RCVD APR13'07

OIL CONS. DIV.

DIST. 3

Form 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 AUG 25 PM 12 22

070 FARMINGTON NM

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. **NMSF 078875**
1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone	6. If Indian, Allotee or Tribe Name
2. Name of Operator **Huntington Energy, L.L.C.**	7. If Unit or CA Agreement, Name and No. **Canyon Largo Unit**
3a. Address **6301 Waterford Blvd., Suite 400 Oklahoma City, OK 73118**	8. Lease Name and Well No. **Canyon Largo Unit #494**
3b. Phone No. *(include area code)* **(405) 840-9876**	9. API Well No. **30-039-30053**
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface **SWNW Lot E, 1965' FNL & 845' FWL** At proposed prod. zone **same** Lot 2	10. Field and Pool, or Exploratory **Basin Dakota**
	11. Sec., T. R. M. or Blk. and Survey or Area **E Sec 30-25N-6W**
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 **2561.64**	17. Spacing Unit dedicated to this well ~~320~~ 321.04 W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth **7450'**	20. BLM/BIA Bond No. on file **NMB000076**
21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6860' GR**	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, 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 **08/16/2006**
Title **Land Associate**		
Approved by *(Signature)* /s/ Manuel Gallegos	Name *(Printed/Typed)*	Date 4/4/07
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.

*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

Submit Application for pit permit on NM Form C-103 prior to constructing location

NMOCD

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

4/16/07

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
1301 W. Grand Avenue, 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 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-039-30053	71599	Basin Dakota

4 Property Code	5 Property Name	6 Well Number
32660	CANYON LARGO UNIT	494

7 OGRID No.	8 Operator Name	9 Elevation
208706	HUNTINGTON ENERGY, LLC	6860'

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	30	25-N	6-W	(2)	1965'	NORTH	845'	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

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12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
W/~~320~~ 321.04 W/2			

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

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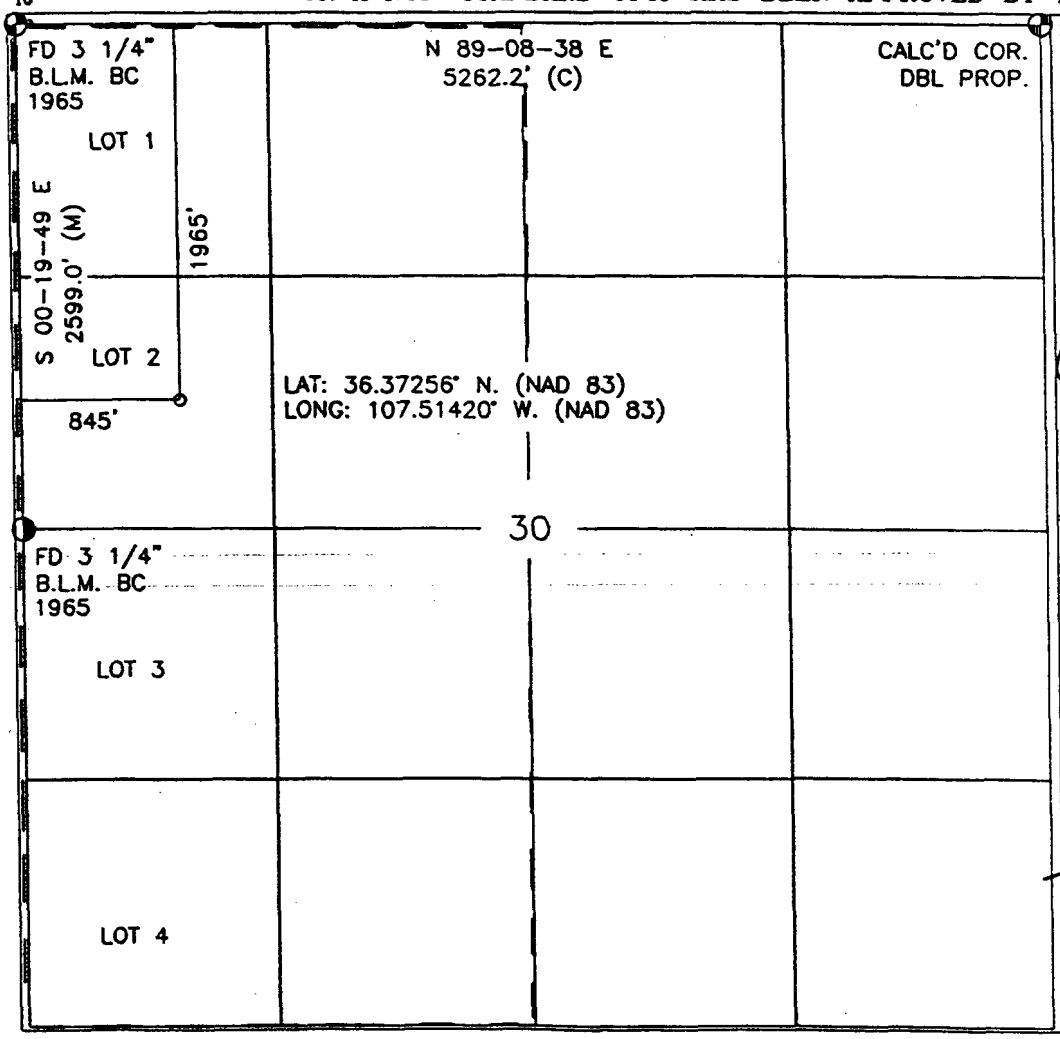

