

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



June 28, 2011

Huntington Energy, L.L.C. Attn: Ms. Catherine Smith 908 N.W. 71st Street Oklahoma City, OK 73116

Administrative Order NSL-6410

Re: State of New Mexico 35 Well No. 1 API No. 30-041-20944 660 feet FNL & 1350 feet FWL Unit C, Section 35-6S-34E Roosevelt County, New Mexico

Dear Ms. Smith:

Reference is made to the following:

- (a) your application (administrative application reference No. pTGW11-16450966) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 10, 2011, and
 - (b) the Division's records pertinent to this request.

Huntington Energy, L.L.C. (Huntington) [OGRID 208706] has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NE/4 NW/4 of Section 35 will be dedicated to this well in order to form a standard 40-acre wildcat oil spacing and proration unit in the San Andres formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].



It is our understanding that you are seeking this location in order to utilize an existing wellbore.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Jami Bailey

Director

JB/db

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office