
API No. 30-041-20944
Roosevelt County, New Mexico
Non-Standard Location Application**

Dear Ms. Smith:

Your referenced application is in hand.

The information provided, however, is insufficient to determine if notices are required. Pursuant to our Rule 4.12.A(2)(a) [19.15.4.12.A(2)(a) NMAC], notice must be provided to the operator of the offsetting unit, or if there is no operator (as is the case here) to the lease owners, or, if the tract is unleased, to mineral owners.

No notice is required if the applicant (Huntington) owns 100% of the working interest in the offset unit, or if working interest ownership of the offset unit is identical to the unit where the well is to be located. However, your application does not indicate if either of these exceptions applies.

Please advise if Unit D of Section 35 is owned by Huntington, or if working interest ownership of Units-C and D is identical. If not, proof of notice per Rule 4.12.A(2)(a) will be required.

Sincerely

A handwritten signature in black ink that reads "David K. Brooks".

David K. Brooks
david.brooks@state.nm.us

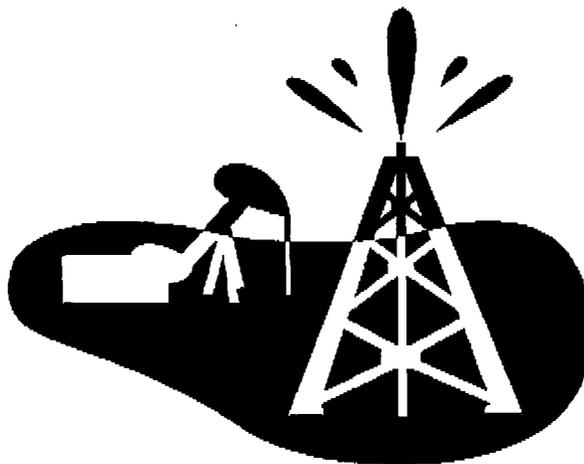
Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



TRANSMISSION VERIFICATION REPORT

TIME : 06/28/2011 08:34
NAME : OIL CONSERVATION DIS
FAX : 505-476-3462
TEL : 505-476-3440
SER.# : BROH8J847603

| | |
|--------------|--------------|
| DATE, TIME | 06/28 08:33 |
| FAX NO./NAME | 914058402011 |
| DURATION | 00:00:50 |
| PAGE(S) | 02 |
| RESULT | OK |
| MODE | STANDARD |



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3460
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Catherine Smith 405-840-2011

FROM: David Brooks

DATE: 6-28-2011

Brooks, David K., EMNRD

From: Cathy Smith [CSmith@huntingtonenergy.com]
Sent: Tuesday, June 28, 2011 3:23 PM
To: Brooks, David K., EMNRD
Subject: State of New Mexico 35 #1 Well - Roosevelt County, NM-API#: 30-041-20944

David,

I got your fax today (letter dated 6/28/11) regarding our non-standard location application for the above referenced well. We do own 100% of working interest in the offset unit. Sec 35 Units C & D are owned by Huntington Energy.

Please let me know if you will need any additional information.

Thank you!
Cathy Smith
Huntington Energy, L.L.C.
908 N.W. 71st St.
Oklahoma City, OK 73116
(405) 840-9876 ext. 129