



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 29, 2009

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

Administrative Order NSL-6128

**Re: Canyon Largo Unit Well No. 504
API No. 30-039-
520 feet FNL and 1680 feet FWL
Unit C, Section 24-25N-6W
Rio Arriba County, New Mexico**

Dear Ms. Smith:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-35031405**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 14, 2009, and

(b) the Division's records pertinent to this request.

Huntington Energy, L.L.C. (Huntington) has requested to drill the above-referenced well at an unorthodox gas well location described above in the caption of this letter. The W/2 of Section 24 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin-Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), issued on January 29, 2002, which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for topographic reasons.



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It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches, and the only such affected person, the operator of the unit to the north, has filed a waiver of objection.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington