

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



August 13, 2014

Huntington Energy, LLC
Attn: Mr. Thomas Dugan

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7133
Administrative Application Reference No. pMAM1419757854

Huntington Energy, LLC
OGRID 208706
CLU 25-6-11 Well No. 2H
API No. 30-039-31239

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2511 FNL & 10 FEL	H	11	25N	6W	Rio Arriba
Penetration Point	2310 FNL & 330 FEL	H	11	25N	6W	Rio Arriba
Terminus	1650 FNL & 330 FWL	E	11	25N	6W	Rio Arriba

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 11	320	Devils Fork Gallup (Associated)	17610

Reference is made to your application received on July 23, 2014.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed, by the Special Rules for the Devils Fork Gallup (Associated) Pool, which provides for 160-acre units, with wells located at least 790 feet from the boundary of a governmental quarter section, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that you are seeking this location due to achieve efficient production of the hydrocarbon reserves and prevent waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on August 13, 2014.

A handwritten signature in black ink, appearing to read 'Jami Bailey', with a stylized, cursive script.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management – Farmington