

RCVD APR24'07

OIL CONS. DIV.

DIST. 3

Form 3160-3  
(February 2005)

2006 AUG 28 AM 11 57

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

070 FARMINGTON NM

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 078882
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee 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 #488
3b. Phone No. (include area code) (405) 840-9876		9. API Well No. 30-039-30057
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESE Lot P. 1000' FSL & 1120' FEL At proposed prod. zone same 1580 665		10. Field and Pool, or Exploratory Basin Dakota
14. Distance in miles and direction from nearest town or post office* 35 miles SE from Blanco, NM		11. Sec., T. R. M. or Blk. and Survey or Area P Sec17-25N-6W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)	16. No. of acres in lease 1921.20	17. Spacing Unit dedicated to this well 320 E2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7100'	20. BLM/BIA Bond No. on file NMB000076
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GR 6333	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:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Catherine Smith</i>	Name (Printed Typed) Catherine Smith	Date 08/25/2006
Title Land Associate		

Approved by (Signature) <i>[Signature]</i>	Name (Printed Typed) [Name]	Date 4/18/07
Title [Title]		Office [Office]

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)

Submit application for pit permit  
prior to construction location

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

NMOCD

B

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".

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

RCVD APR24'07

**Δ OIL CONS. DIV.**

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-20057		<sup>2</sup> Pool Code 71599	<sup>3</sup> Pool Name Basin Dakota	DIST. 3
<sup>4</sup> Property Code 32660	<sup>5</sup> Property Name CANYON LARGO UNIT			<sup>6</sup> Well Number 488
<sup>7</sup> GRID No. 208706	<sup>8</sup> Operator Name HUNTINGTON ENERGY, LLC			<sup>9</sup> Elevation 6333'

<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
1	17	25-N	6-W		1580	SOUTH	665	EAST	RIO ARRIBA

<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 E/320			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

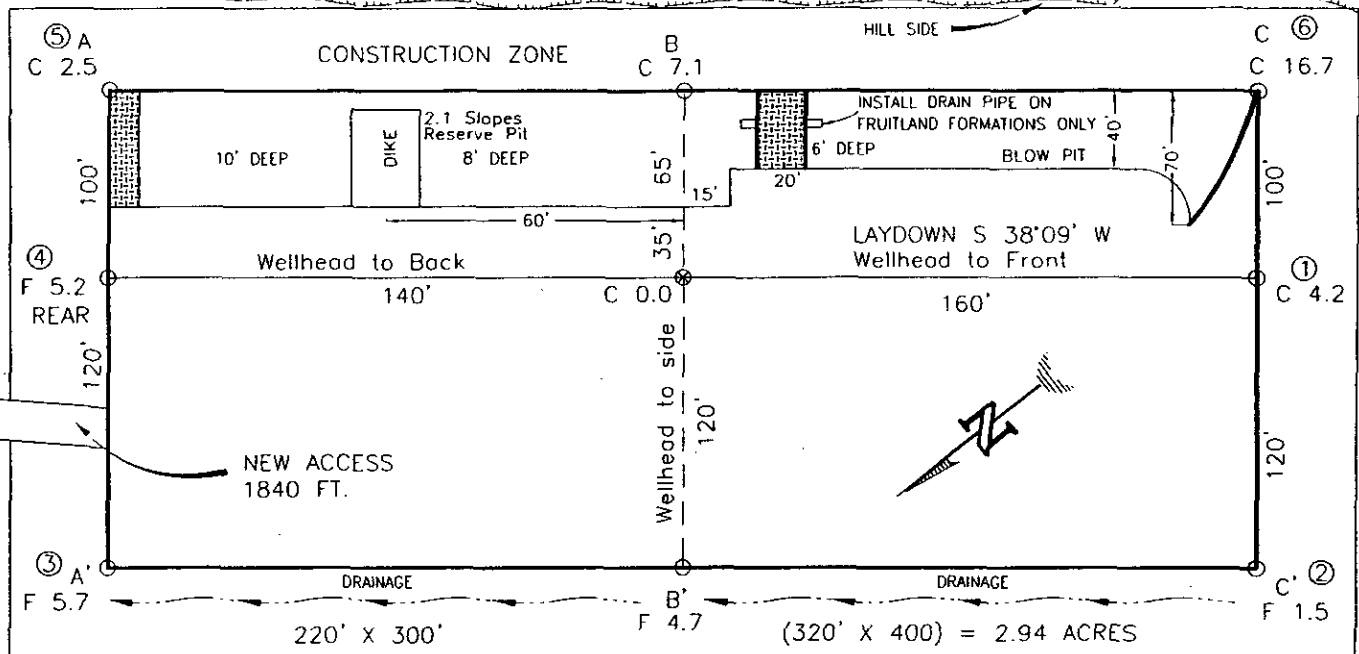
<div style="display: flex; justify-content: space-between;"> <span>16</span> <span>17</span> </div> <div style="border: 1px solid black; height: 100px; margin-top: 10px; position: relative;"> <div style="position: absolute; top: 10px; right: 10px; font-size: 0.8em;">             FD 3 1/4" B.L.M. BC 1965           </div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 1.5em;">17</div> <div style="position: absolute; bottom: 10px; left: 10px; font-size: 0.8em;">             LAT: 36.39703° N. (NAD 83)              LONG: 107.48357° W. (NAD 83)           </div> <div style="position: absolute; bottom: 10px; right: 10px; font-size: 0.8em;">             WITNESS COR.              FD 3 1/4" BC              1965 B.L.M.              13.2 FEET                S 88-26-44 W              2639.85' (C)           </div> </div>	<div style="text-align: center;">17</div> <div style="border: 1px solid black; height: 100px; margin-top: 10px; position: relative;"> <div style="position: absolute; top: 10px; right: 10px; font-size: 0.8em;">             FD 3 1/4" B.L.M. BC 1965           </div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 1.5em;">18</div> <div style="position: absolute; bottom: 10px; left: 10px; font-size: 0.8em;">             NOVEMBER 3, 2006              Date of Survey           </div> <div style="position: absolute; bottom: 10px; right: 10px; font-size: 0.8em;">             665'                1580'              N 0-00-08 W              2647.59' (M)           </div> </div>
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WITNESS COR.  
FD 3 1/4" BC  
1965 B.L.M.  
13.2 FEET

CALC'D. COR.  
S 88-26-44 W  
2639.85' (C)

FD 3 1/4"  
B.L.M. BC  
1965

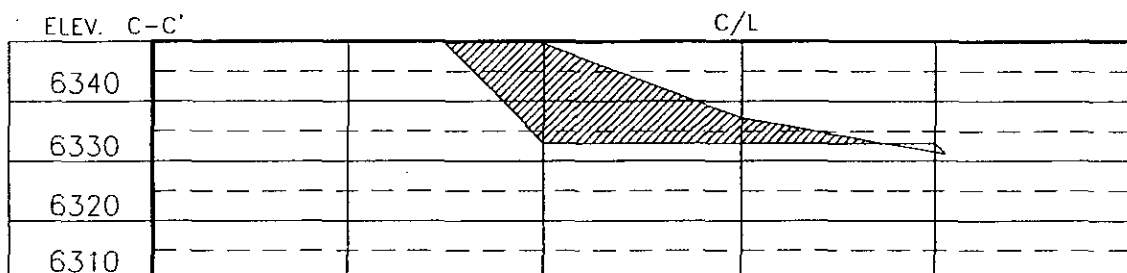
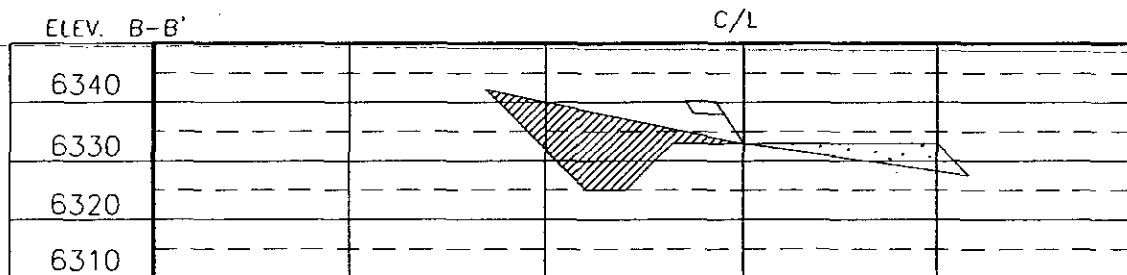
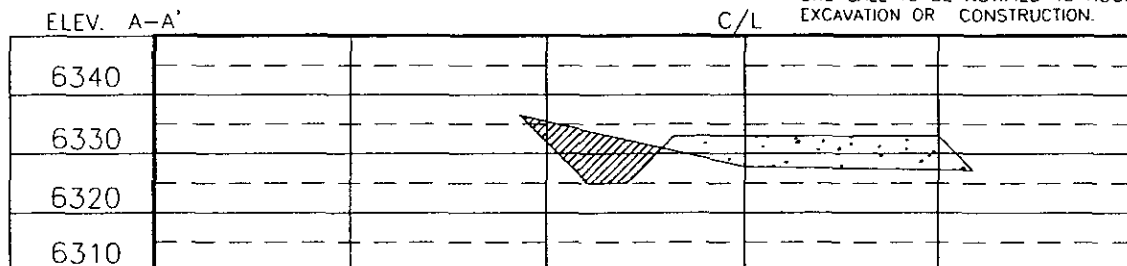
HUNTINGTON ENERGY LLC  
 CANYON LARGO UNIT NO. 488, 1580 FSL 665 FEL  
 SEC. 17, T-25-N, R-6-W, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO  
 GROUND ELEVATION: 6333, DATE: NOVEMBER 3, 2006



