

**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

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

RCVD OCT 17 '14  
OIL CONS. DIV.

DIST. 3

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Huntington Energy, L.L.C. 908 N.W. 7 <sup>th</sup> St. Oklahoma City, OK 73116		<sup>2</sup> OGRID Number 208706
<sup>4</sup> Property Code 313807		<sup>3</sup> API Number 30-045-35609
<sup>3</sup> Property Name Atsa 2513 16		<sup>6</sup> Well No. 2

<sup>7</sup> Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	16	25N	13W		1400	South	1850	West	San Juan

<sup>8</sup> Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

<sup>9</sup> Pool Information

Pool Name Fruitland Coal	Pool Code 71629
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Additional Well Information

<sup>11</sup> Work Type N	<sup>12</sup> Well Type G	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type S	<sup>15</sup> Ground Level Elevation 6292'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 1352'	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor D&D Drilling	<sup>20</sup> Spud Date 2/1/2015
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

We will be using a closed-loop system in lieu of lined pits

<sup>21</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	9 7/8	7 5/8	29.7	150	70	Surface
Prod	6 1/8	4 1/2	10.5	1351	170	Surface

Casing/Cement Program: Additional Comments

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<sup>22</sup> Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

SEE ATTACHED COA'S

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: Catherine Smith Printed name: Catherine Smith Title: Regulatory E-mail Address: csmith@huntingtonenergy.com Date: 10/13/2014	OIL CONSERVATION DIVISION	
	Approved By: <i>Charles Berni</i> 10-17-2014	
	Title: SUPERVISOR DISTRICT # 2	
	Approved Date: OCT 17 2014	Expiration Date: OCT 17 2016
	*Conditions of Approval Attached*	

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-045-35609		<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name Fruitland Coal
<sup>4</sup> Property Code 313807	<sup>5</sup> Property Name A'TSA' 25-13-16		<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 208706	<sup>8</sup> Operator Name HUNTINGTON ENERGY, LLC.		<sup>9</sup> Elevation 6292'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	16	25-N	13-W		1400	SOUTH	1850	WEST	SAN JUAN

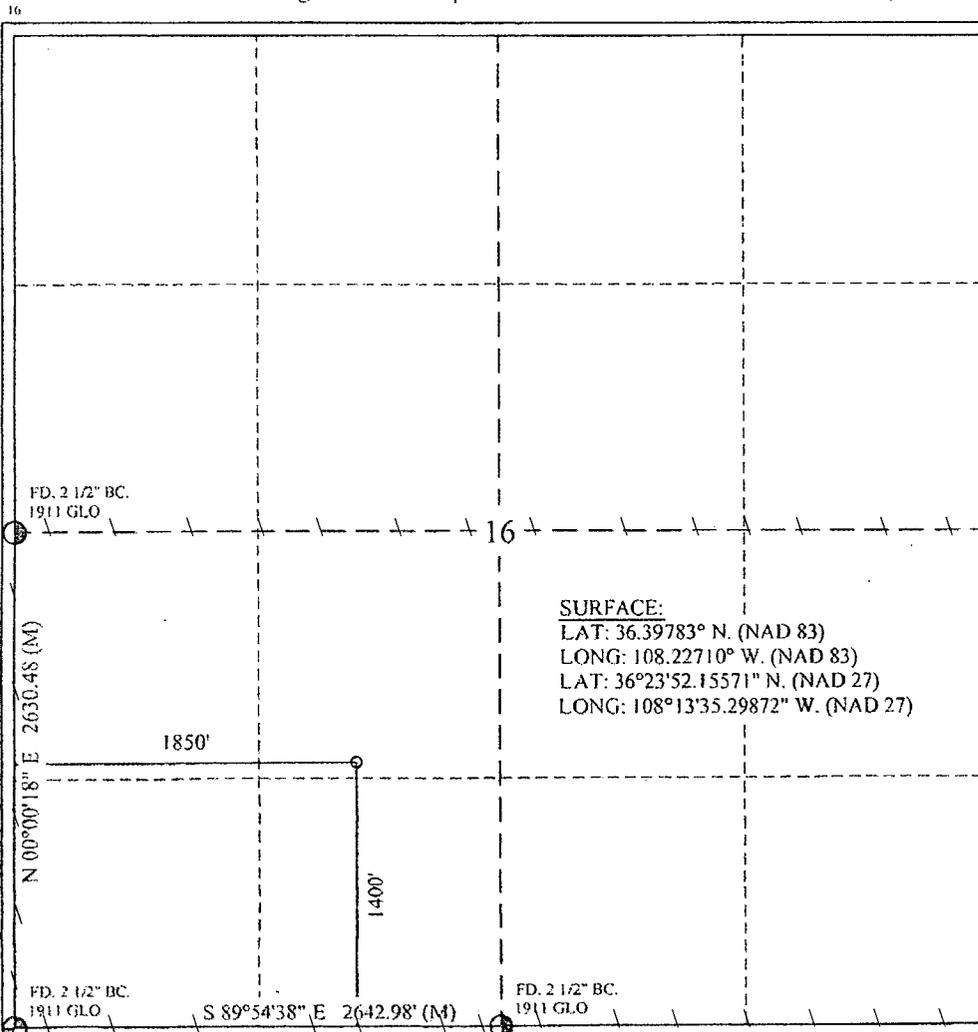
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres S/2 - 320		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No. R-13826			

RCUD OCT 17 '14

OIL CONG. DIV.

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.



**DIST. 3 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 10/03/2014  
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.

OCTOBER 15, 2012  
Date of Survey

Roy A. Rush  
Signature and Seal of Professional Surveyor

ROY A. RUSH  
NEW MEXICO  
REGISTERED PROFESSIONAL LAND SURVEYOR  
22201

Certificate Number

## Operations Plan

Well Name:     **Atsa 25-13-16 #2**

Location:    T25N, R13W Sec. 16  
                  1,400' FSL, 1,850' FWL

Formation: Fruitland Coal

County: San Juan

Elevation:    6,292'    GL

State: NM

Geology:

<u>Formation</u>	<u>MD</u>
Kirtland Shale	'
Fruitland	1,017'
Fruitland Coal	1,117'
Picture Cliffs	1,152'
TD	1,352'

Logging Program:

Mud log - None  
Open hole logs - None  
Cased hole logs - GR/CCL/Neutron 0' to TD, GR/CBL – If no circulation  
Cores & DST's - None

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0' – 150'	Spud	8.4-8.9	40 - 50	no control
150' – 1352'	LSND	8.4-9.0	40 - 60	LCM if needed

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>	<u>Thread</u>
9-7/8"	0' – 150'	7-5/8"	29.7#	J-55	ST&C
6-1/8"	0' – 1352'	4-1/2"	10.5#	J-55	ST&C

Tubing Program:

<u>Depth</u>	<u>Size</u>	<u>Wt.</u>	<u>Grade</u>
0' – 1152'	2-3/8"	4.6#	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 will be tested to 600 psi for 30 minutes. BOP will be tested Low: 500#/5min. & High: 3000#/10 min. 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 30 minutes.

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

Wellhead:

8 5/8" x 4 1/2" x 2" x 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:

Surface Casing - 7-5/8"

Cement to surface w/70 sx Class "G" premium cement w/2% calcium chloride and 0.125#/sx Poly-E-Flake (82 cu. ft. of slurry, 100% 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"

Cement to surface w/170 sx Class "G" premium cement w/2% calcium chloride, 0.125#/sx Poly-E-Flake, 5#/sx Kol-Seal and 0.1% CFR-3 (228 cu. ft. of slurry, 50% excess to circulate to surface).

Float shoe on bottom. Centralizers every 3 jts.

Additional Information:

The **Fruitland Coal** formation 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 south half of the Section 16 is dedicated to this well.
- This gas is dedicated.
- Anticipated pore pressure

Fruitland Coal	340	psi
Pictured Cliffs	350	psi

# Daggett Enterprises, Inc.

## Surveying and Oil Field Services

P. O. Box 510 ♦ Farmington, NM 87499 U.S.A.  
Phone (505) 326-1772 Fax (505) 326-6019

### A LEGAL DESCRIPTION FOR HUNTINGTON ENERGY, LLC CROSSING NAVAJO INDIAN LAND PROPOSED A'TSA' 25-13-16 No. 2 PIPELINE AND ACCESS ROAD

A 20 FOOT EASEMENT FOR HUNTINGTON ENERGY, LLC, LOCATED IN THE NE/4 SE/4 OF SECTION 17, AND IN THE NW/4 SW/4, NE/4 SW/4 OF SECTION 16, TOWNSHIP 25 NORTH, RANGE 13 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO. BEING MORE PARTICULARLY DESCRIBED AS BEING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

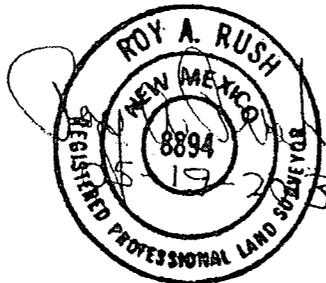
COMMENCING AT A POINT LOCATED IN THE NE/4 SE/4 OF SAID SECTION 17, BEING THE "TRUE POINT OF BEGINNING", SAID POINT BEARS S 15°05'16" W, A DISTANCE OF 1,146.02 FEET, FROM A FOUND 2 1/2" BRASS CAP, FOR THE WEST QUARTER CORNER OF SAID SECTION 17.

THENCE: S 89°59'59" E A DISTANCE OF 2,037.21 FEET TO THE "TRUE POINT OF ENDING" FOR THIS DESCRIPTION;

WHENCE THE SOUTHWEST CORNER OF SAID SECTION 16, BEING A FOUND 2 1/2" BRASS CAP, BEARS S 48°47'15" W, A DISTANCE OF 2,311.85 FEET.

BASIS OF BEARING: BETWEEN MONUMENTS AT THE SOUTHWEST CORNER AND THE WEST QUARTER CORNER OF SAID SECTION 16. LINE BEARS N 00°00'18" E A DISTANCE OF 2,630.48 FEET.

TOTAL LENGTH IS 2,037.21 FEET OR 123.47 RODS. CONTAINS 0.94 ACRES MORE OR LESS.



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 Conditions of Approval  
(C-101 Application for permit to drill)**

- ✓ Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
- Hold C-104 for NSL, NSP, DHC
- Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
- Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
  - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
  - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
  - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
- Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- ✓ Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- ✓ Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- ✓ Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

*Proof of SURFACE OWNER notification Required before Spud*