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OPERATOR CERTIFICATION

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 8/14/06
Signature Date

Catherine Smith
Printed Name

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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.

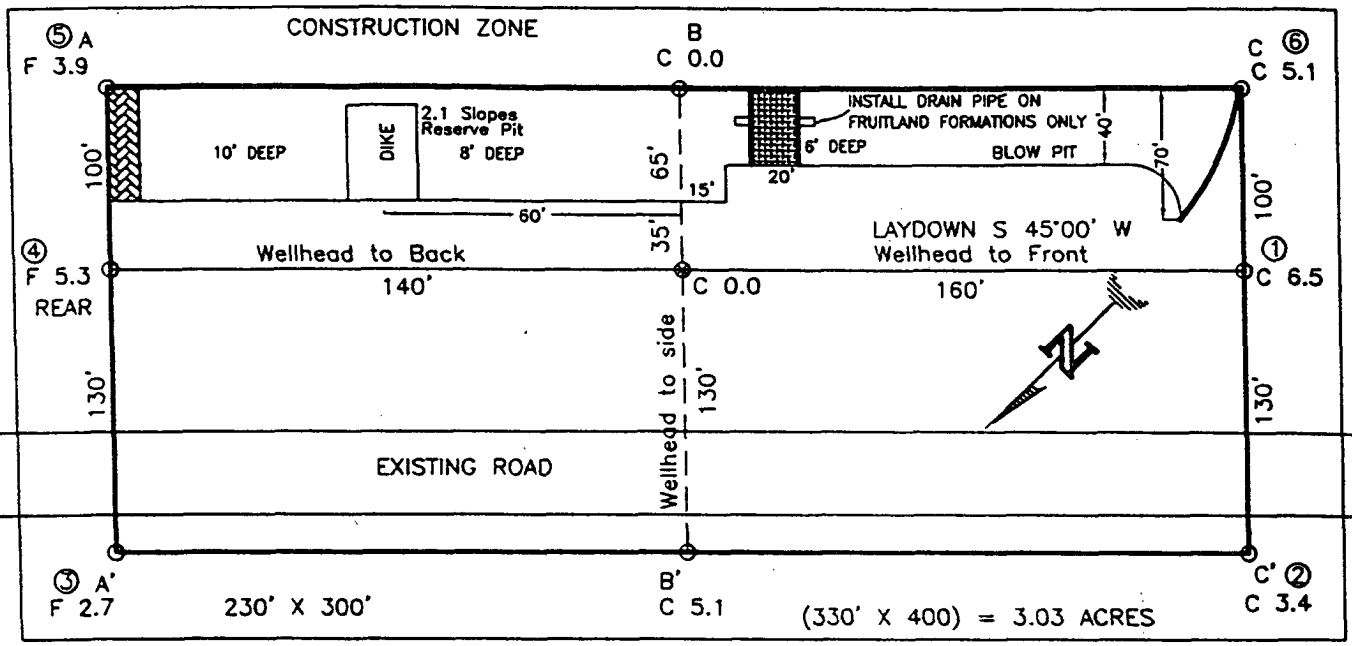
MAY 4, 2006
Date of Survey

Signature and Seal of Professional Surveyor:

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

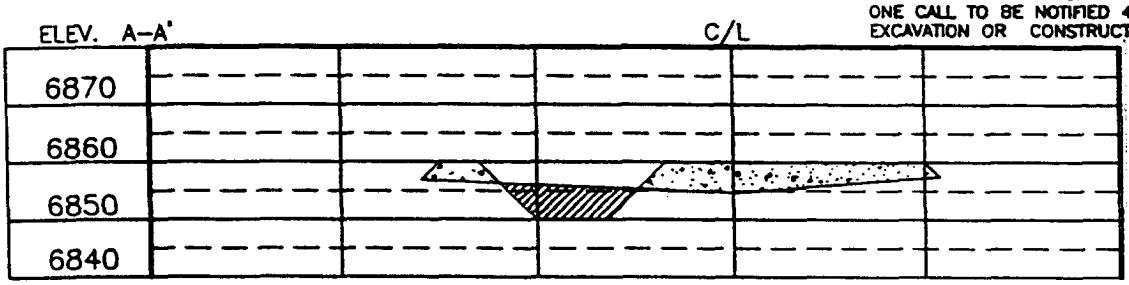
HUNTINGTON ENERGY, LLC
CANYON LARGO UNIT No. 494, 1965 FNL 845 FWL
SECTION 30, T-25-N, R-6-W, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO
GROUND ELEVATION: 6860, DATE: MAY 4, 2006

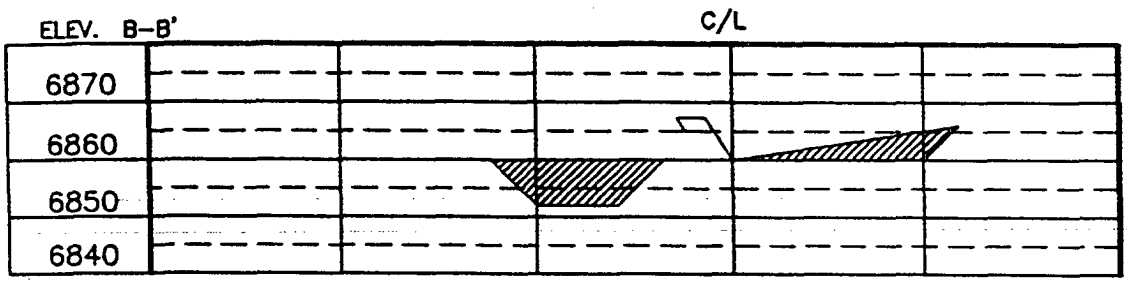


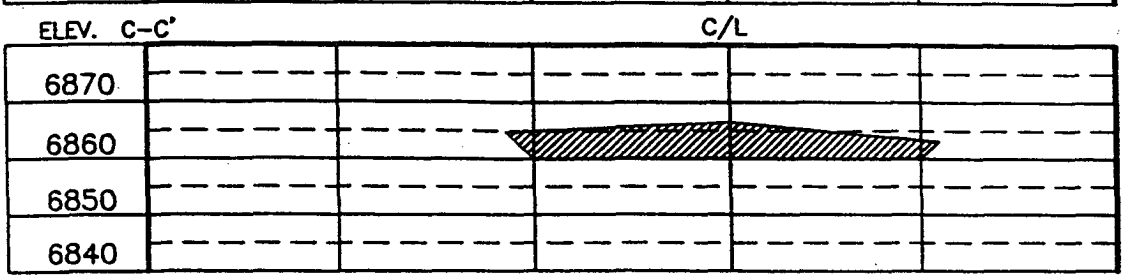
RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO P.L.S. No. 14831

REVISED BY:
DATE:
DRAWN BY: A.G.
DWG#: HTG064
CURVE: HTG064CP3
DATE: 06/12/06

OPERATIONS PLAN

Well Name: **Canyon Largo Unit #494**
Location: 1965' FNL, 845' FWL, SWNW Sec 30, T-25-N, R-6-W NMPM
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6860' GL; 6876' KB

Formation Tops:	MD	TVDSS
Ojo Alamo	1971'	4905'
Kirkland	2166'	4710'
Fruitland	2376'	4500'
Pictured Cliffs	2651'	4225'
Lewis Shale	2744'	4132'
Huerfanito	3021'	3855'
Cliff House	4196'	2680'
Menefee	4276'	2600'
Point Lookout	4886'	1990'
Mancos	5124'	1752'
Gallup (Niobrara)	6086'	790'
Greenhorn	6876'	0
Graneros	6944'	-68'
Dakota	6986'	-110'
Morrison	7296'	-420'
TD	7450'	-574'

Logging Program:
Mud log – 5800' to TD
Open hole logs– PEX (depths per geologist)
Cased hole logs – CBL/GR – TD to 5800'
Cores & DST's – none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 – 320'	Spud	8.4-8.9	40-50	no control
320 – 7450'	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:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 ¼"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 7450'	4 ½"	11.6#	N-80

Tubing Program:

	0' – 7450'	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. BOPE

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 ½" x 1 ½" x 1 ½" 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 ¼#/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 ½"

Lead with 700 sx 65/35 Standard Poz w/6% gel, ¼# 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, ¼# 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.

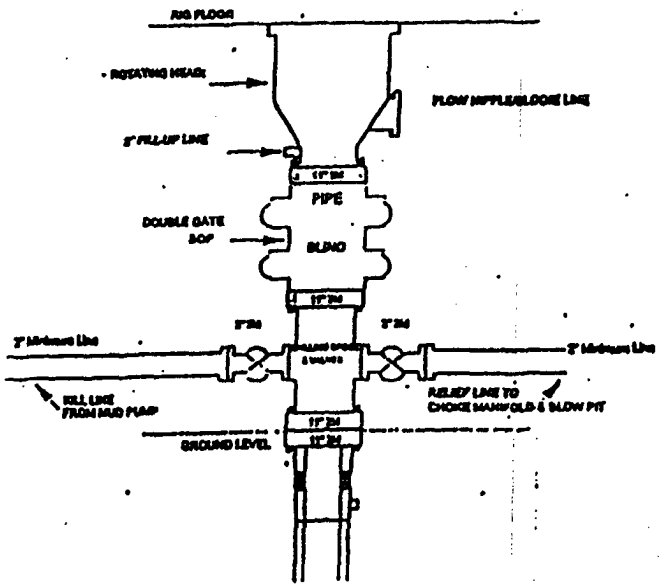
Additional Information:

- The Dakota formation will be completed. If Dakota is non-commercial, an attempt will be made to complete in the Gallup. If successful, it will be in the Basin Mancos.
- 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 west half of the Section 30 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, L.L.C.

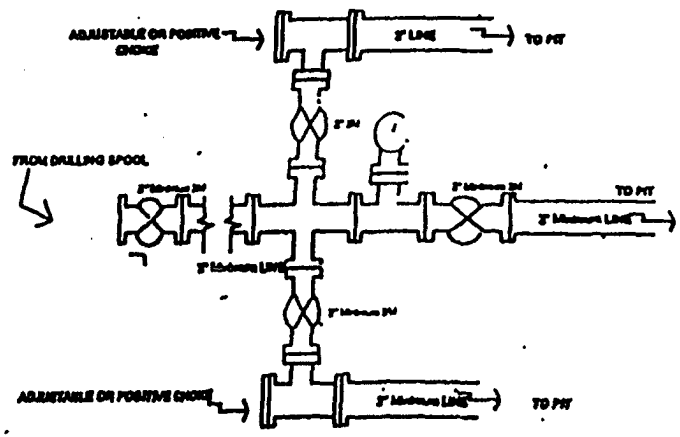
Drilling Rig
2000 psi System



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

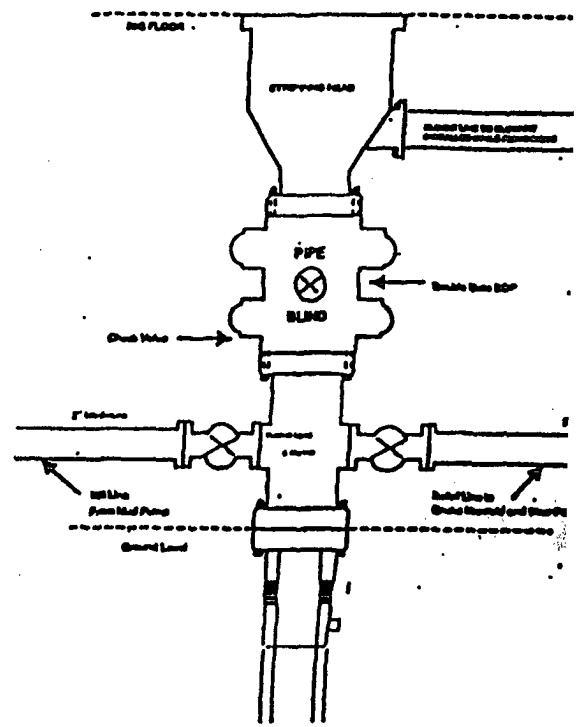
Drilling Rig
Choke Manifold Configuration
2000 psi System



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

Figure #3

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