HUNTINGTON ENERGY, L.L.C.

VIA TELEFACSIMILE AND U.S. MAIL

February 19, 2004

Mr. Stephen Mason Petroleum Engineer Petroleum Management Team Bureau of Land Management Farmington Field Office 1235 La Plata Highway Farmington, NM 87401

RE: Canyon Largo Unit NMSF-078882 et al (WC) 3162.3-2 (7100)

Dear Mr. Mason:

THIS APPROVAL EXPIRES MAR 0 1 2005

This is written in response to your February 4, 2004. We apologize for not responding to your letter dated February 5, 2003, to Merrion Oil and Gas Corporation. Our plans for the wells described in your letter are as follows:

30-039-054911. No. 119, 1790' FNL and 890' FWL Section 15-24N-6W: We have evaluated Well No. 119 and have determined that it appears have productive Niobrara behind pipe. Our plans in connection with Well No. 119 are to perforate and test this formation during 2004. We plan to test this formation after we perforate and test the Niobrara formation in Well No. 126.

30-039-05537 2. <u>No. 126. 790' FSL and 1850' FEL Section 9-24N-6W</u>: We have evaluated Well No. 126 and have determined that it appears to have productive Niobrara behind pipe. We plan during 2004 to perforate and fracture treat the Niobrara formation in Well No. 126.

30-039-23011 3. No. 315, 1770' FSL and 1740' FWL Section 28-25N-6W: Our review of well files for Well No. 315 indicates that this well has never been placed on pump. We plan, during 2004, to place the well on pump. Prior to it being temporarily abandoned, the well was capable of producing between 30 to 40 mcf per day.

30-039-238634. No. 356, 910' FSL and 860' FEL of Section 20-25N-6W: As new operator, we are studying the low recoveries made from Well No. 356 and are evaluating it for a possible refracture treatment. The initial fracture treatment was small. The well is also located in an area with better

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production from the Niobrara formation. We hereby request a one year period within which to further study the area and well for possible re-treatment or recompletion in the Niobrara formation.

Sincerely yours,

Steven J

SJG/rg

cc: Mr. Chuck Smith Burlington Resources Oil & Gas Co. P.O. Box 4289 Farmington, NM 87499