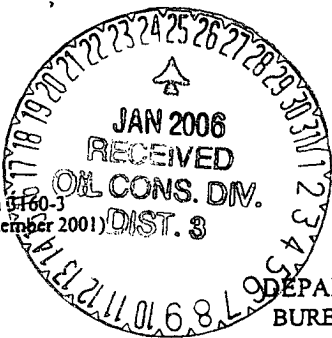


Form 9160-3
(September 2001)



2005 AUG 32 PM 1 23

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SF 078925

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

Canyon Largo Unit 32660

8. Lease Name and Well No.
Canyon Largo Unit 437

9. API Well No.
30-039-29640

10. Field and Pool, or Exploratory
Basin Dakota 71599

11. Sec., T., R., M., or Blk. and Survey or Area
Lot L, Sec 25, T24N-R6W

12. County or Parish
Rio Arriba

13. State
NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Huntington Energy, L.L.C. 208706

3a. Address 6301 Waterford Blvd., Suite 400
Oklahoma City, OK 73118

3b. Phone No. (include area code)
(405) 840-9876

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface NWSW 1450' FSL & 800' FWL NMPM

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office*

35 miles SE from 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
2240.00

17. Spacing Unit dedicated to this well
320 W/S

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
6800'

20. BLM/BIA Bond No. on file
NMB000076

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6562'

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.
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

Catherine Smith

Name (Printed/Typed)

Catherine Smith

Date

8/29/05

Title

Land Associate

Approved by (Signature)

Jim Lohs

Name (Printed/Typed)

Date

1/23/06

Title

Acting ADU

Office

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 3185.3
and appeal pursuant to 43 CFR 3185.4

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

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-10
Revised June 10, 2001
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2005 AUG 32 PM 1 23

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29640		*Pool Code 71599	*Pool Name 070 FARMINGTON Basin Dakota
*Property Code 6886 32660 ✓	*Property Name CANYON LARGO UNIT		*Well Number 437 ✓
*GRID No. 208706 ✓	*Operator Name HUNTINGTON ENERGY, LLC ✓		*Elevation 6562' ✓

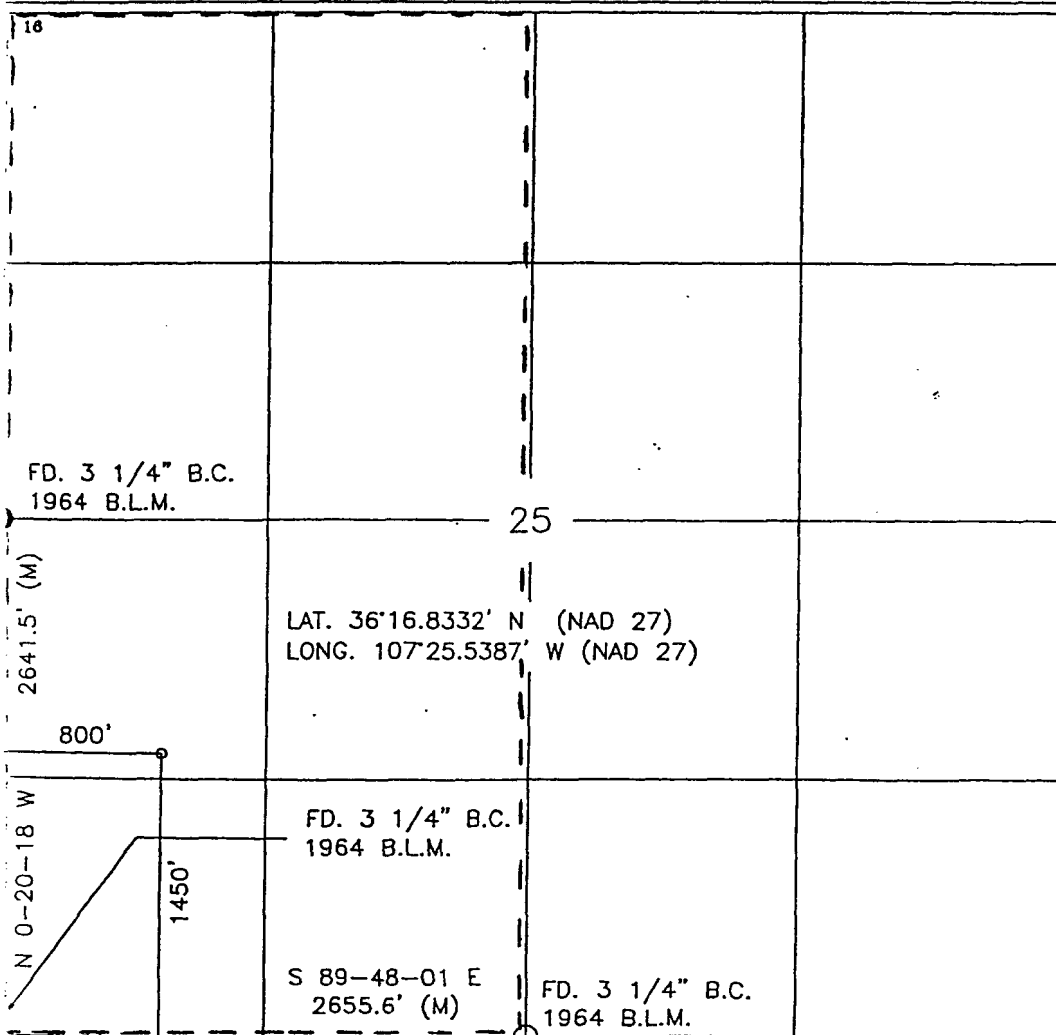
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	24-N	6-W		1450	SOUTH	800	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 DK-W/320					*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



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
July 19, 2005
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.


2005
Date of Survey
Signature of Registered Professional Surveyor
JOHN A. YUKONICH
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14831
1405
Certificate Number

LAT. = 36°16.8332' N.
LONG. = 107°25.5387' W
NAD 27



ELEV. C-C'	C/L			
6570				
6560				
6550				
6540				

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.

REVISION:	DATE:	REVISED BY:
 <p> Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 328-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 14831 </p>		
DRAWN BY: B.L.	COPIES: HTG031CF8 DATE: 07/08/05	
ROW#: HTG031		

OPERATIONS PLAN

Well Name: Canyon Largo Unit #437
Location: 1450' FSL, 800' FWL, NWSW Sec 25, T-24-N, R-6-W NMPM
Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6562' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>
Ojo Alamo	1440'	1702'
Kirkland	1702'	1800'
Fruitland	1800'	2037'
Pictured Cliffs	2037'	2139'
Lewis Shale	2139'	2375'
Huerfano	2375'	3561'
Cliff House	3561'	3605'
Menefee	3605'	4225'
Point Lookout	4225'	4410'
Mancos	4410'	5294'
Gallup (Niobrara)	5294'	6247'
Greenhorn	6247'	6312'
Graneros	6312'	6348'
Dakota	6348'	6656'
Morrison	6656'	
TD	6800'	

Logging Program:

Mud log – 1800' to TD
Open hole logs– Platform Express
Cased hole logs – CBL/GR – TD to 6000'
Cores & DST's – none

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 – 6800'	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' – 6800'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 6800'	2 3/8"	4.7#	J-55
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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/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.

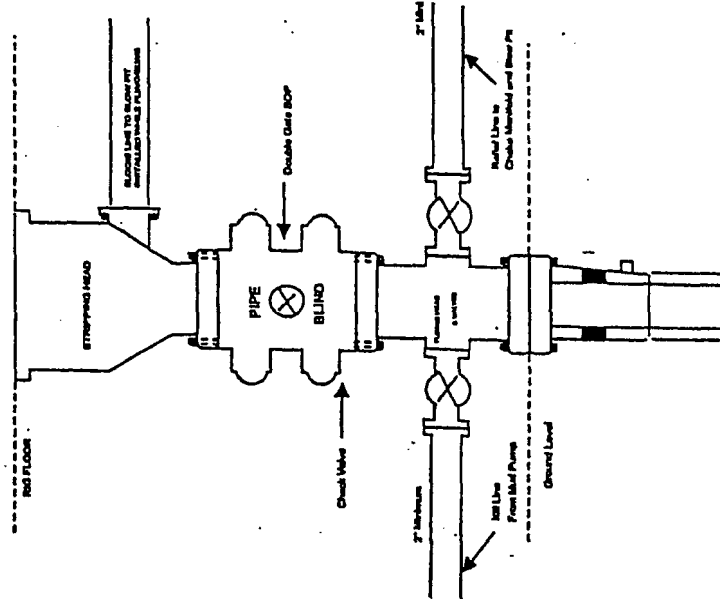
Additional Information:

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 west half of the Section 25 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

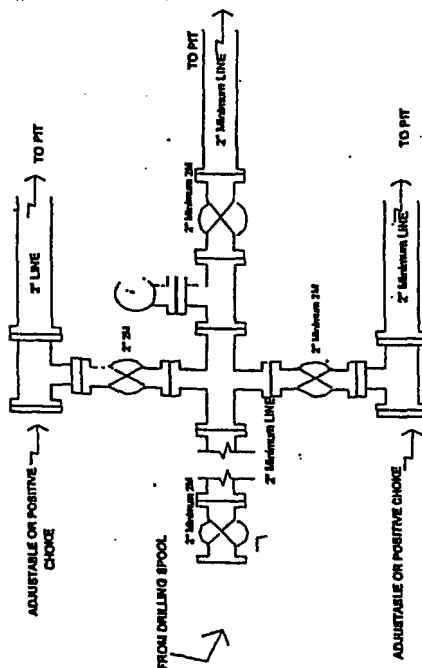
Completion/Workover Rig
BOP Configuration
2,000 psi System



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

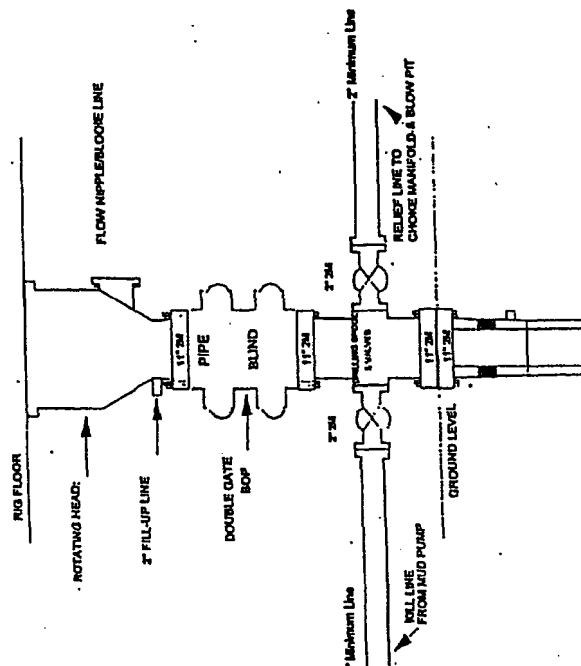
Drilling Rig
Choke Manifold Configuration
2000 psi System



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 and pipe rams. A 500 psi rotating head on top of ram preventer. All BOP equipment is 2,000 psi working pressure

Figure #1