

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other: _____

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E	Feet	NS	Ft	EW
30-039-31151-00-00	CLU 2507 33 513	001H	HUNTINGTON ENERGY, LLC	G	N	Rio Arriba	F	P	33	25	N	7	W	505	S	158	E

Conditions of Approval:

- *Notify NMOCD 24hrs prior to beginning operations.
- *Hold C104 For Directional Survey and "As Drilled" plat
- *If cemented, the production casing must be cemented a minimum of 100 feet into the intermediate (next shallower) string

NMOCD Approved by Signature

AUG 28 2013

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMSF078876

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
CLU 2507-33-513 1H

9. API Well No.
30-039-31151-00-X1

10. Field and Pool, or Exploratory
DUFER'S POINT

11. County or Parish, and State
RIO ARRIBA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
HUNTINGTON ENERGY LLC
Contact: CATHERINE SMITH
E-Mail: csmith@huntingtonenergy.com

3a. Address
908 NW 71ST ST
OKLAHOMA CITY, OK 73116

3b. Phone No. (include area code)
Ph: 405-840-9876 Ext: 129
Fx: 405-840-2011

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 33 T25N R7W SESE 505FSL 158FEL
36.351350 N Lat, 107.571950 W Lon

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Huntington Energy, L.L.C. respectfully requests to change the number of centralizers on the 5 1/2" Production Casing on the Operations Plan that was approved August 7, 2013. The number of centralizers to be installed will be 60, not 113 as stated on the approved plan for the horizontal drilling. The attached Operations Plan with the changes is attached.

Also, the well will be completed in the Dufer's Point Pool, Pool Code #19859. The original Canyon Largo Unit #513 permit, which was approved January 1, 2013, was for Basin Dakota. As per NMOCD Conditions of Approval on approved Sundry dated August 15, 2013, Huntington Energy, L.L.C. requests to cancel the Basin Dakota Pool #71599.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

RCVD AUG 21 '13
OIL CONS. DIV.
DIST. 3

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

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #217277 verified by the BLM Well Information System For HUNTINGTON ENERGY LLC, sent to the Farmington Committed to AFMSS for processing by WILLIAM TAMBEKOU on 08/19/2013 (13WMT0014SE)

Name (Printed/Typed) CATHERINE SMITH	Title REGULATORY
Signature (Electronic Submission)	Date 08/16/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WILLIAM TAMBEKOU	Title PETROLEUM ENGINEER	Date 08/19/2013
Conditions of approval, if any, are attached. Approval of this notice 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.		Office Farmington

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

OPERATIONS PLAN (REVISED 8/16/13)

Well Name: **CLU 2507 33 513 #1H**
Location: SHL: 505' FSL, 158' FEL, SESE, Lot P, Sec 33, T25N-R7W
BHL: 2062' FSL & 330' FWL, NWSW, Sec 33, T25N-R7W
Rio Arriba County, NM
Elevation: 6986' GL

Geological Markers:

<u>Formation Tops:</u>	<u>Measured Depth (Tops)</u>
San Jose	Surface
Ojo Alamo	1906' Possible Water
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' Oil/Gas
Gallup	5961' Oil/Gas
TD	10869' MD, 6075' TVD

Casing and Cementing Program:

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
17 1/2"	0 - 350'	13 3/8"	61.0#	J-55
12 1/4"	0 - 5238'	9 5/8"	40.0#	N-80
*8 3/4"	0 - 10869'	5 1/2"	17.0#	N-80

*Hole size may be reduced to 7 7/8" after the curve has been achieved.

Cementing:

Surface casing - 13 3/8"

10 bbl Fresh Water Spacer, Cement to surface w/450 sx Premium cement w/2% calcium chloride and .125#/sx Poly E-Flake (92.69 bbls, 15.8 ppg, yld: 1.17 cu ft/sk).

WOC 8 hr. prior to drilling out surface casing. Test casing to 600 psi for 30 minutes.

10 Centralizers to be installed.

Intermediate Casing - 9 5/8"

Lead with 1095 sx Hall. Light Premium w/5#/sk Kol-Seal, .125 lb/sk Poly E-Flake (368.99 bbls, 12.4 ppg, 1.90 cu ft/sk). Tail w/220 sx Premium Cement, .2% Halad (R) (44.76 bbls, 15.8 ppg, 1.15 cu ft/sk). Cmt to Surface.

82 Centralizers to be installed. Test casing to 1500 psi for 30 minutes.

Pilot Hole Plug Back -

Spot 500' cement plug in 8 3/4" hole to facilitate kick-off point at ±5400'. Kick off plug from ±5200'-5700'. Kick off Plug info:

Tuned Spacer III, 2 lbm/bbl Fe-2, 144.2 lbm/bbl Baroid 41 (11.50 ppg, 25.42 bbls)

Plug Cement: 255 sx cement: 94 lbm/sk Premium Cement, 3% KCL, 0.2% HR-5 (17 ppg, 1.00 cu ft/sk, 45.33 bbls); Tuned Spacer III, 2 lbm/bbl Fe-2, 144.2 lbm (11.50 ppg, 4.58 bbls)

****Production Casing – 5 ½”**

Tuned Spacer: 1 gal/bbl Musol A, 146.5 lbm/bbl Barite, 1 gal/bbl SEM-7 (11.50 lbm/gal, 40 bbls). Lead w/50 sx Premium Cement, 0.15% HALAD-766 (10.22 bbls, 15.8ppg, 1.15 cuft/sk) Foamed Lead Cmt: 525 sx 50/50 Poz Premium, 0.15% HALAD-766, 0.2% Versaset, 1.5% Chem Foamer 760, Totetank (184.99 bbls, 13.0 ppg, 1.44 cu ft/sk). Tail Cement: 105 sx 50/50 Poz Premium 0.15% HALAD-766, 0.2% Versaset (22.99 bbls, 13.5 ppg, 1.29 cu ft/sk). Displacement: Clay Web, 0.5 gal/bbl CLA-Web (8.34 lbm/gal, 235.55 bbl) Est TOC @ ±5500'. 60 Centralizers to be installed. Test casing to 1500 psi for 30 minutes.

****Packers may be used in lieu of 5 ½” cementing. A Notice of Intent Sundry will be filed if change will be made.**

Pressure Control Equipment:

See Attached BOPE & Choke Manifold Schematic for a diagram of pressure control equipment.

Pressure control configuration will be designed to meet and exceed 2M standards. All equipment will have 3M pressure ratings.

Drilling Fluids:

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>Invert Ratio</u>
0 – 350'	Spud	8.4-8.9	40-50	no control	
350 – 5238'	LSND	8.4-9.0	40-60	8-12	
5238-10869'	OBM	7.0-8.5	4-12	4-12	70/30 – 90/10

Closed Loop equipment will be utilized for solids control. A lined cutting pit will be utilized for water based cuttings from upper hole sections. Cuttings from production hole will be hauled off to approved disposal site.

Pressures and Hazards:

No abnormal pressures or temperatures are anticipated.
No hydrogen sulfide gas is expected based on nearby well production.
Maximum bottom hole pressure will be ±1800 psi.

- Anticipated pore pressure

Fruitland Coal	300 psi
Pictured Cliffs	500 psi
Gallup	±1800 psi

Tests, Logs, Coring:

Mud log – 2000' to TD
LWD (Gamma Ray, Resistivity, Neutron-Density)
Cores & DST's – 360' core from 5740' to 6100'

Directional Plan:

The wellbore directional plan and survey plat (C-102) are attached.

The production hole will be landed and drilled within target formation horizontally utilizing LWD equipment to help steer the wellbore. Adjustments will be made to the directional plan as formation and hole indicates during drilling.

The 9 5/8" casing will be set and cemented, a vertical hole will be drilled to 6100'. At Approximately 5900', a core barrel will be picked up and a 200' core will be obtained. The hole will be drilled out and open hole logs will be run from TD to 5238'.

Other Information:

- If lost circulation is encountered, sufficient LCM will be added to the mud system to maintain well control.
- This gas is dedicated.