

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. I-22-IND-2772
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name Ute Mountain Ute
2. Name of Operator Burlington Resources Oil and Gas Co., LP		7 If Unit or CA Agreement, Name and No.
3a. Address c/o Huntington Energy, L.L.C. 908 N W. 71st St., Oklahoma City, OK 73116		8. Lease Name and Well No. Ute Mountain Ute #104
3b. Phone No. (include area code) (405) 840-9876		9 API Well No. 30-045-35057
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface Lot J, 1620' FSL & 1675' FEL At proposed prod. zone same as above		10. Field and Pool, or Exploratory Barker Creek-Dakota Pool
14. Distance in miles and direction from nearest town or post office* 5 miles to La Plata		11 Sec, T R. M. or Blk. and Survey or Area T Sec 15-T32N-R14W
15 Distance from proposed* 1620' location to nearest property or lease line, ft (Also to nearest drig. unit line, if any)	16 No. of acres in lease 160	17. Spacing Unit dedicated to this well 160
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth 3400'	20 BLM/BIA Bond No. on file BOK04SDF02064
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 6886'	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. | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5 Operator certification |
| 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) | 6 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 10/28/2008
Title Huntington Energy, L.L.C., agent for Burlington Resources Oil and Gas Company, LP		
APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS		
Approved by (Signature) <i>/s/ Richard A. Rymerson</i>	Name (Printed/Typed)	Date DEC 01 2009
Title MINERALS STAFF CHIEF	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.

(Continued on page 2)

*(Instructions on page 2)

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto...

DEC 08 2009

Venting / Flaring approved for 30 days
per NTL-4A

NOTIFY AZTEC OCD 24 HRS
PRIOR TO CASING & CEMENT

NOV 10 2008

SEE ATTACHED
CONDITIONS OF APPROVAL

Bureau of Land Management
Durango, Colorado

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

DISTRICT II
1801 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

Pee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 71520	³ Pool Name Barker Creek - Dakota
⁴ Property Code 18725	⁵ Property Name UTE MOUNTAIN UTE	⁶ Well Number 104
⁷ GRID No. 208706	⁸ Operator Name Huntington Energy, L.L.C.	⁹ Elevation 6886

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
J	15	32-N	14-W		1620	SOUTH	1675	EAST	SAN JUAN

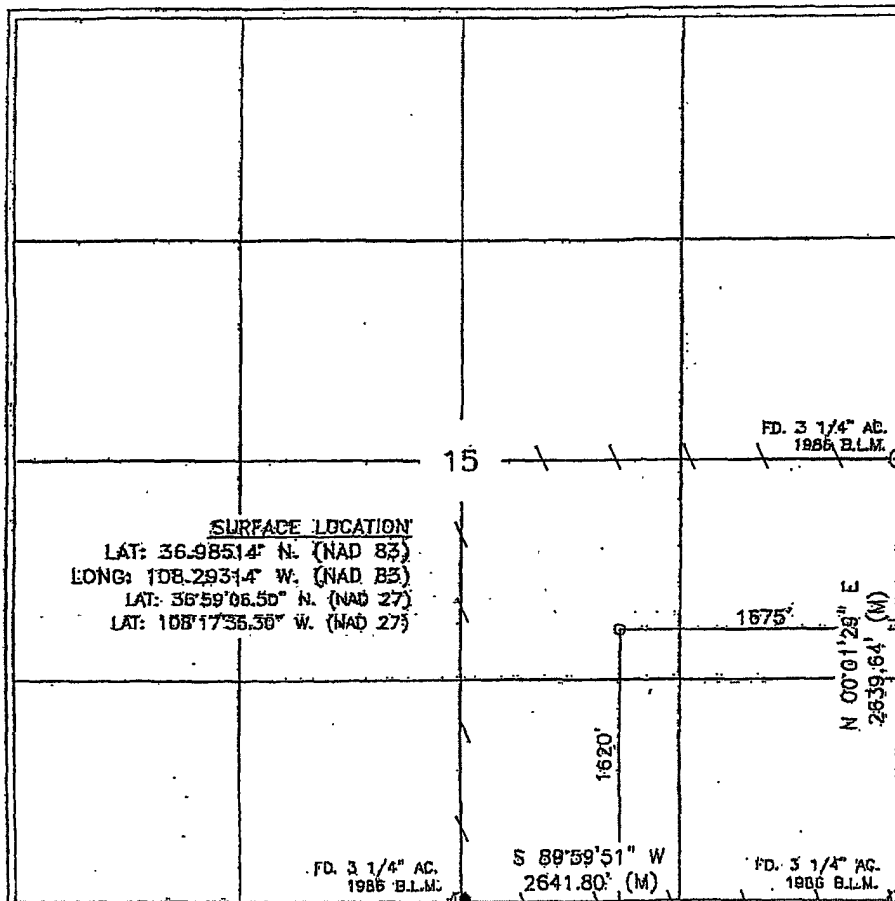
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres SE-160	¹³ Joint or Indiv	¹⁴ Consolidation Code	¹⁵ Order No.
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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



17 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 unshared 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 12/7/09
Signature Date
Catherine Smith
Printed Name

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 knowledge and belief.

SEPTEMBER 12, 2008
Date of Survey
Signature and Seal of Registered Surveyor
ROY A. RUC
NEW MEXICO
8894
2.08
REGISTERED PROFESSIONAL SURVEYOR
Certificate Number

OPERATIONS PLAN

Well Name: Ute Mountain Ute #104
Location: 1620' FSL, 1675' FEL, NWSE Sec 15, T-32-N, R-14-W NMPM
San Juan Co., New Mexico
Formation: Basin Dakota
Elevation: 6886' GR 6901' KB

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>RMSL</u>	<u>Contents</u>
Menefee	Surface	742'		
Point Lookout	742'	1092'	6110'	
Mancos	1092'	2132'	5760'	gas or water
Gallup (Niobrara)	2132'	2842'	4720'	oil or water
Greenhorn	2842'	2912'	4010'	
Graneros	2912'	2972'	3940'	gas or water
Dakota	2972'	3162'	3880'	gas
Encinal	3162'	3172'	3690'	
Burro Canyon	3172'	3182'	3680'	
Morrison	3182'	3257'	3670'	
Morrison Pay Sand	3257'	3400'	3595'	
TD	3400'			

Logging Program:

Mud log – 300' to TD
Open hole logs – AIT/GR/SP/CNL/LDT Surface Casing to TD
Cased hole logs – CBL/GR – TD to surface
Cores & DST's – none

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 – 300'	Spud	8.4-9.0	40-50	no control
300' - 3400'	Clean Faze	8.4-9.0	32-40	≤10 cc

Pit levels will be visually monitored to detect gain or loss of fluid control.

Casing Program (as listed, the equivalent, or better):

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 ¼"	0 – 300'	8 ⅝"	23#	LS-J55
6 ¼"	0 – 3400'	4 ½"	10.5#	J-55

Tubing Program:

0 – 3400'	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.

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

Completion Operations:

7 1/16" 3000 psi double gate BOP stack (Reference Figure #1). After nipple-up prior to completion, pipe rams, casing and liner top will be tested to 2000 psi for 15 minutes.

Float Equipment:

8 ⅝" surface casing – saw tooth guide shoe.

Centralizers will be run in accordance with Onshore Order #2.

4 ½" production casing – guide shoe and self-fill float collar. Standard centralizers run every other joint above shoe. Standard centralizers thereafter every fourth joint up to the base of the surface pipe.

Wellhead:

8 5/8" x 4 1/2" x 2 3/8" x 5000 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.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All 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/230 sx Premium cement 2% Calcium Chloride and 1/4# Flocele (274 cu. ft. of slurry). WOC 8 hours before pressure testing or drilling out from under surface casing.

4 1/2" production Casing -

Lead with 185 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (415 cu ft of slurry – est top of cement: surface). Tail w/100 sx San Juan PRB-2, 5# Gil/sk + .25#/sk Superflake (200 cu ft of slurry – est top of tail cement: 2200').

Note: 50% excess cement will be used unless open hole logs are run, then 25% excess cement over caliper will be pumped. Cement will be circulated to surface.

Float guide shoe/float collar ran on bottom jt. Bowspring centralizers will be run in accordance with Onshore Order #2.

- If hole conditions permit, an adequate water space will be pumped ahead of each cement job to prevent cement/mud contamination or cement hydration.

Additional Information:

- The Dakota formation will be completed. If non-commercial, the Mancos will be secondary objectives.
- No abnormal temperatures or hazards are anticipated. No H2S is anticipated.
- Anticipated pore pressure for the Dakota is 750 psi. Maximum bottom hole pressure at TD is 800 psi.
- Sufficient LCM will be added to the mud system to maintain well control, if lost circulation is encountered.
- The southeast quarter of Section 15 is dedicated to this well. This gas is dedicated.

HALLIBURTON

Cement Test Report
Farmington District Laboratory
4109 E. Main
Farmington, NM 87499

To: Randy Snyder
Halliburton Energy Services

Company: Slurry Book

Report: FLMM65810A
Date:

Total Vertical Depth: 330 ft
BHST: 80 °F
BHCT: 80 °F

Slurry: 15.6 Surface mixed with fresh Water

All Test performed according to modified API RP Spec 10, 1997

Thickening Time to 70 Bc:

2hr 09min

Design

Mountain G Cement
3% CaCl₂
¼ #/sk Flocele

Production Cement

Density:	15.6	lb/gal
Yield:	1.2	ft ³ /sk
Water	5.27	gal/sk

Compressive Str @ 80F

Hr:Min	psi
2:10	50
3:41	500
6:25	1500
12:00	2415

Deidra Benally
Lab Technician

Note: This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.

HALLIBURTON

Cement Test Report

Farmington District Laboratory

4109 E. Main

Farmington, NM 87499

Halliburton Energy Services

Report: FLMM5000

Total Vertical Depth: 3000 ft

BHST: 115 °F

BHCT: 80 °F

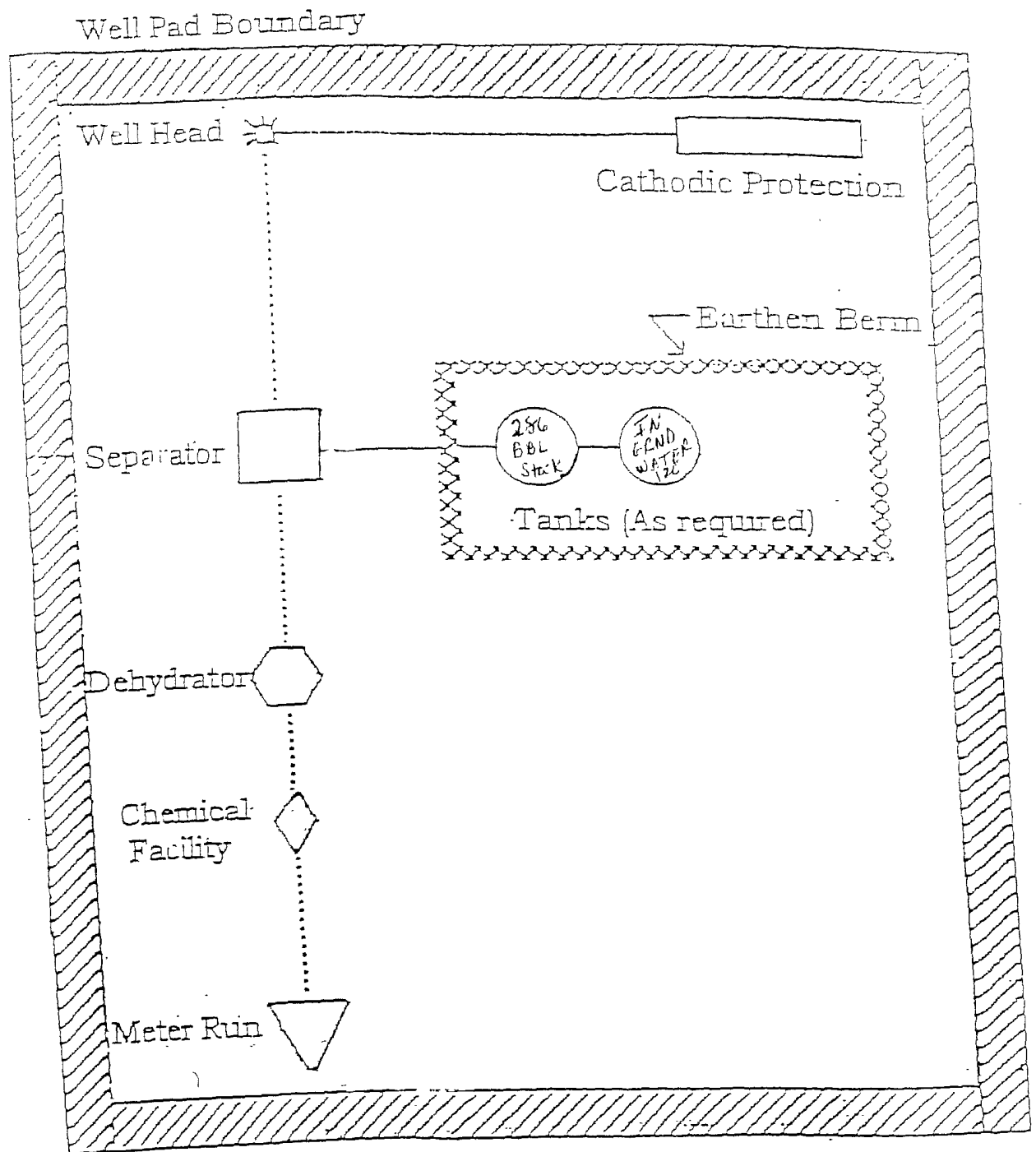
Slurry: San Juan PRB II, 2/10 % D-Air 3000, 5#/sk Gilsontite, 1/8 #/sk Poly-E-Flake

All Test performed according to modified API RP Spec 10,1997

<u>Density</u>	<u>Yield</u>	<u>Water</u>	<u>Thickening Time</u>	<u>Free Water</u>	<u>Settling</u>	<u>Rheology</u>	<u>Compressive Strength</u>
lb/gal	ft ³ /sk	gal/sk	to 70 Bc			at 100°F	psi Time
12.5	2.24	12.10	2 hr: 53 min	0%	0%	300 67	500 3 hr 46 min
						200 60	1085 12 hr
						100 51	1268 24 hr
						60 47	36 hr
						PV 26	48 hr
						YP 45	

<u>Density</u>	<u>Yield</u>	<u>Water</u>	<u>Thickening Time</u>	<u>Free Water</u>	<u>Settling</u>	<u>Rheology</u>	<u>Compressive Strength</u>
lb/gal	ft ³ /sk	gal/sk	to 70 Bc:			at 100 °F	psi Time
13.0	2.00	10.29	2 hr: 02 min	0%	0%	300 99	500 3 hr
						200 92	1477 12 hr
						100 84	1722 24 hr
						60 81	1837 36 hr
						PV 28	48 hr
						YP 77	

Note: This report is for information and the content is limited to the sample described. Halliburton Energy Services makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including any act or omission of Halliburton, resulting from the use hereof.



PLAT #1

ANTICIPATED
PRODUCTION FACILITIES
FOR A
DAKOTA WELL

RECEIVED

NOV 19 2008



DESIGNATION OF AGENT

Section of Land Management
Durango, Colorado

ConocoPhillips
San Juan Business Unit
P.O. Box 4289
Farmington, NM 87499-4289

Supervisor, Oil and Gas Operations:

Burlington Resources Oil & Gas Company, LP, an affiliate of ConocoPhillips Company, is the current Lessee and Operator on the records of the BIA Services and Mineral Management Services of the Ute Mt. Ute Oil & Gas Lease No. I-22-IND-2772. Burlington Resources Oil & Gas Company, LP hereby designates:

NAME : Huntington Energy, L.L.C.
ADDRESS : 908 N.W. 71st Street
 Okla. City, OK 73116

as its agent, with full authority to act in its behalf in complying with the terms and provisions of the said oil & gas lease and the regulations applicable thereto and on whom the supervisor or his representatives may serve written or oral instructions in securing compliance with the Oil & Gas Operating Regulations with respect to drilling, testing and completing, from the surface down to the base of the Morrison Formation for the following Ute Mt. Ute wells:

Ute Mountain Ute #89, SW/4 of Sec 21-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #90, NW/4 of Sec 21-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #92, SE/4 of Sec 16-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #93, NE/4 of Sec 15-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #94, SW/4 of Sec 28-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #101, NE/4 of Sec 17-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #103, NE/4 of Sec 16-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #104, SE/4 of Sec 15-T32N-R14W, San Juan Co., NM
Ute Mountain Ute #105, SE/4 of Sec 22-T32N-R14W, San Juan Co., NM

It is understood that this Designation of Agent does not relieve the Operator of responsibility for compliance with the terms and provisions within the Ute Mt. Ute oil & gas leases and the Oil & Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest in the lease committed hereto.

In the case of default on part of the designated agent, the Operator will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or its representatives.

The Operator agrees promptly to notify the oil and gas supervisor of any changes in the designated agent.

This Designation of Agent is deemed to be temporary and in no manner a permanent arrangement.

This Designation of Agent is limited to field operations only and does not cover administrative action, which shall require the specific authorization of the Operator.