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.

REVISION:	DATE:	REVISION BY:
LOC. RESTAKE D/L.S. NO. CHG. 12/07/06	G.V.	

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 L.S. No. 8894  
 CADFILE: HIG05B\_CFB  
 DATE: 4/20/06

DRAWN BY: A.G.  
 ROW#: HIG05B

## OPERATIONS PLAN

Well Name: Canyon Largo Unit #488  
Location: 1220' FSL, 1120' FEL, SESE Sec 17, T-25-N, R-6-W NMPM  
Rio Arriba County, NM  
Formation: Basin Dakota  
Elevation: 6343' GL; 6359' KB

<u>Formation Tops:</u>	<u>Top</u>	<u>TVDSS</u>
Ojo Alamo	1573'	4786
Kirkland	1828'	4531
Fruitland	2044'	4315
Pictured Cliffs	2296'	4063
Lewis Shale	2374'	3985
Huerfano	2678'	3681
Chacra	3142'	3217
Cliff House	3874'	2485
Menefee	3942'	2417
Point Lookout	4523'	1836
Mancos	4764'	1595
Niobrara	5692'	667
Greenhorn	6485'	-126
Graneros	6548'	-189
Dakota	6595'	-236
Morrison	6916'	-557
TD	7100'	-741

### Logging Program:

Mud log – 2000' to TD  
Open hole logs – None  
Cased hole logs – RST – TD to 5500'; CBL/GR – TD to 5500'  
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 – 7100'	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' – 7100'	4 1/2"	11.6#	N-80

### Tubing Program:

0' – 7100'	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) TX1 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 4<sup>th</sup> 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 east half of the Section 17 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

