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UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
NMSF 079177

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

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

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

8. Lease Name and Well No.
Canyon Largo Unit #472

2. Name of Operator
Huntington Energy, L.L.C.

9. API Well No.
30-039-30001

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

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

10. Field and Pool, or Exploratory
Basin Dakota

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

At surface NENE, Lot A, 790' FNL & 1285' FEL

At proposed prod. zone same

11. Sec., T. R. M. or Blk. and Survey or Area

A Sec 23-25N-6W

14. Distance in miles and direction from nearest town or post office*
35 miles SE from Blanco, NM

12. County or Parish
Rio Arriba

13. State
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
7300'

20. BLM/BLA Bond No. on file
NMB000076

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6518'

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, must 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 must 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 BLM.

25. Signature *Catherine Smith*

Name (Printed Typed)
Catherine Smith

Date
07/18/2006

Title
Land Associate

Approved by (Signature) *[Signature]*

Name (Printed Typed)

Date
9/19/06

Title

Office

Application approval does not warrant or certify that 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 page 2)

Submit Application for pit permit prior to constructing drilling location.

NMOC

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

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.8
and appeal pursuant to 43 CFR 3165.4

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 30-039-30001		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code -6886 32660	*Property Name CANYON LARGO UNIT		*Well Number 472
*OGRID No. 208706	*Operator Name HUNTINGTON ENERGY, LLC		*Elevation 6518'

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
A	23	25-N	6-W		790	NORTH	1285	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
*Dedicated Acres DK - E/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

16

FD 2 1/2" GLO BC 1964	S 89-38-34 W 2589.5' (M)	FD 3 1/4" B.L.M. BC 1964	790'
LAT: 36.39061° N. (NAD 83) LONG: 107.43230° W. (NAD 83)		1285'	
23		S 00-07-58 E 2618.4' (M)	
		FD 3 1/4" B.L.M. BC 1964	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

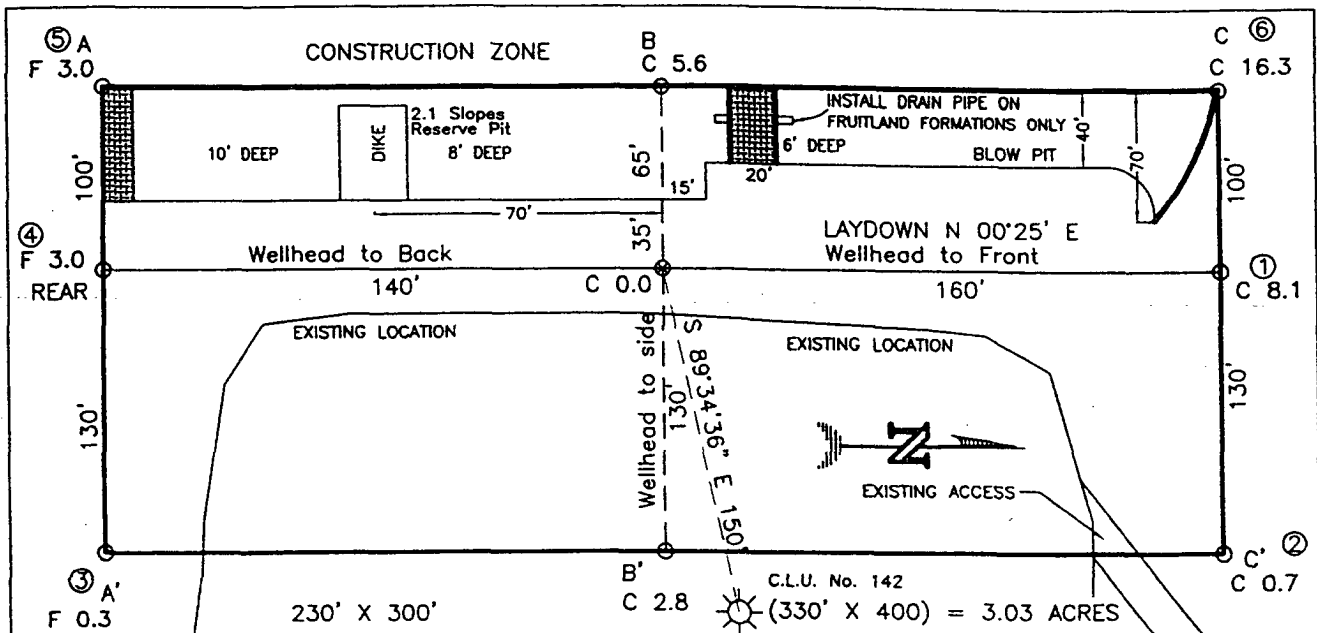
Catherine Smith
Signature
Catherine Smith
Printed Name
Land Associate
Title
February 2, 2006
Date

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.

DECEMBER 9, 2005
Date of Survey
Signature of Professional Surveyor:
JONKA VUKOMICH
14831
6-0
14831
REGISTERED PROFESSIONAL SURVEYOR
Certificate Number

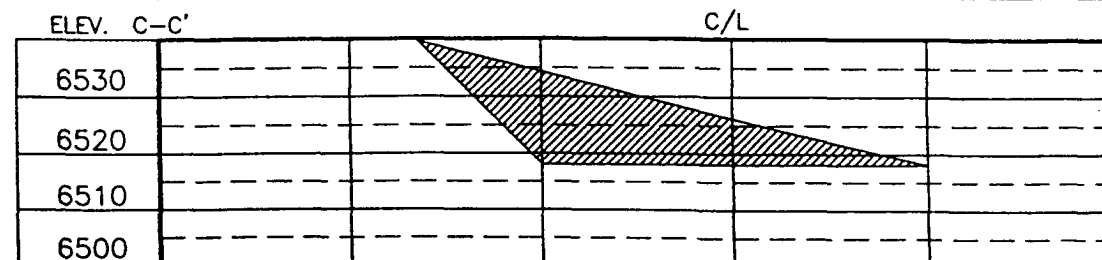
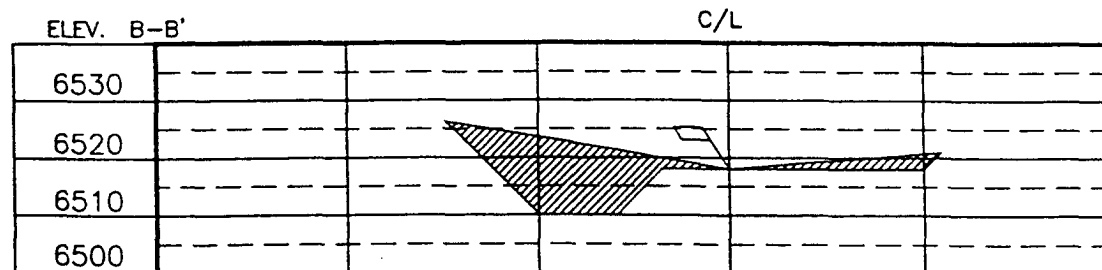
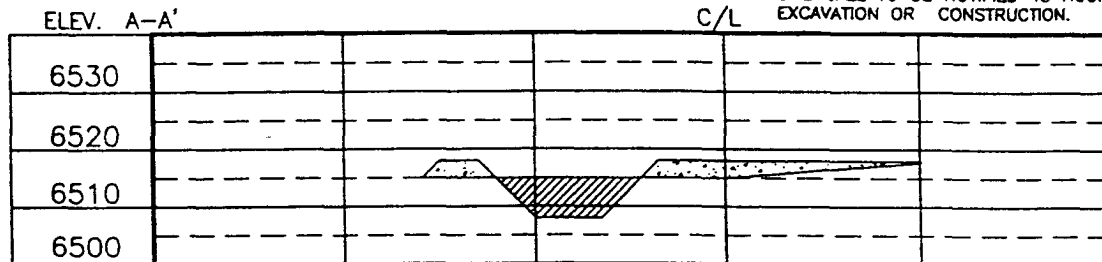
HUNTINGTON ENERGY, LLC
 CANYON LARGO UNIT 472, 790 FNL 1285 FEL
 SECTION 23, T-25-N, R-6-W, N.M.P.M., RIO ARriba COUNTY, NEW MEXICO
 GROUND ELEVATION: 6518', DATE: DECEMBER 9, 2005



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.

REVISION:	DATE:	BY:	DATE:	BY:
WELL LOCATION RESTAGE	01/20/08	A.C.		

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-8019
 NEW MEXICO L.S. No. 14831

DATE: 10/21/04
 DRAWN BY: A.G.
 ROW: HG025

OPERATIONS PLAN

Well Name: Canyon Largo Unit #472
Location: 790' FNL, 1285' FEL, NE/4 Sec 23, T-25-N, R-6-W NMPM
 Rio Arriba County, NM
Formation: Basin Dakota
Elevation: 6518' GL

<u>Formation Tops:</u>	<u>Top</u>	<u>Bottom</u>	<u>RMSL</u>
Surface	San Jose	1924'	
Ojo Alamo	1924'	2124'	4610
Kirkland	2124'	2304'	4410
Fruitland	2304'	2529'	4230
Pictured Cliffs	2529'	2544'	4005
Lewis Shale	2544'	2904'	3990
Huerfanito	2904'	4099'	2435
Cliff House	4099'	4164'	2370
Menefee	4164'	4724'	2370
Point Lookout	4724'	4974'	1810
Mancos	4974'	5884'	1560
Gallup (Niobrara)	5884'	6654'	650
Greenhorn	6654'	6714'	-120
Graneros	6714'	6774'	-180
Dakota	6774'	7074'	-240
Morrison	7074'		-540
TD	7300'		

Logging Program:

Open hole logs – None
 Cased Hole logs – RST – TD to 5800'; CBL/GR – TD to 5800'
 Cores & DST's – none
 Mud log – 5600' to TD

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 – 7300'	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' – 7300'	4 1/2"	11.6#	N-80

Tubing Program:

0' – 7300'	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. *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: 1014 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.

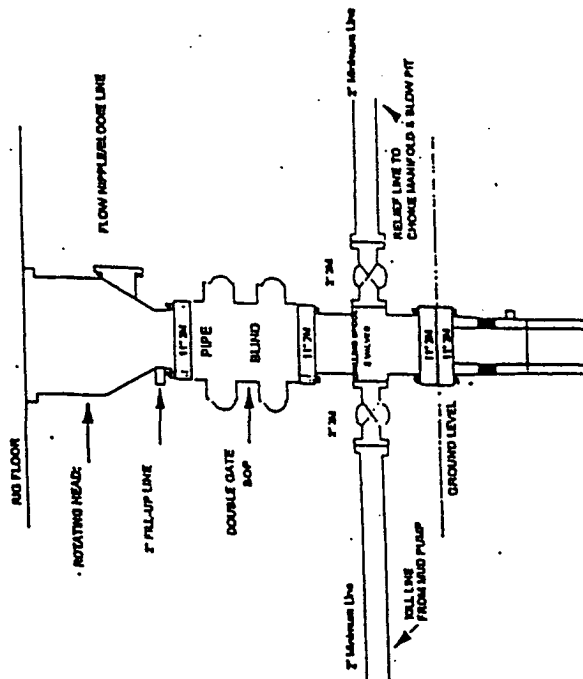
Additional Information:

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 23 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

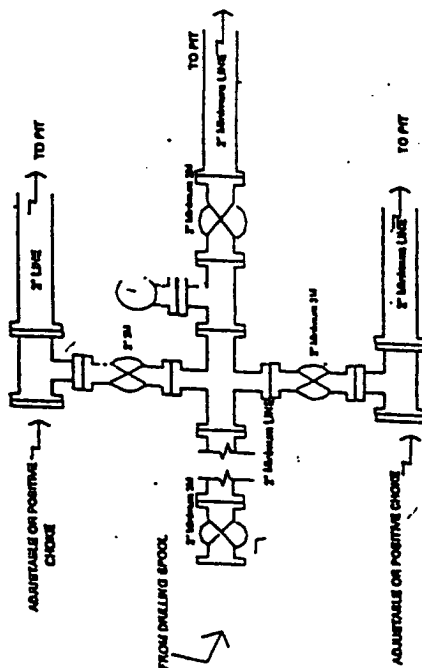
Drilling Rig
2000 psi System



BOP Installation from Surface Casing Point to Total Depth. 11" Bore
or Manifold, 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 preventers. All BOP equipment is 2,000 psi working pressure

Figure #1

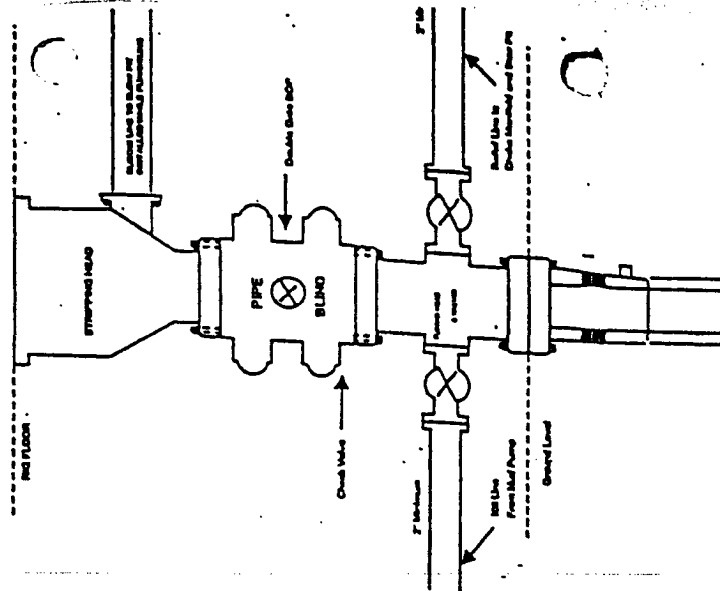
Drilling Rig
Choke Manifold Configuration
2000 psi System



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

Figure #3

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