12. Well File Information: All tests and operations on any well in the subject lands shall be conducted at the Operators sole discretion, and the information requirements of Article 8.02(b) of the Agreement and this exhibit shall not be interpreted to obligate Lessee to conduct any tests or operations with respect to any well.

- a. All wire line logs – Field and Final Print (Electrical, Radioactive, Sonic, Porosity, Velocity, etc. with digitized and log analysis, if available).
- b. Drill Stem tests - field data
- c. Core analysis - field data
- d. Mud Log - final prints
- e. Drill Stem tests - final prints
- f. Core analysis - final prints
- g. Revised Structure and Isopach maps
- h. Location (Surveyor's Plat & Drilling Permit
- i. Daily Drilling Report, Daily Workover report and final Drilling Summary
- j. Directional Survey
- k. Geological Report
- l. Completion Report
- m. Production Test Data (AOF Potential, GOR, etc.)
- n. 30 Day Well Production Test Record
- o. Bottom Hole Pressure Surveys
- p. Gas, Oil, and/or Water Analysis
- q. Monthly Oil, Gas, and/or Plant Products Purchasing Statements
- r. MMS Monthly OGOR and/or 4054 Monthly Report of Operations
- s. Sundry Notices to the BLM
- t. Wellbore profile
- u. Division Orders/Title Opinion
- v. Plug and Abandon Reports
- w. AFEs
- x. Other Information Requested by the Tribal Energy Department.

HUNTINGTON ENERGY, L.L.C.

BOP STACK 3000 PSI

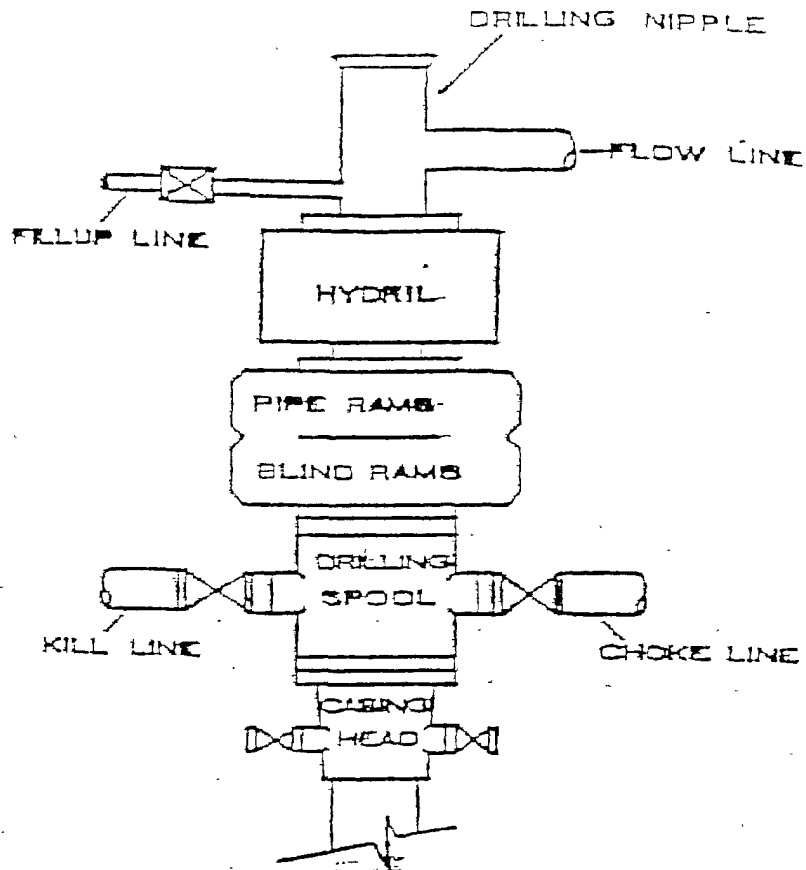


Figure #1

CHOKE MANIFOLD

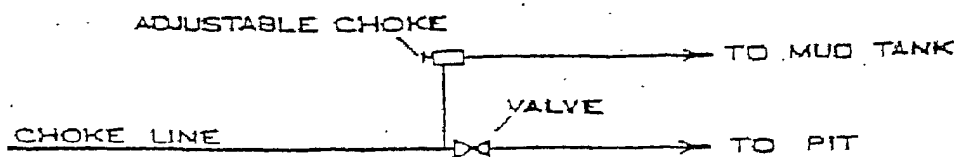


Figure #2