

2005 AUG 32 PM 1 20
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
SF 078883
6. If Indian, Allottee or Tribe Name

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 6301 Waterford Blvd., Suite 400
Oklahoma City, OK 73118

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

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

Canyon Largo Unit

8. Lease Name and Well No.
Canyon Largo Unit 481

9. API Well No.
30-039-29641

10. Field and Pool, or Exploratory
Basin Dakota

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface NWNE 1085' FNL & 1610' FEL Lot 2/B NMPM
At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
1/8 Sec 5, T25N-R6W

14. Distance in miles and direction from nearest town or post office*

35 miles SE from Blanco, NM

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)

16. No. of Acres in lease
2369.83

17. Spacing Unit dedicated to this well

32.65/2

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

19. Proposed Depth
7300'

20. BLM/BIA Bond No. on file
NMB000076

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6455'

22. Approximate date work will start*

23. Estimated duration

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

Catherine Smith

Name (Printed/Typed)

Catherine Smith

Date

8/29/05

Title

Land Associate

Approved by (Signature)

B. Mankie

Name (Printed/Typed)

Office

FFO

Date

12/30/05

Application approval does not warrant or certify the 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.

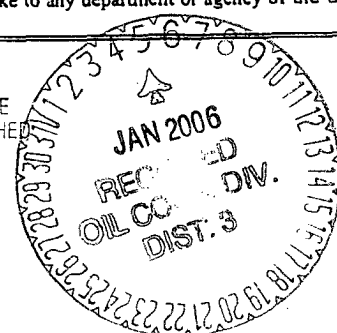
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

This action is subject to technical and
procedural review 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".

NMOCD



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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29641		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 6886	*Property Name CANYON LARGO UNIT		*Well Number 481
*GRID No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6455'

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
B	5	25-N	6-W	2	1085	NORTH	1610	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

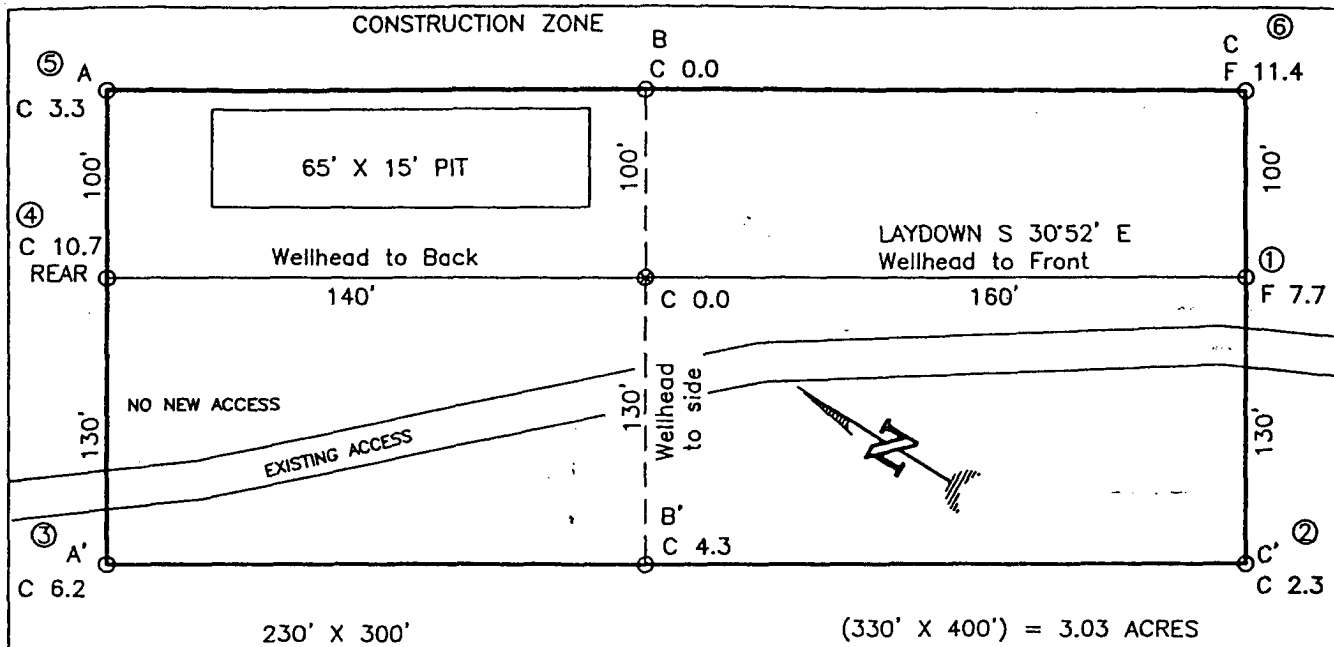
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres DK-E/320 321.6					*Joint or Infill		*Consolidation Code		*Order No.

