

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

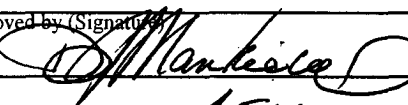
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF 078874
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator HUNTINGTON ENERGY, L.L.C.		7. If Unit or CA Agreement, Name and No. CANYON LARGO UNIT
Contact: CATHY SMITH E-Mail: CSMITH@HUNTINGTONENERGY.COM		8. Lease Name and Well No. CANYON LARGO UNIT 468
3a. Address 6301 WATERFORD BLVD., SUITE 400 OKLAHOMA CITY, OK 73118	3b. Phone No. (include area code) Ph: 405-840-9876 Fx: 405-840-2011	9. API Well No. 3003929383
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SWSW Lot M 920FSL 1195FWL 36.33700 N Lat, 107.47774 W Lon At proposed prod. zone SWSW Lot M 920FSL 1195FWL 36.33700 N Lat, 107.47774 W Lon		10. Field and Pool, or Exploratory BASIN DAKOTA
14. Distance in miles and direction from nearest town or post office* 35 MILES SE OF BLANCO, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 4 T24N R6W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease 2410.50	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 6900 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6460 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00 538.75 W/2
		20. BLM/BIA Bond No. on file NMB000076
		23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall 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 shall 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 authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CATHY SMITH Ph: 405-840-9876	Date 12/02/2004
Title GENERAL CONTACT		
Approved by (Signature) 	Name (Printed/Typed)	Date 5-12-05
Title AFM	Office FFO	

Application approval does not warrant or certify 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.

Electronic Submission #51481 verified by the BLM Well Information System  
For HUNTINGTON ENERGY, L.L.C., sent to the Farmington

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

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

NMOCD

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., 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  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

*API Number 30-039-29383		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 6886	*Property Name CANYON LARGO UNIT		*Well Number 468
*OGRID No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6460'

**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
M	4	24-N	6-W		920	SOUTH	1195	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
Dedicated Acres BK-W/388 338.75					Joint or Infill		Consolidation Code		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

LOT 4	LOT 3	LOT 2	LOT 1
LOT 5	LOT 6	LOT 10	LOT 8
LOT 12	LOT 11	LOT 9	

FD 3 1/4" B.L.M. BC 1964

N 00-19-25 E 2611.40' (M)

1195'

LAT: 36.337004651° N. (NAD 27)  
LONG: 107.477744566° W. (NAD 27)

S 89-23-49 E 2632.0' (M)

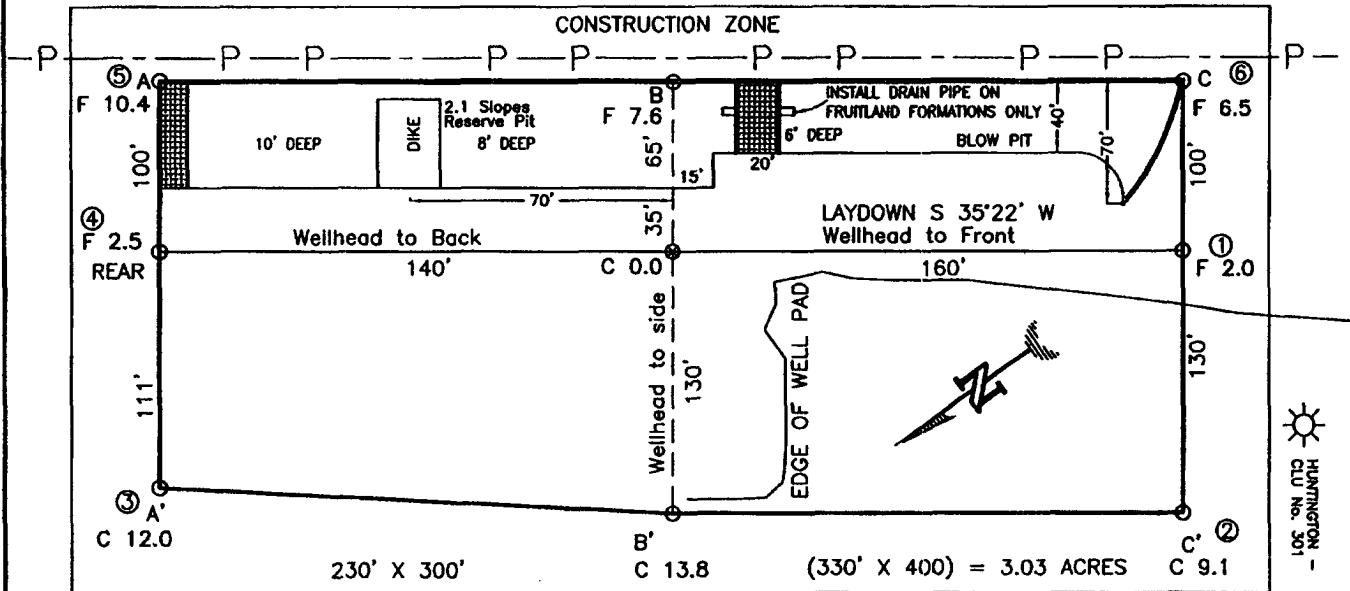
FD 3 1/4" B.L.M. BC 1964

920'

**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
*Catherine Smith*  
Signature  
Catherine Smith  
Printed Name  
Land Associate  
Title  
October 22, 2004  
Date

**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 belief.  
A. VUKONJIC  
Signature and Seal of Professional Surveyor  
14831  
REGISTERED PROFESSIONAL SURVEYOR  
14831  
Certificate Number

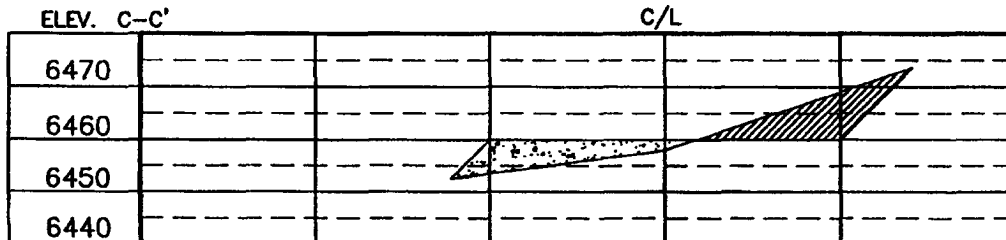
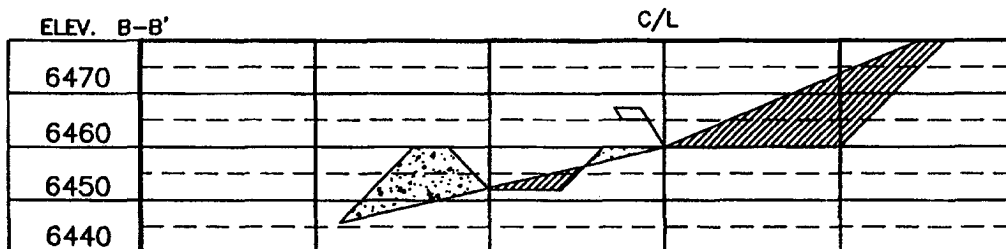
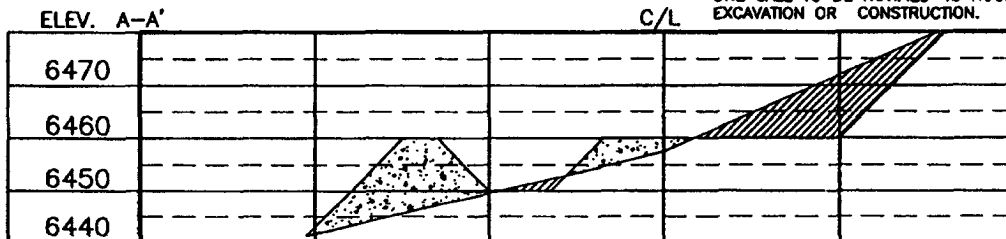
**HUNTINGTON ENERGY, LLC**  
**CANYON LARGO UNIT 468, 920 FSL 1195 FWL**  
**SECTION 4, T-24-N, R-6-W, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO**  
**GROUND ELEVATION: 6460, DATE: SEPTEMBER 21, 2004**



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).  
 BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

**NOTE:**

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR  
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO  
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO  
 EXCAVATION OR CONSTRUCTION.



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

DATE:	REVISION:	<b>Daggett Enterprises, Inc.</b> Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-4019 NEW MEXICO L.S. No. 14831 LICENSE: HGT021CFB DATE: 10/14/04
DATE:	REVISION:	
DATE:	REVISION:	
DATE:	REVISION:	



## OPERATIONS PLAN

Well Name: Canyon Largo Unit #468  
Location: 920' FSL, 1195' FWL, SW/4 Sec 4, T-24-N, R-6-W NMPM  
Rio Arriba County, NM  
Formation: Basin Dakota  
Elevation: 6460' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>
Surface	San Jose	1467'
Ojo Alamo	1467'	1772'
Kirkland	1772'	1887'
Fruitland	1887'	2102'
Pictured Cliffs	2102'	2202'
Lewis	2202'	2460'
Huerfano Bentonite	2460'	2924'
Chacra	2924'	3619'
Cliff House	3619'	3697'
Menefee	3697'	4302'
Point Lookout	4302'	4540'
Mancos	4540'	5612'
Gallup	5612'	6312'
Greenhorn	6312'	6372'
Graneros	6372'	6410'
Dakota	6410'	6747'
Morrison	6747'	
TD	6900'	

### Logging Program:

Open hole – Neutron-Density, Microlog – TD to minimum operations depth, DIL-GR-TD to surface  
Cased Hole – CBL-CCL-GR – TD to surface  
Cores – none  
Mud log – TD to 6000'

### 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 – 6900'	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 ¼"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 6900'	4 ½"	11.6#	N-80

### Tubing Program:

0' – 6900'	2 3/8"	4.7#	J-55
------------	--------	------	------

### 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.

2" nominal, 3000 psi minimum choke manifold (Reference Figure #3).

Completion Operations:

6" 3000 psi double gate BOP stack (Reference Figure #2). 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 #3).

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/336 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (396 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 800 sx 9.5 ppg Litecrete Blend w/0.11% dispersant, 0.5% fluid loss. Tail w/407 sx Class "G" cement w/3% gel, 0.25 pps Celloflake, 5 pps Gilsonite, 0.25 pps fluid loss, 0.15% dispersant, 0.1% retardant, 0.1% antifoam (Slurry volume: 2603 cu. ft. Excess slurry 50%).

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 670 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 4<sup>th</sup> 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:

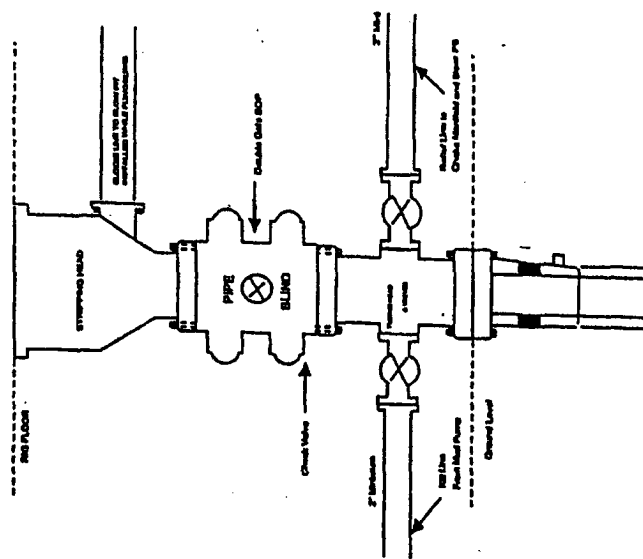
The Dakota formations will be completed.

- 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 4 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.**

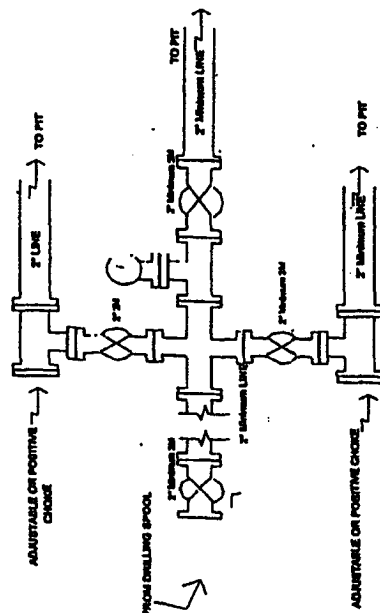
**Completion/Workover Rig  
BOP Configuration  
2,000 psi System**



Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stripping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi stripping head.

**Figure #2**

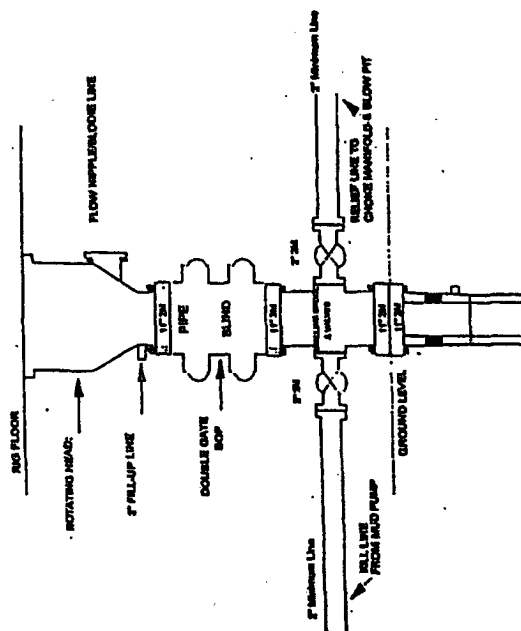
**Drilling Rig  
Choke Manifold Configuration  
2000 psi System**



Choke manifold installation from Surface Casing Point to Total Depth. 2,000psi working pressure equipment with two chokes.

**Figure #3**

**Drilling Rig  
2000 psi System**



BOP Installation from Surface Casing Point to Total Depth, 11" Bore 10" Nominal, 2000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 500 psi rotating head on top of ram browsers. All BOP equipment is 2,000 psi working pressure ram browsers. All BOP

**Figure #1**