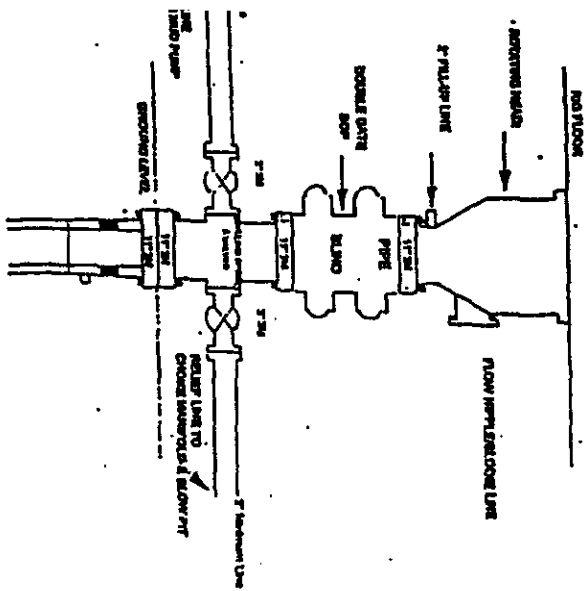
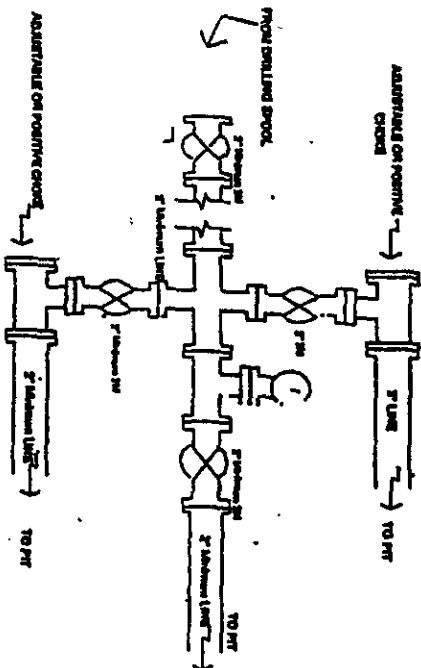


Figure #1

BOF 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 600 psi holding head on top of  
ram preventer. All BOP equipment is 2,000 psi working pressure.

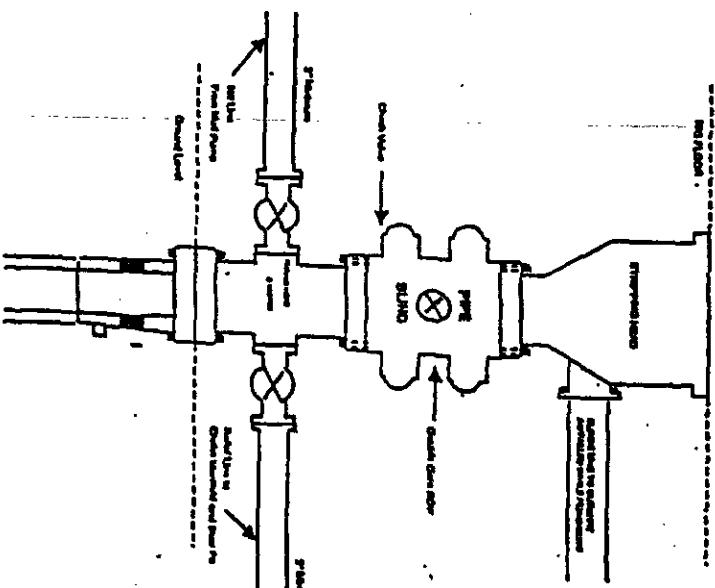
Drilling Rig  
Choke Manifold Configuration  
2000 psi System



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 staying head to be installed on the top of  
the BOP. All BOP equipment is 2000 psi working  
pressure or greater including 600 psi staying head.

Figure #2

Form 3160-5  
(February 2005)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## 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.

078882

6. If Indian, Allottee or Tribe Name

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

Canyon Largo Unit

8. Well Name and No.

Canyon Largo Unit 488

9. API Well No.

30-039-30057

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

Rio Arriba County, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator

Huntington Energy, L.L.C.

3a. Address

908 NW 71st St., Oklahoma City, OK 73116

3b. Phone No. (include area code)

405-840-9876

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NESE Lot I, Sec 17, T25N-R6W  
1580' FSL & 665' FEL

## 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 <u>Change of Location</u>
	<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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached are the new well location and dedication plat, well pad, & pipeline surveys along with a topo map for the above referenced well. The application for Permit to Drill was sent on 8/25/2006. The location was changed during BLM inspections after the permit was filed.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Catherine Smith		Title Land Associate
Signature <i>Catherine Smith</i>		Date 01/23/2007

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title <i>AFM</i>	Date <i>4/19/07</i>
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 <i>FPO</i>	

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)

NMOCB