

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|--|--|--|
| 1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMSF 078883 |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator HUNTINGTON ENERGY, L.L.C. <i>208706</i> | | 7. If Unit or CA Agreement, Name and No. CANYON LARGO UNIT <i>32660</i> |
| Contact: CATHY SMITH E-Mail: csmith@huntingtonenergy.com | | 8. Lease Name and Well No. CANYON LARGO UNIT 460 |
| 3a. Address 6301 WATERFORD BLVD., SUITE 400 OKLAHOMA CITY, OK 73118 | 3b. Phone No. (include area code) Ph: 405.840.9876 Ext: 0 Fx: 405.840.2011 | 9. API Well No. <i>30-039-22747</i> |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <i>SE</i> <i>N</i> WNW Lot E Tract 25 1325FNL 1315FWL At proposed prod. zone NWNW Lot E Tract 25 1325FNL 1315FWL | | 10. Field and Pool, or Exploratory BASIN DAKOTA |
| 14. Distance in miles and direction from nearest town or post office* 34 MILES SE OF BLANCO, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T25N R6W Mer NMP <i>E</i> |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of Acres in Lease 320.00 | 12. County or Parish RIO ARRIBA |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 7600 MD | 13. State NM |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 6844 GL | 22. Approximate date work will start 09/01/2004 | 17. Spacing Unit dedicated to this well <i>W/2 323.1</i> |
| 23. Estimated duration | | 20. BLM/BIA Bond No. on file NMB000076 |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

| | | |
|---|-------------------------------------|------------------------|
| 25. Signature (Electronic Submission) | Name (Printed/Typed) CATHY SMITH | Date 05/17/2004 |
| Title GENERAL CONTACT | | |
| Approved by (Signature) <i>[Signature]</i> | Name (Printed/Typed) | Date <i>8-19-04</i> |
| Title <i>AFM</i> | Office <i>FFO</i> | |

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #30752 verified by the BLM Well Information System
For HUNTINGTON ENERGY, L.L.C., sent to the Farmington

and
pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOCGD

1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico

Energy, Minerals & Natural Resources Department

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-
Revised June 10, 1988
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 CopiesDISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|---|---------------------|----------------------------|
| *API Number 30-039-27747 | | *Pool Code 71599 | *Pool Name Basin Dakota |
| *Property Code | *Property Name CANYON LARGO UNIT | | *Well Number 460 |
| *Well No. 14538 | *Operator Name BURLINGTON RESOURCES OIL AND GAS COMPANY LP | | *Elevation 6844' |

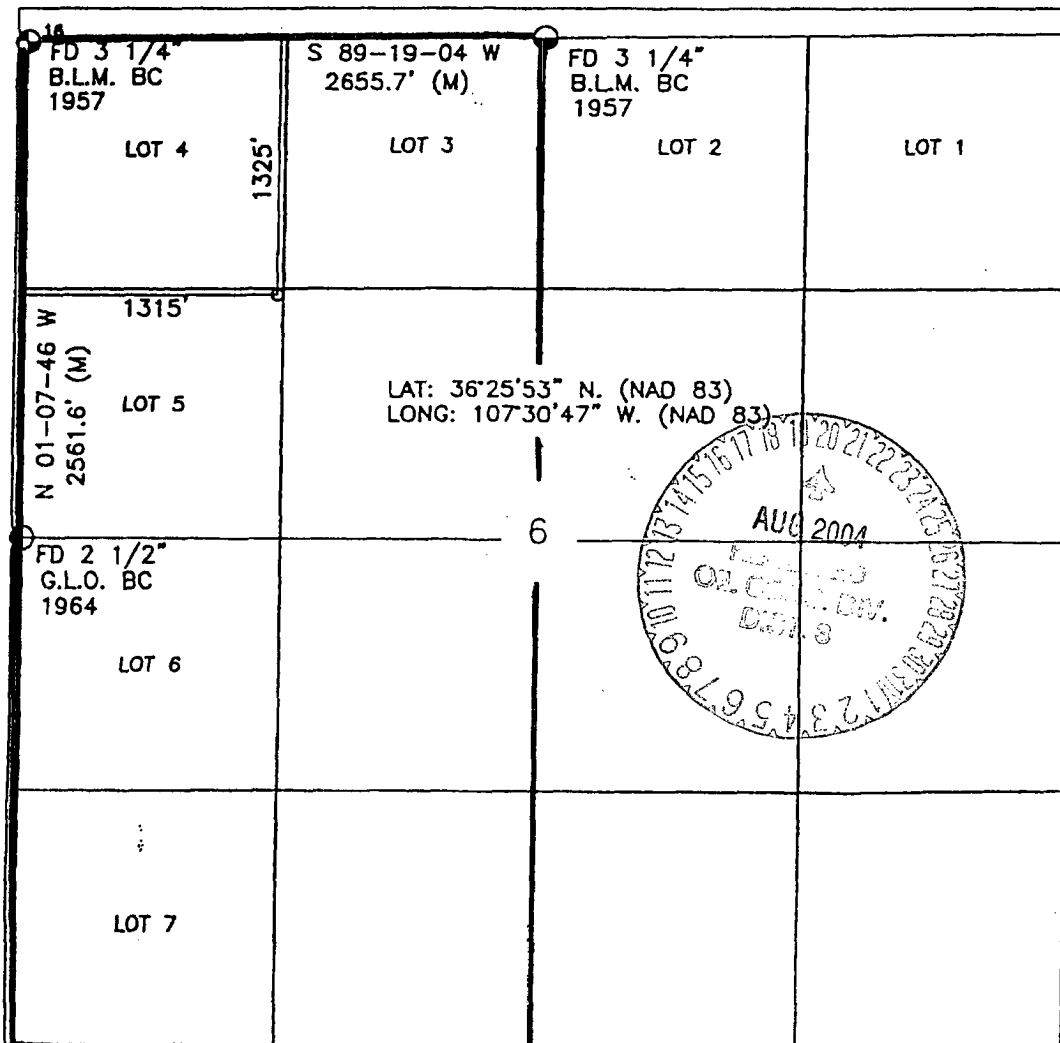
10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| E | 6 | 25-N | 6-W | | 1325 | NORTH | 1315 | WEST | RIO ARriba |

11 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 323.1 | | | *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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Catherine Smith

Signature

Catherine Smith

Printed Name

Land Associate

Title

4-6-04

Date

18 SURVEYOR CERTIFICATION

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.

3-23-04

Date of Survey

Signature and Seal of Professional Surveyor:

DAVID A. JOHNSON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14827

Certificate Number

OPERATIONS PLAN

Well Name: **Canyon Largo Unit #460**
Location: 1325' FNL, 1315' FWL, NW/4 Sec 6, T-25-N, R-6-W NMPM
 Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6844' GL

| <u>Formation Tops:</u> | <u>Top</u> | <u>Bottom</u> | <u>Contents</u> |
|------------------------|------------|---------------|-----------------|
| Surface | San Jose | 2205' | |
| Ojo Alamo | 2205' | 2389' | aquifer |
| Kirkland | 2389' | 2599' | gas |
| Fruitland | 2599' | 2872' | gas |
| Pictured Cliffs | 2872' | 2954' | gas |
| Lewis | 2954' | 3274' | gas |
| Huerfano Bentonite | 3274' | 3736' | gas |
| Chacra | 3736' | 4479' | gas |
| Massive Cliff House | 4479' | 4531' | gas |
| Menefee | 4531' | 5140' | gas |
| Menefee Point Lookout | 5140' | 5379' | gas |
| Mancos | 5379' | 6297' | gas |
| Gallup | 6297' | 7073' | gas |
| Greenhorn | 7073' | 7136' | gas |
| Graneros | 7136' | 7180' | gas |
| Dakota | 7180' | 7487' | gas |
| Morrison | 7487' | | gas |
| TD | 7600' | | |

Logging Program:

Open hole – Neutron-Density, Microlog – TD to minimum operations depth, DIL-GR – TD to surface
 Cased hole – CBL-CCL-GR – TD to surface
 Cores – none
 Mud log – TD to 6000'

Mud Program:

| <u>Interval</u> | <u>Type</u> | <u>Weight</u> | <u>Vis.</u> | <u>Fluid Loss</u> |
|-----------------|-------------|---------------|-------------|-------------------|
| 0 – 320' | Spud | 8.4-8.9 | 40-50 | no control |
| 320 - 7600' | LSND | 8.4-9.0 | 40-60 | 8-12 |

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program:

| <u>Hole Size</u> | <u>Depth Interval</u> | <u>Csg. Size</u> | <u>Wt.</u> | <u>Grade</u> |
|------------------|-----------------------|------------------|------------|--------------|
| 12 1/4" | 0' – 320' | 8 5/8" | 24.0# | WC-50 |
| 7 7/8" | 0' – 7600' | 4 1/2" | 11.6# | N-80 |

Tubing Program:

0' – 7600' 2 3/8" 4.7# J-55

BOP Specifications, Wellhead and Tests:

Surface to TD –

11" 3000 psi minimum double gate BOP stack (Reference Figure #1). After nipple-up prior to drilling out surface casing, rams and casing will be tested to 600 psi for 30 minutes.

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations:

6" 3000 psi double gate BOP stack (Reference Figure #2). After nipple-up prior to completion, pipe rams and casing top will be tested to 3000 psi for 15 minutes.

Surface to Total Depth:

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Wellhead:

8 5/8" x 4 1/2" x 1 1/2" x 1 1/2" x 3000 psi tree assembly.

General:

- Pipe rams will be actuated once each day and blind rams will be actuated once each trip to test proper functioning.
- An upper Kelly cock valve with handle available and drill string valves to fit each drill string will be available on the rig floors at all times.
- A BOP pit level drill will be conducted weekly for each drilling crew.
- All of the BOP tests and drills will be recorded in the daily drilling reports.
- Blind and pipe rams will be equipped with extension hand wheels.

Cementing:

8 5/8" surface casing –

Cement to surface w/336 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 cu. ft. of slurry, 200% excess to circulate to surface.) WOC 8 hr. prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

Saw tooth guide shoe on bottom. Bowspring centralizers will be run in accordance with Onshore Order #2.

Production Casing – 4 1/2"

Lead with 800 sx 9.5 ppg Litecrete Blend w/0.11% dispersant, 0.5% fluid loss. Tail w/407 sx Class "G" cement w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps fluid loss, 0.15% dispersant, 0.1% retardant, 0.1% antifoam (Slurry volume: 2603 cu. ft. Excess slurry 50%).

Alternate Two-stage cement job as follows:

First Stage: Cement to circulate to stage tool @ 5066'. Lead with 700 sx Class "G" 50/50 poz (13#, 1.47 yd) w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps Fluid loss, 0.15% dispersant, 0.1% retarder. WOC 4 hours prior to pumping second stage. (Slurry volume: 1029 cu. ft. Excess slurry: 50%). DV Tool at 5000 ft.

Second Stage: Cement to circulate to surface. Cement with 670 sx Class "G" (12#, 2.9yd) TXI Liteweight cement w/2.5% sodium metasilicate, 2% calcium chloride, 10 pps Gilsonite, 0.5 pps Celloflake, 0.2% antifoam. WOC a minimum of 18 hours prior to cleanout. (Slurry volume: 1914 cu. ft. Excess slurry: 50%). Tail w/50 sx Class "B" w/1/4# Flocele (15.6#, 1.18yd), (Slurry 59 cu ft, Excess 50%).

Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-five centralizers – one every 4th joint to the base of the Ojo Alamo @ 2448'. Two turbolizing type centralizers – one below and one into the base of the Ojo Alamo @ 2448'. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Note: If open hole logs are run, cement volumes will be based on 25% excess over caliper volumes.

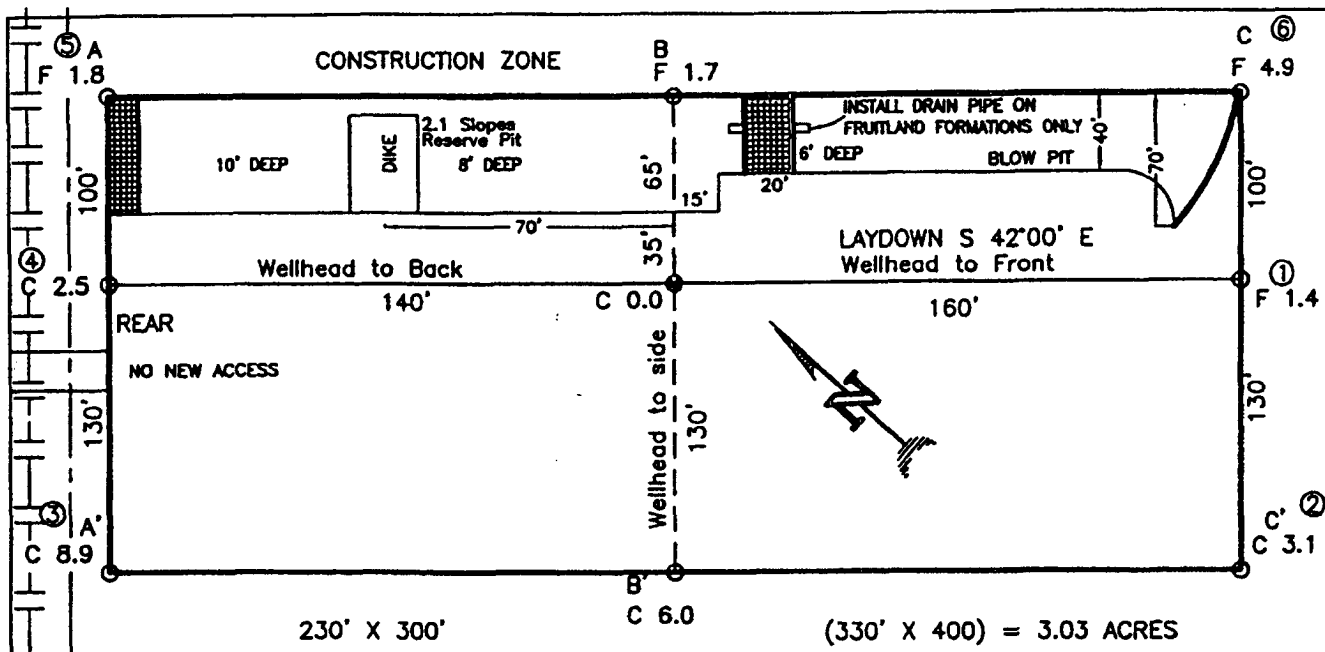
Additional Information:

The Dakota formations will be completed.

- No abnormal temperatures or hazards are anticipated.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered below the top of the Pictured Cliffs.
- The east half of the Section 13 is dedicated to this well.
- This gas is dedicated.
- Anticipated pore pressure

| | |
|-----------------|----------|
| Fruitland Coal | 300 psi |
| Pictured Cliffs | 500 psi |
| Mesa Verde | 700 psi |
| Dakota | 3000 psi |

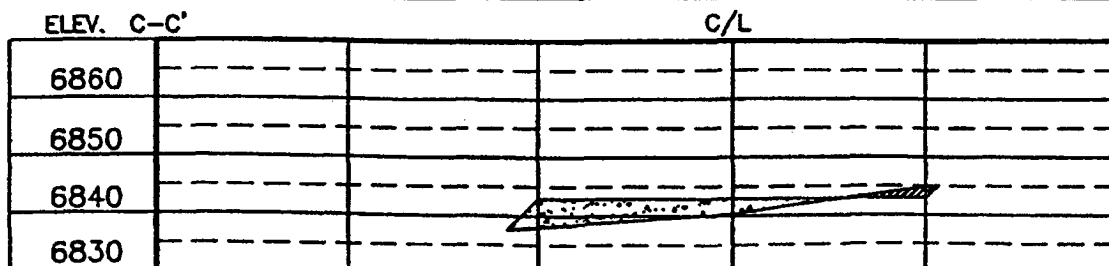
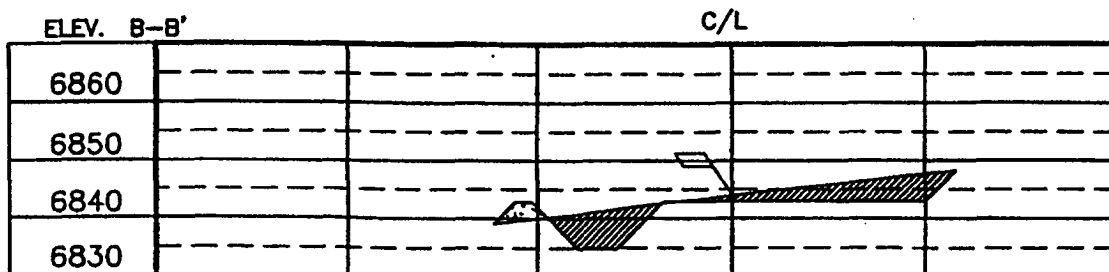
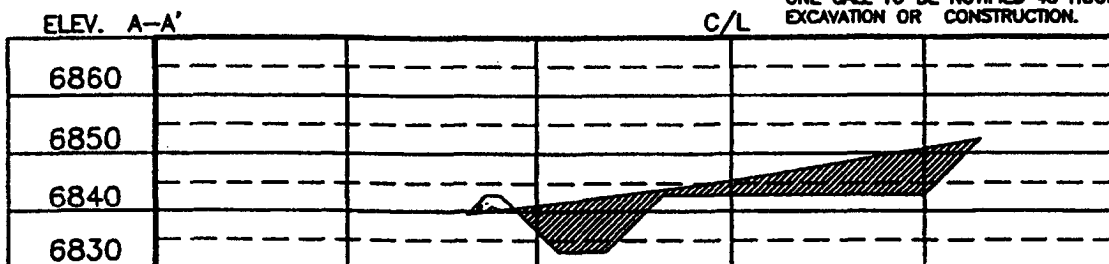
HUNTINGTON ENERGY, LLC / BURLINGTON RESOURCES OIL & GAS CO LP
 CANYON LARGO UNIT 460, 1325 FNL 1315 FWL
 SECTION 6, T-25-N, R-6-W, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO
 GROUND ELEVATION: 6844, DATE: MARCH 3, 2004



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE:

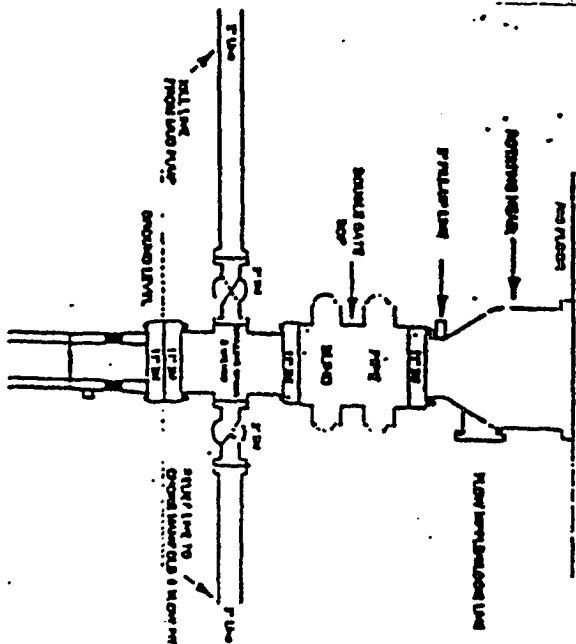
DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR
 CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

| | | |
|--|--|----------------|
| | Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15008 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 328-8019 NEW MEXICO L.S. No. 14827 BOARD: HG10132FB DATE: 03/16/04 | |
| | DRAWN BY: B.L. CHECKED BY: HG1013 | DATE: 03/16/04 |

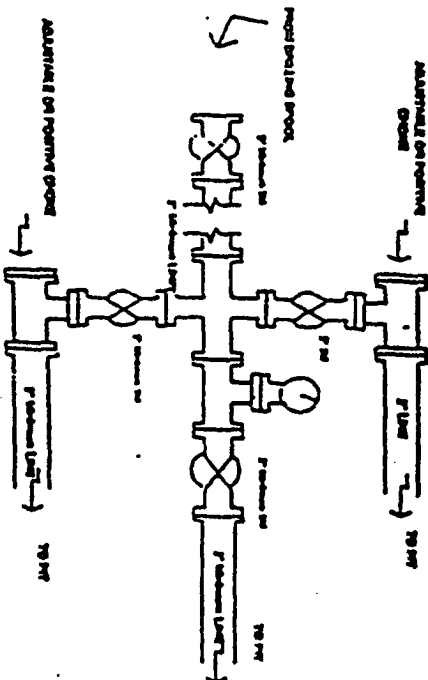
Drilling Rig
3000 psi System



BOP Installation from Surface Casing Packed to Total Depth. (1" Bore) 10" Headed, 3000 psi working pressure double gate BOP is to be equipped with land rams and pipe rams. A 1000 psi working head on top of ram preventer. At BOP equipment is 3000 psi working pressure.

Figure #1

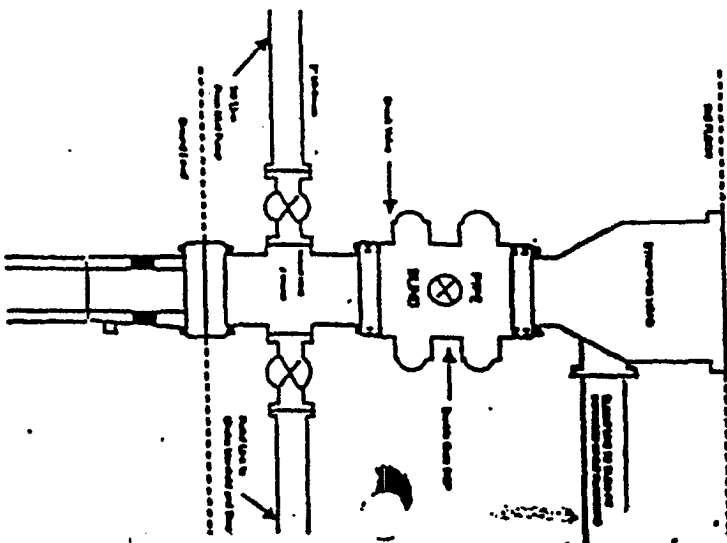
Drilling Rig
Choke Manifold Configuration
3000 psi System



Choke manifold Installation from Surface Casing Packed to Total Depth. 3,000psi working pressure equipment with two chokes.

Figure #2

Completion/Workover Rig
BOP Configuration
3,000 psi System



Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" Bore, 3000 psi minimum working pressure double gate BOP to be equipped with land and pipe rams. A stopping head to be installed on the top of the BOP. At BOP equipment is 3000 psi working pressure or greater including 800 psi of stopping pressure.

Figure #3