

RECEIVED

Form 3160-3
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Huntington Field Office
Huntington, West Virginia
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
NMSF078876

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
Canyon Largo Unit

8. Lease Name and Well No.
Canyon Largo Unit #513

9. API Well No.
30-039-31151

10. Field and Pool, or Exploratory
Basin Dakota

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 33, T25N-R7W

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator Huntington Energy, L.L.C.

3a. Address 908 N.W. 71st St.
Oklahoma City, OK 73116

3b. Phone No. (include area code)
405-840-9876

WFL

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface 505' FSL & 158' FEL
At proposed prod. zone

P

14. Distance in miles and direction from nearest town or post office*
+/- 35 miles SE from Blanco

12. County or Parish
Rio Arriba

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
158'

16. No. of acres in lease
2561.64

17. Spacing Unit dedicated to this well
320 EZ
RCVD JAN 22 '13

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
N/A

19. Proposed Depth
7350'

20. BLM/BLA Bond No. on file
NMB000076
BL CONS. DIV. DIST. 3

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6986' GL

22. Approximate date work will start*
12/15/2012

23. Estimated duration
approx. 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must 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 must 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 BLM.

25. Signature *Catherine Smith* Name (Printed/Typed) Catherine Smith Date 10/18/2012

Title
Regulatory

Approved by (Signature) *[Signature]* Name (Printed/Typed) Date 1/17/13

Title AFM Office FFO

Application approval does not warrant or certify that 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.

(Continued on page 2) *Huntington will submit C102 and NSL for Manos/Gallagher completion prior to work* (Instructions on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

NMOCD

NOTIFY AZTEC OCD 24 HRS.

PRIOR TO CASING & CEMENT

JAN 28 2013 ca

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.2 and appeal pursuant to 43 CFR 3165.4

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

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505 Farmington Field Office
Bureau of Land Management

Form C-102
Revised August 1, 2011
Submit one copy to
appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-31151		² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 32660	⁵ Property Name CANYON LARGO UNIT		⁶ Well Number 513
⁷ OGRID No. 208706	⁸ Operator Name HUNTINGTON ENERGY, LLC		⁹ Elevation 6986'

¹⁰ Surface Location

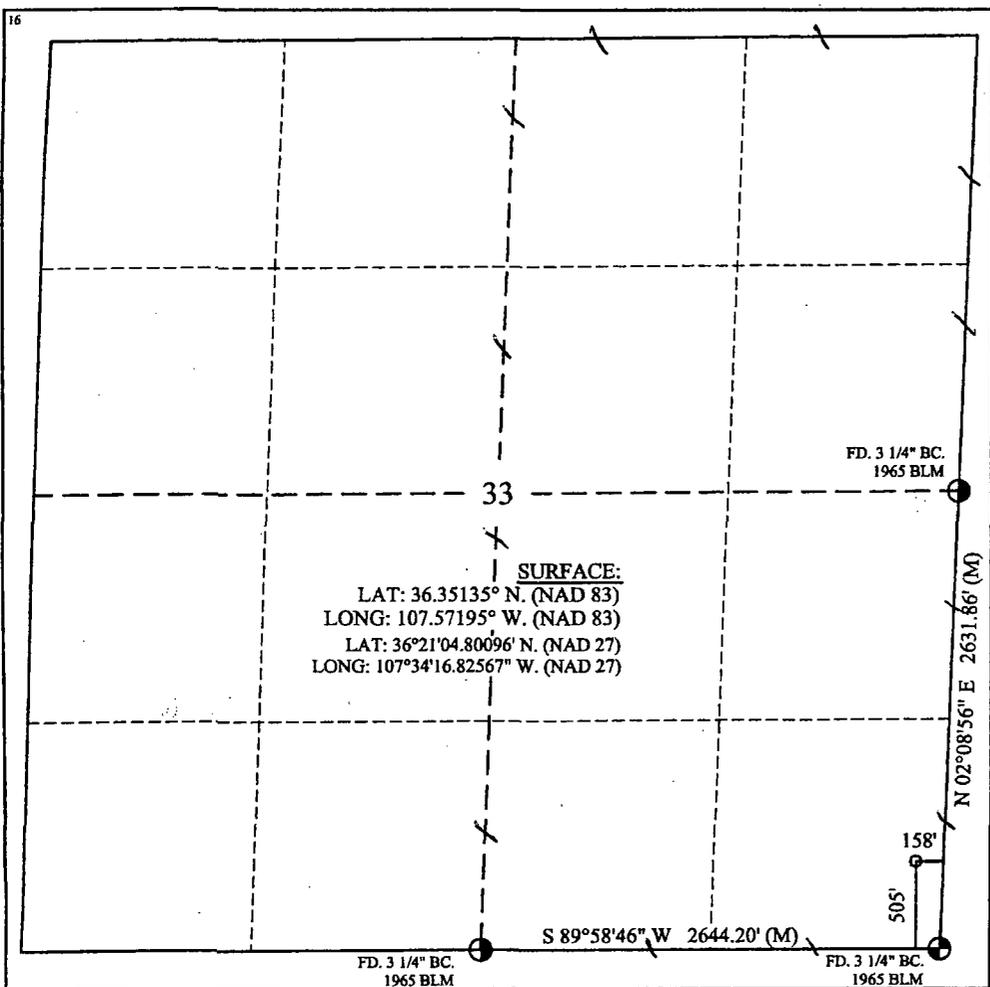
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	33	25-N	7-W		505	SOUTH	158	EAST	RIO ARRIBA

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
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¹² Dedicated Acres E/320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. NSL 6706
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No allowable will be assigned to this completion until all interest 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, 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.

Catherine Smith 10/18/12
Signature Date

Catherine Smith
Printed Name

csmith@huntingtonenergy.com
E-mail Address

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.

JUL 23 2012
Date of Survey

ROY A. RUSSELL
Signature and Seal of Registered Professional Land Surveyor

8894
8478-12
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number

OPERATIONS PLAN

Well Name: Canyon Largo Unit #513
Location: 505' FSL, 158' FEL, SESE, Lot P, Sec 33, T25N, R7W
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6986' GL

<u>Formation Tops:</u>	<u>Measured Depth (Tops)</u>
San Jose	Surface
Ojo Alamo	1906'
Kirtland	2090'
Fruitland	2419'
Picture Cliffs	2543'
Lewis Shale	2639'
Heurfanito Bentonite	2927'
Chacra	3415'
Cliff House	4117'
Menefee	4143'
Point Lookout	4879'
Mancos	5024'
Gallup	5961'
Greenhorn	6773'
Dakota	6862'
Burro Canyon	7108'
Morrison	7258'
TD	7350'

Logging Program:

Mud log – 2000' to TD
Open hole logs– GR/Neutron, CBL/GR – TD to surface
Cores & DST's – none

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 – 7350'	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 ¼"	0' – 320'	8 5/8"	24.0#	J-55
7 7/8"	0' – 7350'	4 ½"	11.6#	N-80

Tubing Program:

0' – 7350'	2 3/8"	4.7#	J-55
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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. Drilling Spool may or may not be employed.

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

Completion Operations:

6" 3000 psi double gate BOP stack (Reference Figure #1). 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 #2).

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/265 sx Class "G" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (312 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 700 sx 65/35 Standard Poz w/6% gel, 1/4# Flocele, 10# Gilsonite, 3/10% Halad 9, 1/10% HR5 (1.96 yld). Tail w/900 sx 50/50 Standard Poz w/35 Gel, 9/10% Halad9, 2/10% CFR 3, 5# Gilsonite, 1/4# Flocele (1.47 yld).

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 700 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#, 1.18 yd), (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. If Dakota is non-commercial, Devils Fork Gallup 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 33 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



CEMENT TEST REPORT
 Halliburton Energy Services
 Farmington District Laboratory
 4109 E. Main
 Farmington, NM 87499

To: Randy Snyder
 Halliburton Energy Services

Company:
 Mud Drilled
 Total Depth: 400
 BHST: 90 +/- deg F
 BHCT: 80 +/- deg F

Report: FLMM4071
 Date: 6-Feb-04

All tests performed according to modified API RP Spec 10, 1997

Slurry: Surface

Thickening Time:
 2:50 to 70 BC

Free Water:
 0.00%

Settling:
 0.00%

Fluid Loss:
 1.158

Design

100% Standard Cement
 2.00% CaCl₂
 .25 #/sk Flocele

Surface Cement

Density: 15.6 lb/gal
 Yield: 1.18 cuft/sk
 Water: 5.24 gal/sk

265 sk
 312 cuft

Compressive Strength

UCA @80 deg F (BHCT)- 3000 psi

Rheology

deg F	80	
600	67	
300	42	
200	34	
100	25	
60	21	
30	18	
5	12	
3	10	
PV	26	
YP	17	

psi	time
50	1:55:00
500	4:30:00
1285	10:03:00
1628	12:00:00
2580	24:00:00

Bill Loughridge

Senior Scientist

Note: This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.

THE ROAD TO EXCELLENCE STARTS WITH SAFETY

COMPANY	Huntington Eng. LLC	DATE	6/24/2005
COMPANY REP.	Ron Lackey	CO. REP. TELE. #	793-7063
CONTRACTOR	Patterson # 741	TOWN/STATE	NM
LEASE	Canyon Largo Unit	WELL NO.	#454
API NO.		COUNTY	Rio Arriba
R/T MILEAGE	150		

From Bloomfield south on hwy 550 approx 50 miles turn left next to the gas station in Counslors. Follow rig to loc

GENERAL INFORMATION	SIZE	WEIGHT	THREAD	GRADE
CASING:	4 1/2	11.5	8rd	
TUBING:				
HOLE:	7 7/8	WELL FLUID:	Mud	DISP FLUID:

EQUIPMENT				
COND	SURF	INTER	LONG SCXXX	SQUEEZE
LINER	PTA	PLG BCK	OTHER	
TOP PLUG	5 W	BOTTOM PLUG	BHCT	BHST
PLUG CONTAINER	YES	SWADGE	YES	TD
EQUIPMENT TYPE			7350'	OTHER

LEAD INFORMATION				
Lead	SACKS	700	TYPE 65/35/Std/Poz [Halliburton Lite]	
	ADDITIVES	6% Gel - 1/4# Flocele - 10# Gilsonite - 3/10% Halad 9 - 1/10% HR 5		
	MIXED AT	12.4	LBS/GAL	YIELD 1.96
				WATER 9.46
				GAL/SK

TAIL				
	SACKS	900	TYPE 50/50/Std/Poz	
	ADDITIVES	3% Gel - 9/10% Halad 9 - 2/10% CFR 3 - 5# Gilsonite - 1/4# Flocele		
	MIXED AT	13	LBS/GAL	YIELD 1.47
				WATER 6.37
				GAL/SK

THIRD STAGE				
	SACKS		TYPE	
	ADDITIVES			
	MIXED AT		LBS/GAL	YIELD
				WATER
				GAL/SK

PREFLUSH TYPE: 30 Chem Wash 20 H2o SPACER TYPE:

BEST EQUIPMENT

CASING SIZE 4-1/2 THREAD: 8rd	GUIDE SHOE _____ TYPE _____ FLOAT SHOE _____ 1 _____ TYPE Trophy Seal- Auto FLOAT COLLAR _____ 1 _____ TYPE Trophy Seal- Auto STAGE TOOL _____ TYPE _____ PINS CENTRALIZERS _____ 23 _____ TYPE 4 1/2X7 7/8 WALL CLEANERS _____ TYPE _____ INSERT FLOAT _____ LIMIT CLAMP: 1 WELD-A 1
--	---

REMARKS

IS CREDIT OK? _____	CREDIT CHECKED BY _____
% DISCOUNT _____	SALES ORDER # _____
ORDERED BY Ron Lackey	DATE/TIME OF CALL 6/24/2005
CALL TAKEN BY Gary Browne - Halliburton	TIME READY 6/29/2005
REVIEWED BY _____	CREW FROM _____ MATERIALS FROM _____
TRACTOR _____ TRAILER _____	PICKUP _____ CREW CALLED @ _____
CREW _____	

107°35'00" W

107°34'00" W

WGS84 107°33'00" W

HUNTINGTON ENERGY, LLC.

CANYON LARGO UNIT No. 513

SE/4 SE/4, SEC. 33, T-25-N, R-7-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

505' FSL 158' FEL

241 FT. NEW ACCESS

241 FT. NEW ACCESS

CANYON LARGO UNIT No. 513

LAT: 36.35135 N (NAD 83)

LONG: 107.57195 W (NAD 83)

LAT: 36-21-04.80096 N (NAD 27)

LONG: 107-34-16.83567 W (NAD 27)

THIS MAP IS FOR ESTIMATING PURPOSES ONLY.

CONSTRUCTION FOOTAGES ARE APPROXIMATE.

Map created with TOPDRIVE © 2004 National Geographic, © 2003 GDT, Inc. Rel. 9/2003

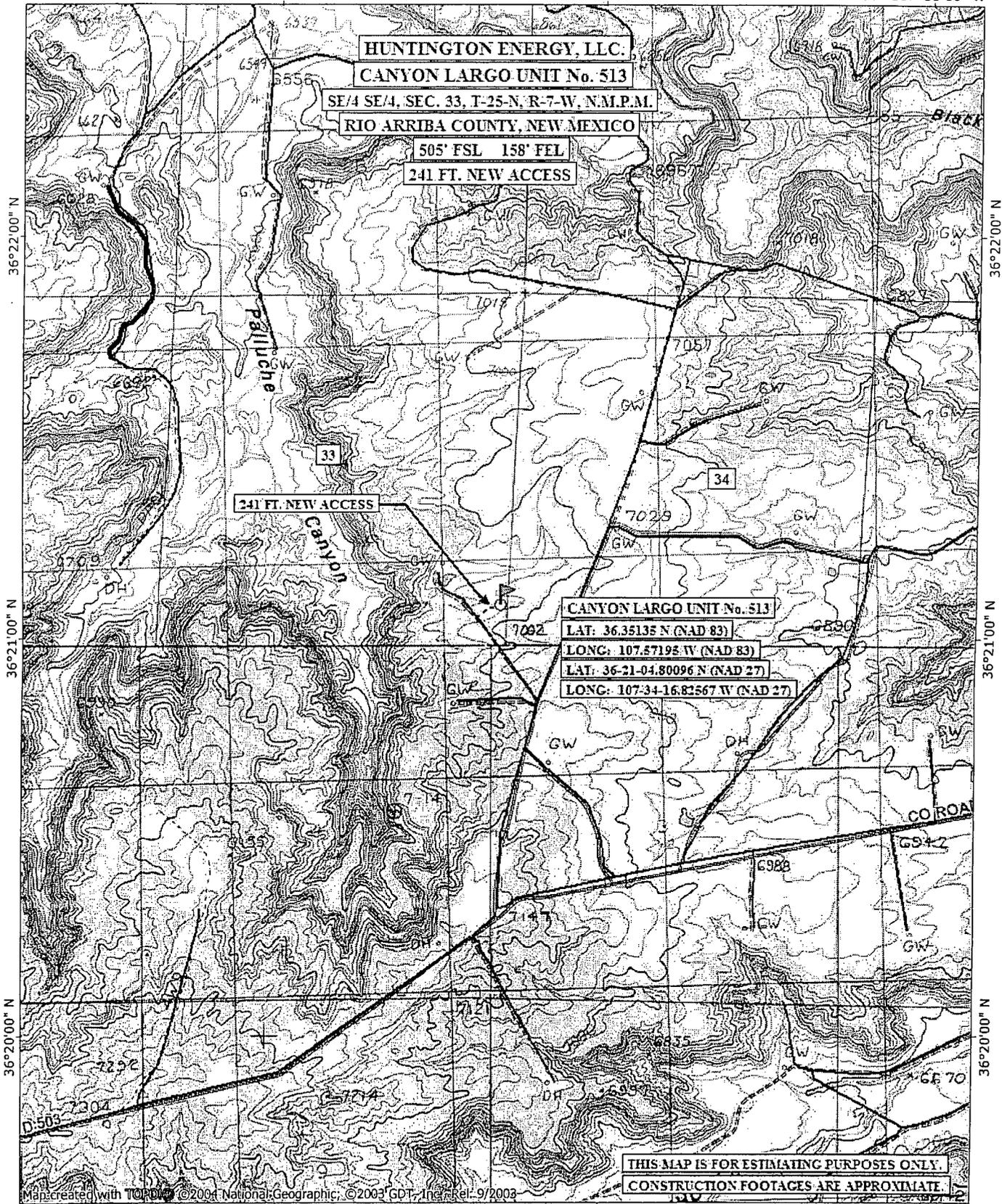
107°35'00" W

107°34'00" W

WGS84 107°33'00" W



TN MN
10 1/2°
10/09/12



HUNTINGTON ENERGY, L.L.C.
CANYON LARGO UNIT
RIO ARRIBA CO., NM

BOP STACK - 3000 PSI

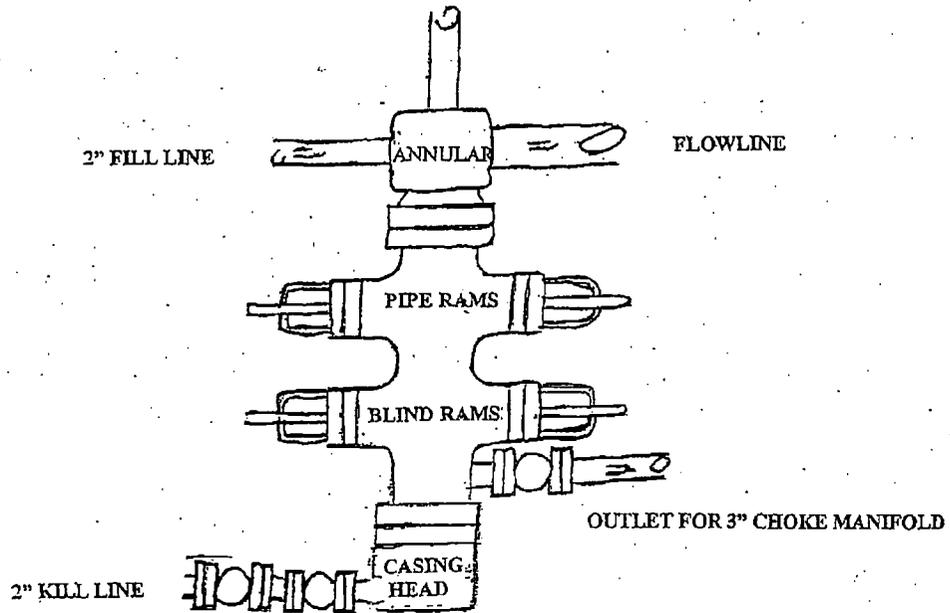


FIGURE 1

CHOKE MANIFOLD - 3000 PSI

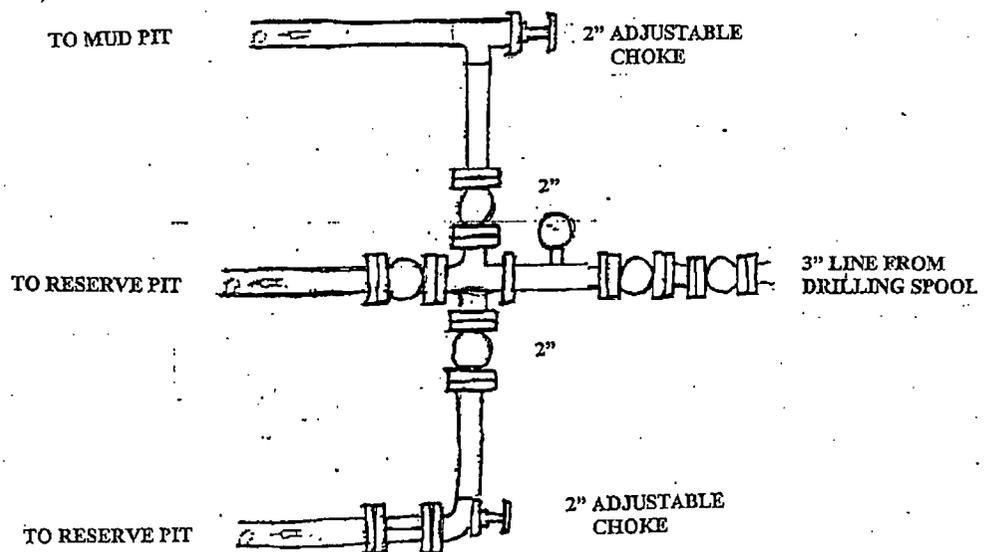


FIGURE 2