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

16	FD. 3 1/4" B.C. 1957 B.L.M. LOT 4	LOT 3 S 89-15-55 W 2648.9' (M)	LOT 2 1085'	LOT 1 1610'	17	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Catherine Smith Printed Name Catherine Smith Title Land Associate Date July 19, 2005
LAT. 36°25.9352' N (NAD 27) LONG. 107°29.1916 W (NAD 27)					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. Date of Survey June 1, 2005 Signature JOHN A. VUKONICH Registered Professional Surveyor Certificate Number 14831

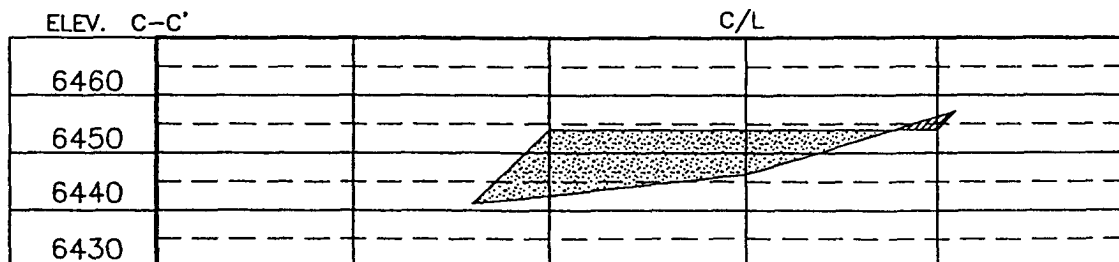
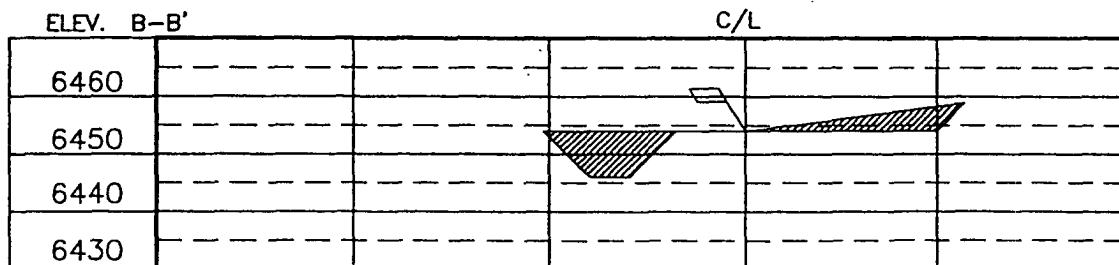
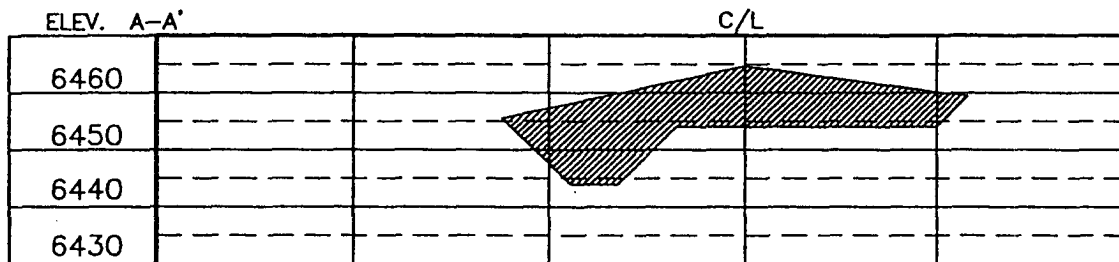
HUNTINGTON ENERGY, LLC
 CANYON LARGO UNIT No. 481, 1085 FNL 1610 FEL
 SECTION 5, T25N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N. M.
 GROUND ELEVATION: 6455', DATE: JUNE 1, 2005

LAT. = 36°25.9352' N.
 LONG. = 107°29.1916' W
 NAD 27



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.

REVISION:	DATE:	REVISED BY:
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 14831 COURTESY: HTG039CF8 DATE: 07/09/05</p>		
<p>DRAWN BY: B.L. ROW#: HTG039</p>		

OPERATIONS PLAN

Well Name: Canyon Largo Unit #481
Location: 1085' FNL, 1610' FEL, NWNE Sec 5, T-25-N, R-6-W NMPM
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6455' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>
Ojo Alamo	1881'	2076'
Kirkland	2076'	2261'
Fruitland	2261'	2522'
Pictured Cliffs	2522'	2615'
Lewis Shale	2615'	2947'
Huerfanito	2947'	4362'
Cliff House	4362'	4403'
Menefee	4403'	4780'
Point Lookout	4780'	5010'
Mancos	5010'	5947'
Gallup (Niobrara)	5947'	6717'
Greenhorn	6717'	6779'
Graneros	6779'	6832'
Dakota	6832'	7140'
Morrison	7140'	
TD	7300'	

Logging Program:

Mud log – 5800' to TD
Open hole logs– None
Cased hole logs – RST TD to 5800; CBL/GR – TD to 5600'
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 – 7300'	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' – 7300'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7300'	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. ~~BOP~~

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/265 sx Class "B" 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%).

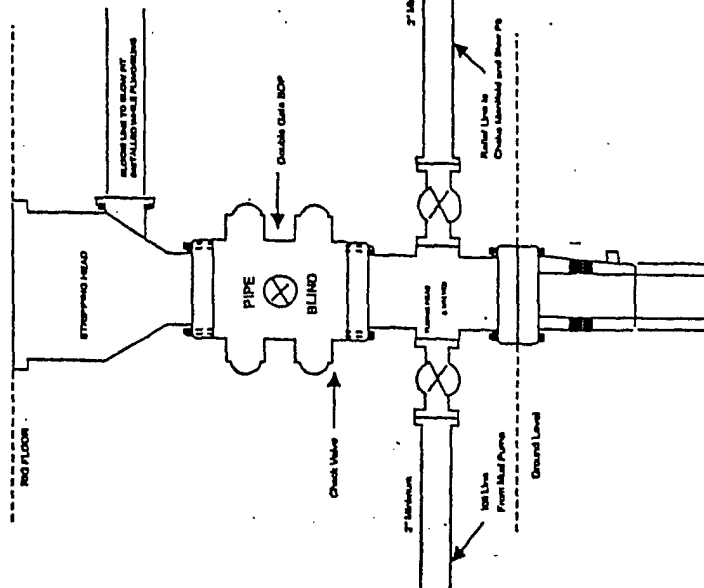
Float shoe on bottom. Three centralizers run every other joint above shoe. Thirty-five centralizers - one every 4th joint to the base of the Ojo Alamo @ 2448'. Two turbolizing type centralizers – one below and one into the base of the Ojo Alamo @ 2448'. Standard centralizers thereafter every fourth joint 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.
- 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 5 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

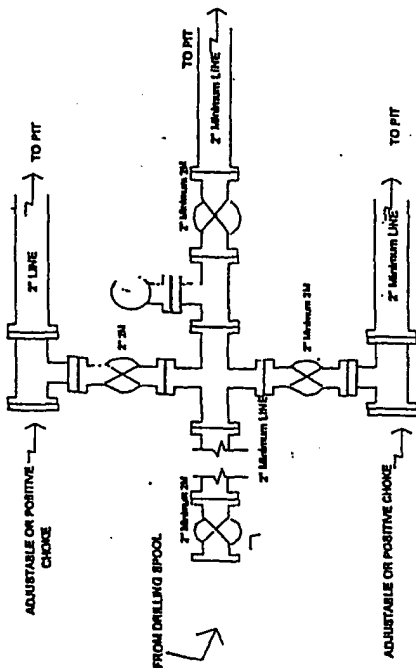
Completion/Workover Rig BOP Configuration 2,000 psi System



Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi stripping head.

Figure #2

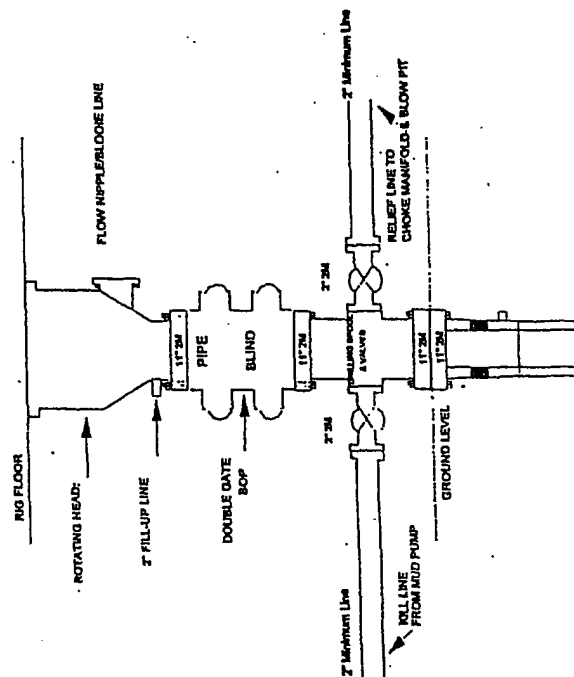
Drilling Rig Choke Manifold Configuration 2000 psi System



Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

Figure #3

Drilling Rig 2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram preventers. All BOP equipment is 2,000 psi working pressure

Figure #1