



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 18, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Huntington Energy, L.L.C.
6301 Waterford Blvd. – Suite 400
Oklahoma City, Oklahoma 73118

Attention: David M. Herritt

Administrative Order NSL-5450

Dear Mr. Herritt:

Reference is made to the following: (i) your initial application dated June 9, 2006 (*administrative application reference No. pMES0-626151703*); (ii) the supplemental information that you provided to the New Mexico Oil Conservation Division's ("Division") office in Santa Fe, New Mexico on June 21, 2006; (iii) your telephone conversations with Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, in June; and (iv) the Division's records in Aztec and Santa Fe: all concerning Huntington Energy, L.L.C.'s ("Huntington") request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for Huntington's Canyon Largo Unit Well No. 487 (*API No. 30-039-29717*), drilled earlier in March, 2006 at an unorthodox gas well location 1445 feet from the North line and 2105 feet from the West line (Unit F) of Section 15, Township 25 North, Range 6 West, NMPM, Basin-Dakota Pool (*71629*), Rio Arriba County, New Mexico.

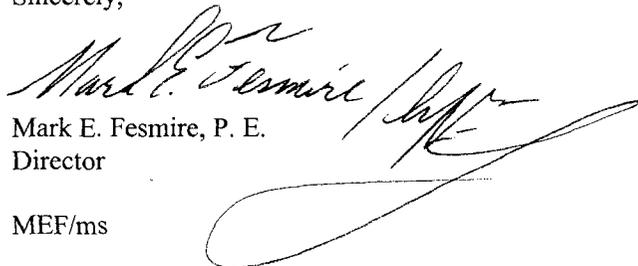
The W/2 of Section 15, being a standard 320-acre stand-up gas spacing and proration unit in the Basin-Dakota Pool, is to be dedicated to this well.

Your application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Basin-Dakota Pool.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Dakota Pool and Division Rule 104.F (2), the above-described unorthodox Dakota gas well location for the Canyon Largo Unit Well No. 487, is hereby approved:

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,



Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington