

BEFORE THE OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT

APPLICATION OF HUNTINGTON ENERGY, L.L.C.
FOR COMPULSORY POOLING, RIO ARRIBA
COUNTY, NEW MEXICO.

CASE NO. 13682

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Ocean Munds-Dry, attorney in fact and authorized representative of Huntington Energy, L.L.C., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

Ocean Munds-Dry
Ocean Munds-Dry
William F. Carr

SUBSCRIBED AND SWORN to before me this 7th day of March 2006.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 1/14/07

[Signature]
Notary Public

My Commission Expires:

January 14, 2007

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13682 Exhibit No. 1
Submitted by:
Huntington Energy, L.L.C.
Hearing Date: March 30, 2006

EXHIBIT A

**Application of Huntington Energy, L.L.C.
for compulsory pooling,
Rio Arriba County, New Mexico
Section 2:Unit Letter F
Township 25 North, Range 7 West, NMPM
Rio Arriba County, New Mexico.**

Canyon Largo Unit Well No. 473

Astin Corporation
1000 North Central Expressway
Suite 1540
Dallas, Texas 75231-4161

ConocoPhillips Company
Mid-America – San Juan
600 North Dairy Ashford
Houston, Texas 77079
Attention: Tom Scarborough

Dugan Production Corp.
Post Office Box 420
Farmington, New Mexico 87499
Attention: Skip Fraker

Leland Production Petroleum, Inc.
2101 McKinney Ave.
Dallas, Texas 75201

William G. Mennen
Address Unknown

William G. Mennen
7079 Fairway Place
Carmel, California 93923-9585



March 2, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

Re: Case No. _____: Application of Huntington Energy, L.L.C. for compulsory pooling,
Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Huntington Energy, L.L.C. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the base of the Mesaverde formation to the base of the Dakota formation in the following described acreage in irregular Section 2, Township 25 North, Range 7 West, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Basin-Dakota Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Huntington's proposed Canyon Largo Unit Well No. 473 to be drilled an unorthodox well location 1350 feet from the North and West lines of said Section 2 to a depth sufficient to test all formations from the base of the Mesaverde formation to the base of the Dakota formation.

This application has been set for hearing before a Division Examiner on March 30, 2006. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.



Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

Ocean Munds-Dry
ATTORNEY FOR HUNTINGTON ENERGY L.L.C.

cc: Carl E. Sherrill
Huntington Energy, L.L.C.

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE AMENDED APPLICATION OF HUNTINGTON ENERGY,
L.L.C. FOR COMPULSORY POOLING, RIO ARriba COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Huntington Energy, L.L.C., ("Huntington") through its undersigned attorneys, hereby files this application to the Oil Conservation Division pursuant to the provisions of NMSA 1978 § 70-2-17(C), for an order pooling all mineral interests from the base of the Mesaverde formation through the base of the Dakota formation in the following described acreage in Section 2, Township 25 North, Range 7 West, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Basin- Dakota Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent, and in support thereof states:

1. Huntington is a working interest owner in the W/2 of said Section 2 and has the right to drill thereon.

2. Huntington proposes to dedicate the above-referenced spacing and proration unit to its Canyon Largo Unit Well No. 473 to be drilled at an unorthodox well location 1350 feet from the North and West lines of said Section 2 to a depth sufficient to test all formations from the base of the Mesaverde formation to the base of the Dakota formation.

3. Huntington has sought and been unable to obtain a voluntary agreement for the development of these lands from those interest owners identified on Exhibit A to this Application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Huntington the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Huntington Energy, L.L.C. should be designated the operator of the well to be drilled.

WHEREFORE, Huntington Energy, L.L.C. requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2006 and, after notice and hearing as required by law, the Division enter its order:

A. pooling all mineral interests in the subject spacing units,

- B. designating Huntington Energy, L.L.C. operator of this spacing unit and the well to be drilled thereon,
- C. authorizing Huntington Energy, L.L.C. to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a 200% penalty for the risk assumed by Huntington Energy, L.L.C. in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds Dry

William F. Carr
Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR HUNTINGTON
ENERGY, L.L.C.

CASE _____:

Application of Huntington Energy, L.L.C. for compulsory pooling, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the base of the Mesaverde formation through the base of the Dakota formation in the following described acreage in Section 2, Township 25 North, Range 7 West, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Basin Dakota Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Canyon Largo Unit well No. 473 to be drilled at an unorthodox well location 1350 feet from the North and West lines of said Section 2 to an approximate depth of 7500 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Huntington Energy, L.L.C. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 20 miles southeast of Blanco, New Mexico.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

7001 1140 0002 9557 9125

WTB Postage \$ 1.87
 Certified Fee 2.40
 Return Receipt Fee (Endorsement Required) 1.85
 Restricted Delivery Fee (Endorsement Required) 5.12
 Total Postage & Fees \$ 11.24

Sent To: Astin Corporation
 1000 North Central Expressway
 Suite 1540
 Dallas, TX 75231-4161

Street, Apt. No. or PO Box No.:
 City, State, ZIP+4

PS Form 3811, July 1999



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

7001 1140 0002 9557 9122

WTB Postage \$ 1.87
 Certified Fee 2.40
 Return Receipt Fee (Endorsement Required) 1.85
 Restricted Delivery Fee (Endorsement Required) 5.12
 Total Postage & Fees \$ 11.24

Sent To: ConocoPhillips Company
 Attn: Tom Scarborough
 Mid-America - San Juan
 600 North Dairy Ashford
 Houston, TX 77079

Street, Apt. No. or PO Box No.:
 City, State, ZIP+4

PS Form 3811, July 1999



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Astin Corporation
 1000 North Central Expressway
 Suite 1540
 Dallas, TX 75231-4161

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) **DEBBIE HALL 3-7-06**

B. Date of Delivery

C. Signature *Debbie Hall*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Copy #) **7001 1140 0002 9557 9125**

PS Form 3811, July 1999

102595-00-M-0992

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Company
 Attn: Tom Scarborough
 Mid-America - San Juan
 600 North Dairy Ashford
 Houston, TX 77079

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature *Tom*

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Copy #) **7001 1140 0002 9557 9122**

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0992

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9557 9139

Postage \$ 1.87
 Certified Fee 2.40
 Return Receipt Fee (Endorsement Required) 1.85
 Restricted Delivery Fee (Endorsement Required) \$ 5.25
 Total Postage & Fees

Sent To: Dugan Production Corp.
 Attn: Skip Fraker
 Street, Apt. No. Post Office Box 420
 City, State, Zip Farmington, NM 87499

PS Form 3811, July 1999



U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9557 9153

Postage \$.87
 Certified Fee 2.40
 Return Receipt Fee (Endorsement Required) 1.85
 Restricted Delivery Fee (Endorsement Required) \$ 5.12
 Total Postage & Fees

Sent To: Leland Production Petroleum Inc.
 Street, Apt. No. 2101 McKinney Avenue
 or PO Box No. Dallas, Texas 75201
 City, State, Zip

PS Form 3811, July 1999



SENDER, COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Corp.
 Attn: Skip Fraker
 Post Office Box 420
 Farmington, NM 87499

2. Article Number (Copy) 7001 1140 0002 9557 9139
 PS Form 3811, July 1999 Domestic Return Receipt:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
 Larry Jordan 3-6

C. Signature
 Larry Jordan

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

102595-00-M-0852

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only - No Insurance Coverage Provided)

7001 1140 0002 9557 9146

Postage \$ 1.87
 Certified Fee 0.40
 Return Receipt Fee (Endorsement Required) 1.88
 Restricted Delivery Fee (Endorsement Required) 5.17
 Total Postage & Fees \$ 9.32

Postmark: MAR 2 2008
 Post Office: 8750

Sent to: William G. Mennen
 Street, Apt. No., or P.O. Box No.: 7079 Fairway Place
 City, State, ZIP: Carmel, CA 93923-9585

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 - Print your name and address on the reverse so that we can return the card to you.
 - Attach this card to the back of the mailpiece, or on the front if space permits.
1. Article Addressed to:

William G. Mennen
 7079 Fairway Place
 Carmel, CA 93923-9585

2. Article Number (Copy) 7001 1140 0002 9557 9146
 PS Form 3811, July 1999 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) W. Mennen B. Date of Delivery 3/7/06

C. Signature [Signature] Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below:

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes