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UNITED STATES RECEIVED
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

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 078880
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input 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
3a. Address 6301 Waterford Blvd., Suite 400 Oklahoma City, OK 73118		8. Lease Name and Well No. Canyon Largo Unit #464
3b. Phone No. (include area code) (405) 840-9876		9. API Well No. 30-039-29360 27871
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface Lot J, 1330' FSL & 2595' FEL At proposed prod. zone SAME		10. Field and Pool, or Exploratory Basin Dakota
11. Sec., T., R., M., or Blk. and Survey or Area T Sec 15-T25N-R7W NMPM		12. County or Parish Rio Arriba
13. State NM		14. Distance in miles and direction from nearest town or post office* 35 miles SE of Blanco, NM
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	17. Spacing Unit dedicated to this well 320 E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 7400'	20. BLM/BIA Bond No. on file NMB000076
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6804'	22. Approximate date work will start*	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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Catherine Smith</i>	Name (Printed/Typed) Catherine Smith	Date 6/22/05
Title Land Associate		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 6/22/05
Title AFM	Office FFO	

Application approval does not warrant or certify the 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.

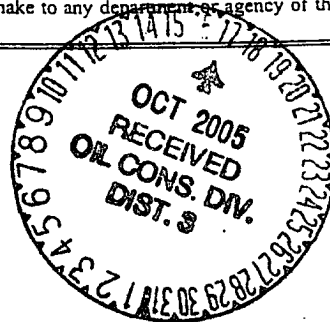
*(Instructions on reverse)

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

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

NMOCD

HOLD C104 FOR NSL



DISTRICT I
1025 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 N. 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 10-039-29360 27871	*Pool Code /1599	*Pool Name Basin Dakota
*Property Code 6886 32662	*Property Name CANYON LARGO UNIT	*Well Number 464
*OGRM No. 14538 208706	*Operator Name HUNTINGTON ENERGY, L.L.C.	*Elevation 6804

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
J	15	25-N	7-W		1330	SOUTH	2595	EAST	RIO ARriba

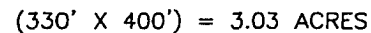
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320					13 Joint or Infill		14 Consolidation Code		15 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

16		17 OPERATOR CERTIFICATION I hereby certify that the information obtained herein is true and complete to the best of my knowledge and belief. Signature Catherine Smith Printed Name Land Associate Title 6/22/05 Date
LAT: 36°23.8072' N (NAD 27) LONG: 107°33.6463' W (NAD 27)	15 2595' N 88-51-15 W 2605.1' (M) QTR. CORNER FD 3 1/4" BC 1965 B.L.M.	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 vision, and that the same is true and correct to the best of my belief. APR 2005 Date NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14881 Certificate Number

GROUND ELEVATION: 6804, DATE: APRIL 7, 2005



OPERATIONS PLAN

Well Name: Canyon Largo Unit #464
Location: 1330' FSL, 2595' FEL, W2W2SE Sec 15, T-25-N, R-7-W NMPM
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6804' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>
Surface	San Jose	1923'
Ojo Alamo	1923'	2093'
Kirkland	2093'	2313'
Fruitland	2313'	2580'
Pictured Cliffs	2580'	2684'
Lewis Shale	2684'	2965'
Huerfanito	2965'	4129'
Cliff House	4129'	4212'
Menefee	4212'	4851'
Point Lookout	4851'	5085'
Mancos	5085'	6026'
Gallup (Niobrara)	6026'	6817'
Greenhorn	6817'	6884'
Graneros	6884'	6924'
Dakota	6924'	7300'
Morrison	7300'	
TD	7400'	

Logging Program:

Open hole – none
Cased Hole – RST – TD to 5900'; CBL/GR – TD to 5700'
Cores & DST's – none
Mud log – TD to 5900'

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 – 7400'	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 1/4"	0' – 320'	8 5/8"	24.0#	WC-50
7 7/8"	0' – 7400'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7400' 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. **BOP**

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/265 sx Class "B" cement w/3% calcium chloride and 1/4#/sx cellophane flakes (312 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 700 sx 65/35 Standard Poz w/6% gel, 1/4# Flocele, 10# Gilsonite, 3/10% Halad 9, 1/10% HR5 (1.96 yld). Tail w/900 sx 50/50 Standard Poz w/35 Gel, 9/10% Halad9, 2/10% CFR 3, 5# Gilsonite, 1/4# Flocele (1.47 yld).

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 700 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 4th 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.

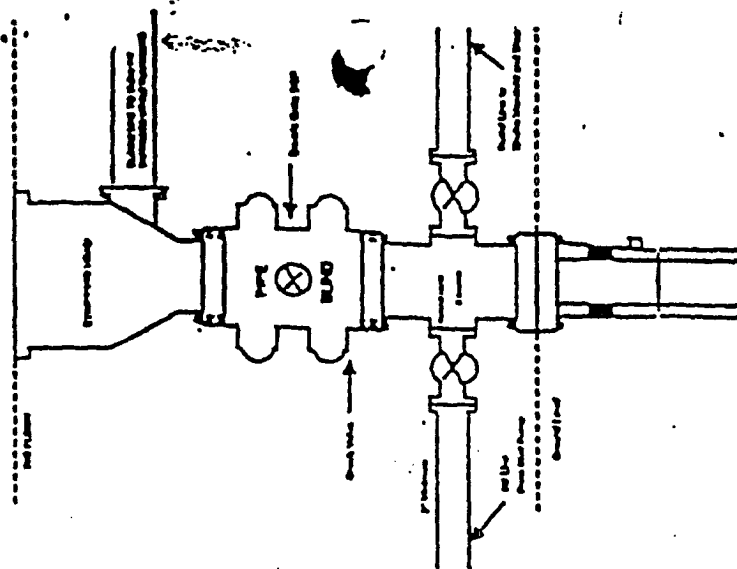
Additional Information:

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 east half of the Section 15 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

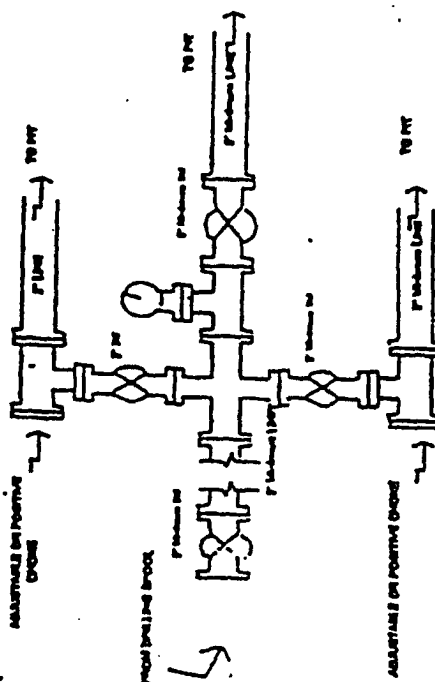
Completion/Workover Rig BOP Configuration 3,000 psi System



Minimum BOP Installation for all Completion/Workover Operations. 7-1/16" bore, 3000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A whipping head to be installed on the top of the BOP. All BOP equipment to 3000 psi working pressure or greater excluding 800 psi at top of pipe.

Figure #3

Drilling Rig Choke Manifold Configuration 3000 psi System

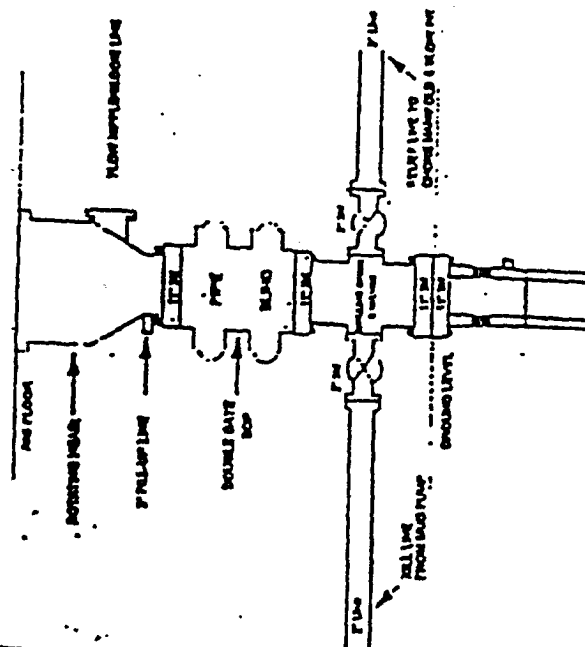


Choke manifold Installation from Surface Casing Point to Total Depth. 3,000psi working pressure equipment with two chokes.

Figure #2

4-18-81

Drilling Rig 3000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore for Maximum 3000 psi working pressure double gate BOP to be equipped with blind rams and pipe rams. A 800 psi working head on top of ram preventer. All BOP equipment to 3,000 psi working pressure.

Figure #1