

RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 23 2009

APPLICATION FOR PERMIT TO DRILL OR REENTER

Bureau of Land Management
Farmington Field Office

5 Lease Serial No.
NMSF 079177
6 If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No.
Canyon Largo Unit NMNM117734-DK

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8 Lease Name and Well No
Canyon Largo Unit #504

2 Name of Operator
Huntington Energy, L.L.C.

9 API Well No.
3003930827

3a. Address 908 N.W. 71st St.
Oklahoma City, OK 73116

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

10 Field and Pool, or Exploratory
Basin Dakota

4. Location of Well (Report location clearly and in accordance with any State requirements *)
At surface Lot C, 520' FNL & 1680' FWL
At proposed prod. zone

11 Sec, T R. M. or Blk. and Survey or Area
C Sec 24, T25N-R6W

14 Distance in miles and direction from nearest town or post office*
35 miles SE from Blanco

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)

520'

16 No. of acres in lease
1922-46
1320.69

17. Spacing Unit dedicated to this well
W 320

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

19 Proposed Depth
7150' MD

20 BLM/BIA Bond No. on file
NMB000076

21 Elevations (Show whether DF, KDB, RT, GL, etc.)
6446' GL

22. Approximate date work will start*
05/01/2010

23. Estimated duration
approx 30 days

24. Attachments

RCVD DEC 16 '09
OIL CONS. DIV.

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

DIST. 3

25 Signature Catherine Smith

Name (Printed/Typed)
Catherine Smith

Date
10/21/2009

Title
Huntington Energy, L.L.C., agent for Burlington Resources Oil and Gas Company, LP

Approved by (Signature) [Signature]
Title AFM

Name (Printed/Typed)

Date 12/15/09

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.

(Continued on page 2)

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

*(Instructions on page 2)

HOLD C104 FOR N.S.L.

JAN 04 2010

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

NMCCD

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

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
OIL CONSERVATION DIVISION OCT 23 2009
1220 South St. Francis Dr.
Santa Fe, NM 87504-2088
Bureau of Land Management
Farmington Field Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30.039.30827	*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 32660	*Property Name CANYON LARGO UNIT	*Well Number 504
*OGRD No. 208706	*Operator Name HUNTINGTON ENERGY, LLC.	*Elevation 6446'

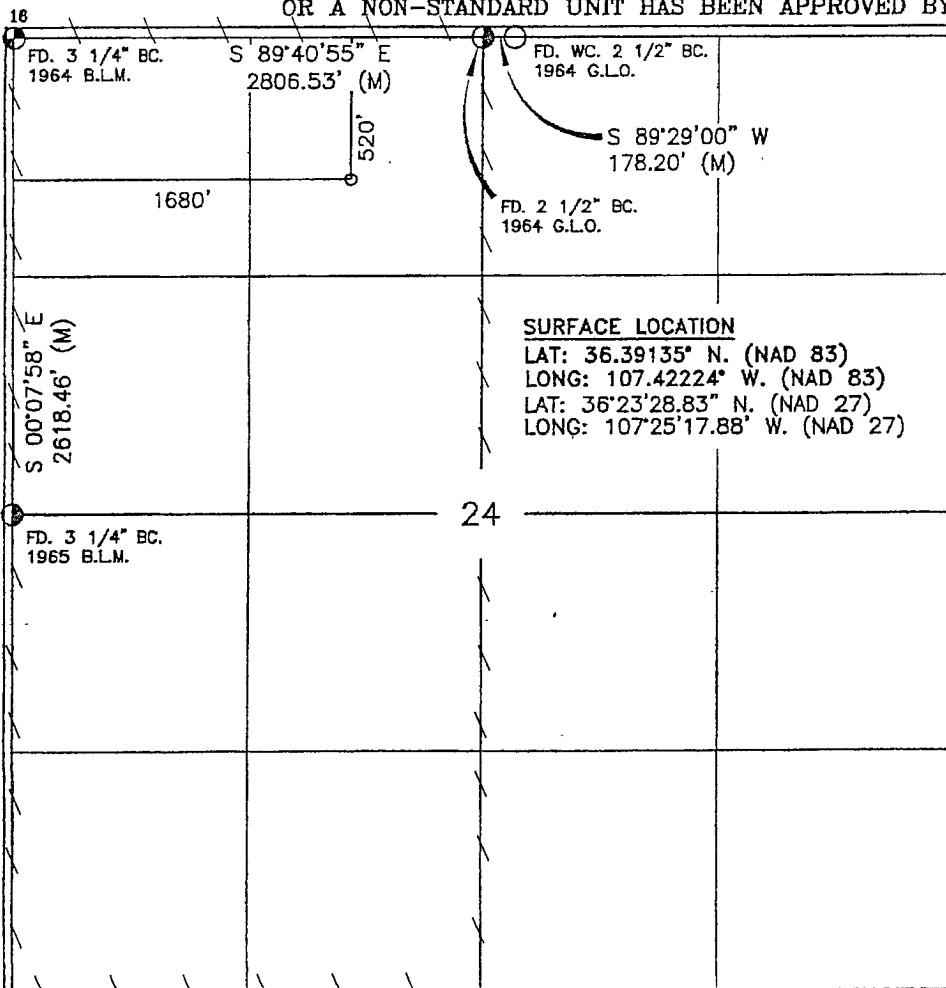
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	25-N	6-W		520	NORTH	1680	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
¹² Dedicated Acres W - 320			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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



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 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 10/15/09
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.

MAY 15, 2009
Date of Survey
Signature and Seal of Professional Surveyor
ROY A. RUST
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
88894
88894
Certificate Number

OPERATIONS PLAN

Well Name: Canyon Largo Unit #504
Location: 520' FNL, 1680' FWL, NENW, Lot C, Sec 24, T25N, R6W
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6446' GL

<u>Formation Tops:</u>	<u>Measured Depth (Tops)</u>
San Jose	Surface
San Jose Water Sands	744'
Kirtland Shale	2099'
Fruitland	2264'
Picture Cliffs	2474'
Lewis Shale	2504'
Heurfanito Bentonite	2864'
Chacra	3324'
Cliff House	4034'
Menefee	4084'
Point Lookout	4644'
Mancos	4914'
Greenhorn	6574'
Graneros	6634'
Dakota	6694'
Encinal	6879'
Burro Canyon	6934'
Morrison	7014'
TD	7150'

Logging Program:

Mud log – 2000' to TD
Open hole logs– NoneGR/Neutron, 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 – 320'	Spud	8.4-8.9	40-50	no control
320 – 7150'	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#	J-55
7 7/8"	0' – 7150'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7150'	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. 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 15 minutes.

Surface to Total Depth:

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

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. If Dakota is non-commercial, Devils Fork Gallup 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 west half of the Section 24 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.
CANYON LARGO UNIT
RIO ARriba CO., NM

BOP STACK - 3000 PSI

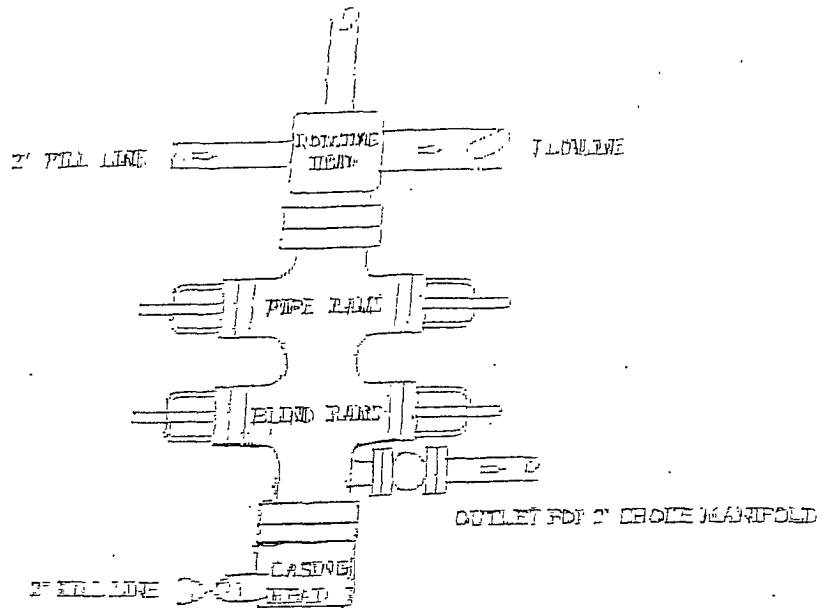


FIGURE 1

CHOKE MANIFOLD - 3000 PSI

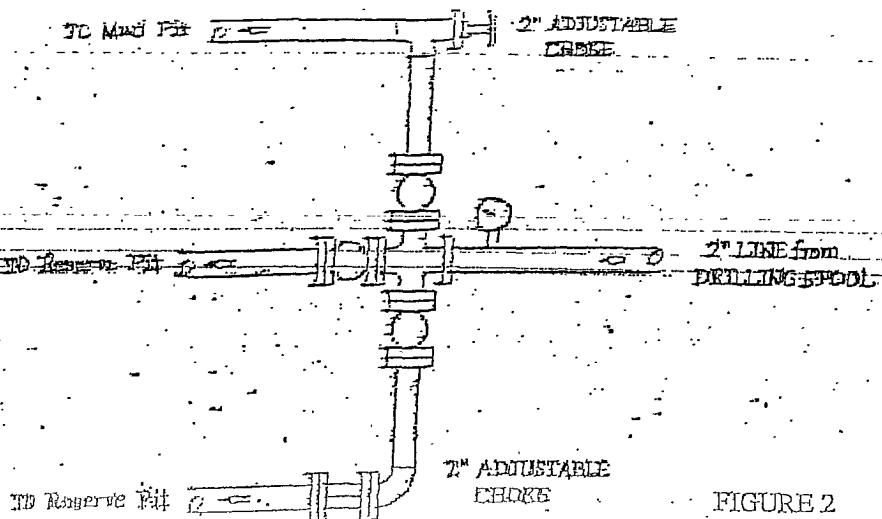


FIGURE 2

Well Pad Boundary

Well Head

Cathodic Protection

Earthen Berm

Separator

Tanks (As required)

Dehydrator

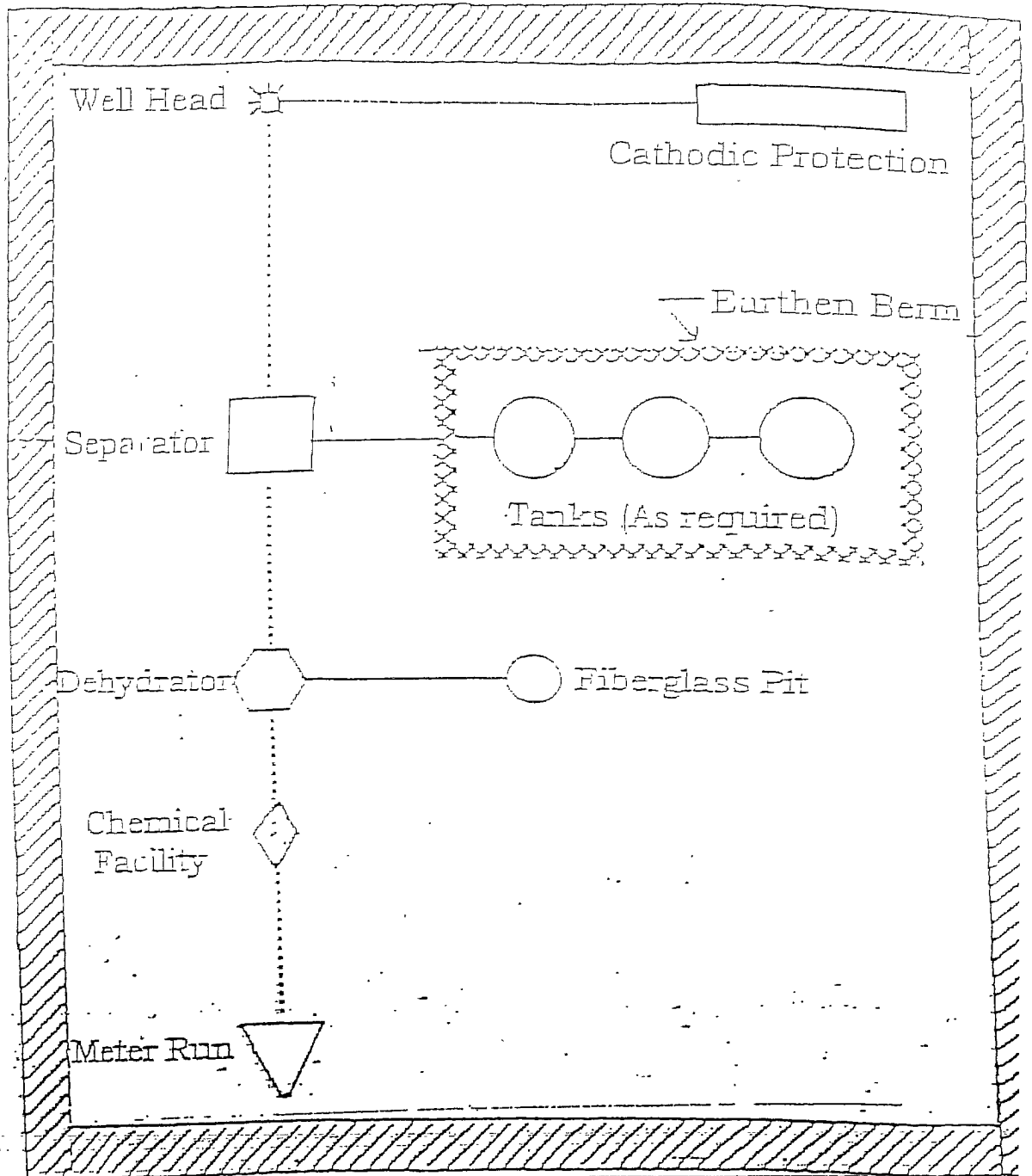
Fiberglass Pit

Chemical
Facility

Meter Run

PLAT #1

ANTICIPATED
PRODUCTION FACILITIES
FOR A
DAKOTA WELL



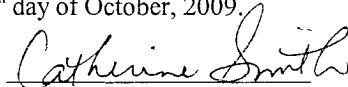
OPERATOR CERTIFICATION

Canyon Largo Unit #504
NENW Sec 24-T25N-R6W
Rio Arriba County, New Mexico

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 15th day of October, 2009.

Name:


Catherine Smith

Position Title:

Regulatory

Address:

908 N.W. 71st St.
Oklahoma City, OK 73116

Telephone:

(405) 840-9876

Field Rep:

David Morales

Address:

P.O. Box 365
Cuba, NM 87013-0365

Telephone:

(505) 328-6871

Email:

csmith@huntingtonenergy.com



DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Minerals Management Service, Unit Operator, hereafter referred to as "Operator", under the Canyon Largo Unit Agreement, Rio Arriba County, New Mexico No.: 14-08-001-1059 approved July 22, 1952 and hereby designates:

NAME: **Huntington Energy, L.L.C.**
ADDRESS: **908 N.W. 71st St.**
Oklahoma City, OK 73116

as its agent, with full authority to act in its behalf in complying with the terms of the Unit Agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing and completing the unitized substances to a depth covering the top to the base of the Dakota formation for the following well:

CANYON LARGO UNIT # 504
NW4 of Section 24, T25N, R6W
W/2 Dakota Formation
Rio Arriba County, New Mexico

It is understood that this Designation of Agent does not relieve the Operator of responsibility for compliance with the terms of the Unit Agreement and the Oil and Gas Operating Regulations. It is also understood that this Designation of Agent does not constitute an assignment of any interest under the Unit Agreement or any lease committed thereto.

In case of default on the 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 his representatives.

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

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

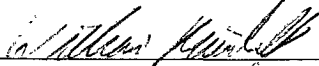
This Designation of Agent is limited to field operations only and does not cover administrative action, which shall require the specific authorization of the Operator.

This Designation of Agent shall be effective until the Canyon Largo Unit #501 has been drilled, completed and deemed commercial by the BLM. Operator shall track and submit commerciality analysis to the appropriate BLM authority. Once said well has been deemed commercial, Operator shall give Huntington Energy, L.L.C. notice thereof. Upon such notice, Huntington Energy, L.L.C shall ensure the well and related facilities, including telemetry, meet Operator's requirements, as previously provided to Huntington Energy L.L.C., and thereafter Operator will assume operations for the well the first of the month subsequent to the well being deemed commercial.

This Designation of Agent is also subject to the terms and conditions contained in Exhibit "A" attached hereto.

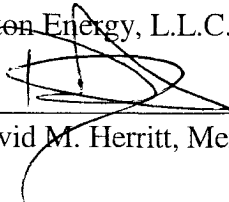
Burlington Resources Oil & Gas Company LP
By: BROG GP Inc., its sole General Partner,
As Canyon Largo Unit Operator

10/2/09
Date

By:  ^{WR}
William Rainbolt
Attorney-in-Fact

Huntington Energy, L.L.C.

10/6/09
Date

By: 
David M. Herritt, Member