

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

Lease Serial No.  
NMSF 079071

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☐ DRILL deeper ☒ 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 #313

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

9. API Well No.  
30-039-22939

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 SWNENE, 790' FNL & 790' FEL

At proposed prod. zone same

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

Sec 28-25N-6W

14. Distance in miles and direction from nearest town or post office\*  
12 miles NE of Lybrook

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) 840'

16. No. of acres in lease  
560

17. Spacing Unit dedicated to this well  
320

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft. 3400'

19. Proposed Depth  
7000'

20. BLM/BIA Bond No. on file  
NMB000076

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6320' GL

22. Approximate date work will start\*

23. Estimated duration

24. Attachments Note: 2 1/2 deduction would require a CA

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- 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  
09/26/2006

Title  
Land Associate

Approved by (Signature) Original Signed: Stephen Mason

Name (Printed Typed)

Date SEP 29 2006

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)

NMOC

## OPERATIONS PLAN

Well Name: Canyon Largo Unit #313  
Deepening

Location: 790' FNL, 790' FEL, NE/4 Sec 28, T-25-N, R-6-W NMPM  
Rio Arriba County, NM

Formation: Basin Dakota

Elevation: 6320' GL  
6333' KB

<u>Formation Tops:</u>	<u>Top</u>
Greenhorn	6370'
Graneros	6432'
Dakota	6476'
Morrison	6784'
TD	6900'

Logging Program:  
Open hole – Induction Density Neutron  
Cased Hole – CBL TD to 4500'  
Cores – none

Mud Program:  
Air/Mist

<u>Existing Casing:</u>	<u>Hole Size</u>	<u>Depth Set</u>	<u>Csg. Size</u>	<u>Sx of Cmt</u>
	12 1/4"	217'	8 5/8"	170
	7 7/8"	6019'	4 1/2"	925

<u>Proposed Casing:</u>				
<del>7 7/8"</del>	<del>4500'</del>	<del>4 1/2"</del>	<del>925</del>	
3 3/4"	6900'	2 3/8"	150	

Tubing  
Set at 6900'

BOP Specifications, Wellhead and Tests:  
Surface to TD –  
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).

Additional Information:

- The Dakota formation will be completed.
  - No abnormal temperatures or hazards are anticipated.
  - The East half of the Section 28 is dedicated to this well.
  - This gas is dedicated.
- All of the BOP tests and drills will be recorded in the daily drilling reports.

**Certificate Number**

# Huntington Energy, L.L.C.

6301 Waterford Blvd., Suite 400  
Oklahoma City, OK 73118  
(405) 840-9876 & Fax # (405) 840-2011

## Canyon Largo Unit #313 Procedure

Sec. 28-25N-6W  
Rio Arriba Co., New Mexico  
GL 6320'  
KB 6333'

### Surface Casing:

8<sup>5</sup>/<sub>8</sub>" csg set at 217'. Cement to surface w/170 sx cmt.

### Production Casing:

4<sup>1</sup>/<sub>2</sub> 10.5# set at 6019'. Cement 1<sup>st</sup> stage via shoe w/225 sx 'H', 2<sup>nd</sup> stage via stage tool at 4754 cemented w/700 sx 'H'. Circ cement to surface.

### Gallup Perfs:

4689-4695  
4716-4724  
4738-4742  
4782-4792  
4804-4810  
5587-5589  
5598-5600  
5640-5660  
5678-5694  
5878-5886  
5906-5916  
5925-5927  
5940-5960

### Deepening Procedure:

- 1.) MIRU WOR. ND tree NU BOP.
- 2.) TOOH w/2<sup>3</sup>/<sub>8</sub> 4.7 EUE 8rd tbg. 5566' LD in singles.
- 3.) PU 3<sup>3</sup>/<sub>4</sub>" bit 6-3<sup>1</sup>/<sub>8</sub> Drill & 2<sup>3</sup>/<sub>8</sub> work string. TIH to PBTD at 5960'.
- 4.) RU air unit. Est cir and drill out shoe from 5960'-6019'. Drill and dust 3<sup>3</sup>/<sub>4</sub> hole to total depth of ±7000'. Blow hole dry. TOOH w/bit & BHA on 2<sup>3</sup>/<sub>8</sub> work string. Note: drilling operations will be conducted w/N2 and/or N2 mist.
- 5.) MIRU W/L truck. Log open hole. RD & rel W/L truck.
- 6.) PU 2<sup>3</sup>/<sub>8</sub> work string and BHA. TIH. Blow hole clean. TOOH. LD in singles.
- 7.) PU & TIH w/2<sup>3</sup>/<sub>8</sub> 4.7 EUE 8rd N-80 & float equip.

## **Huntington Energy, L.L.C.**

6301 Waterford Blvd., Suite 400  
Oklahoma City, OK 73118  
(405) 840-9876 & Fax # (405) 840-2011

### **Canyon Largo Unit #313**

Sec. 28-25N-6W  
Rio Arriba Co., New Mexico  
GL 6320'  
KB 6333'

- 8.) MIRU pump company. Cement tubing in open hole w/recommended slurry.
- 9.) RD & rel rental equip. WOL.
- 10.) Commence completion procedure.

## Canyon Largo Unit #313

**Current**

## Rio Arriba County, NM

28 - 25N - 6W

790 FNL 790 FEL SW NE NE

Spud: April 22, 1982

Completed: May 23, 1982

API: 30039229390000

## Tops

**Fruitland Coal @ 1948'**

Pictured Cliffs @ 2188'

Chacra @ 3036'

**Mancos @ 4655'**

Gallup @ 5540'

Niobrara @ 5584'

**KB: 6334'**

DF: 6320'

Hole size 12-1/4"

8-5/8" csg @ 217' w/ 170.sx cmt

**Petal Baskets @ 1854', 3792', 4753'**

TOC @ 3700'

Perfs

**4689 - 4695'**

4716 - 4724'

4738 - 4742'

4782 - 4792'

4804 - 4810'

5587 - 5594'

5598 - 5600'

5640 - 5660'

5678 - 5694'

5878 - 5886'

**5906 - 5916'**

5925 - 5927'

5940 - 5960'

2-3/8" tbg @ 5878' or 5566'

**Hole size 7-7/8"**

4-1/2" csg @ 6017'

lead w/225 sx Class H

tail w/700 sx Class B

**PBTD 5960'**

**TD 6020'**

# Canyon Largo Unit #313

*Proposed*

Rio Arriba County, NM

28 - 25N - 6W

790 FNL 790 FEL SW NE NE

Spud: April 22, 1982

Completed: May 23, 1982

API: 30039229390000

## Tops

Fruitland Coal @ 1948'

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5878 - 5886'

5906 - 5916'

5925 - 5927'

5940 - 5960'

KB: 6334'

DF: 6320'

Hole size 12-1/4"

8-5/8" csg @ 217' w/ 170' sx cmt

Petal Baskets @ 1854', 3792', 4753'

TOC @ 3700'

Hole size 7-7/8"

4-1/2" csg @ 6017'

lead w/225' sx Class H

tail w/700' sx Class B

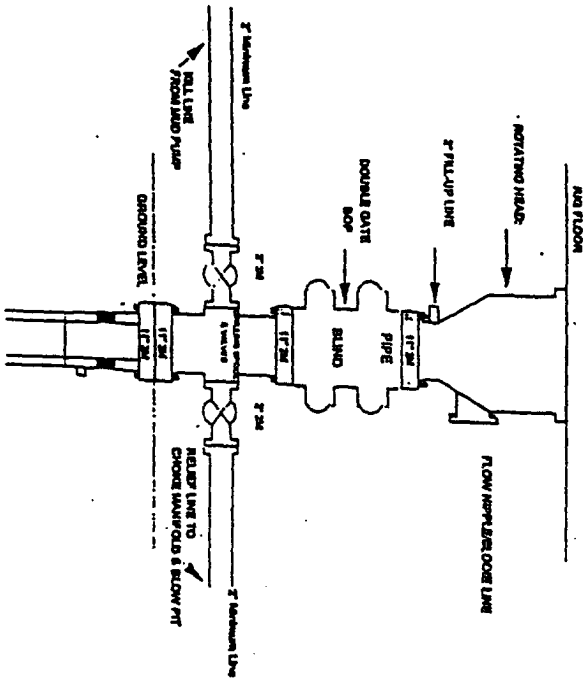
2-3/8" tbg @ 6900' w/150' sx H. TOC

above existing Gallup Perforations

TD: 6900'

# HUNTINGTON ENERGY, L.L.C.

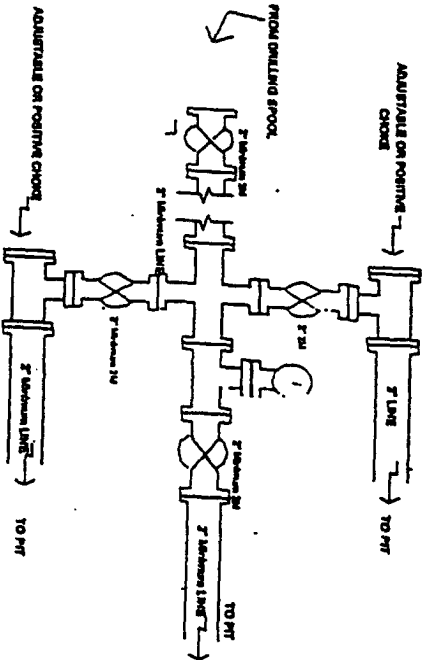
Drilling Rig  
2000 psi System



BOP Installation from Surface Casing Point to Total Depth, 11" Bore (10" Minimum, 2000 psi working pressure double gate BOP) to be equipped with 2000 psi minimum pipe strength and equipped on top of ram preventer. All BOP equipment is 2000 psi working pressure.

Figure #1

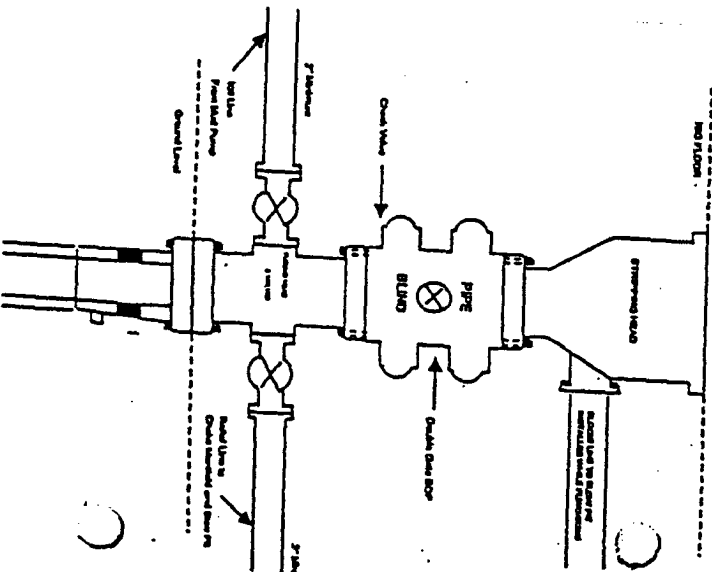
Drilling Rig  
Choke Manifold Configuration  
2000 psi System



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

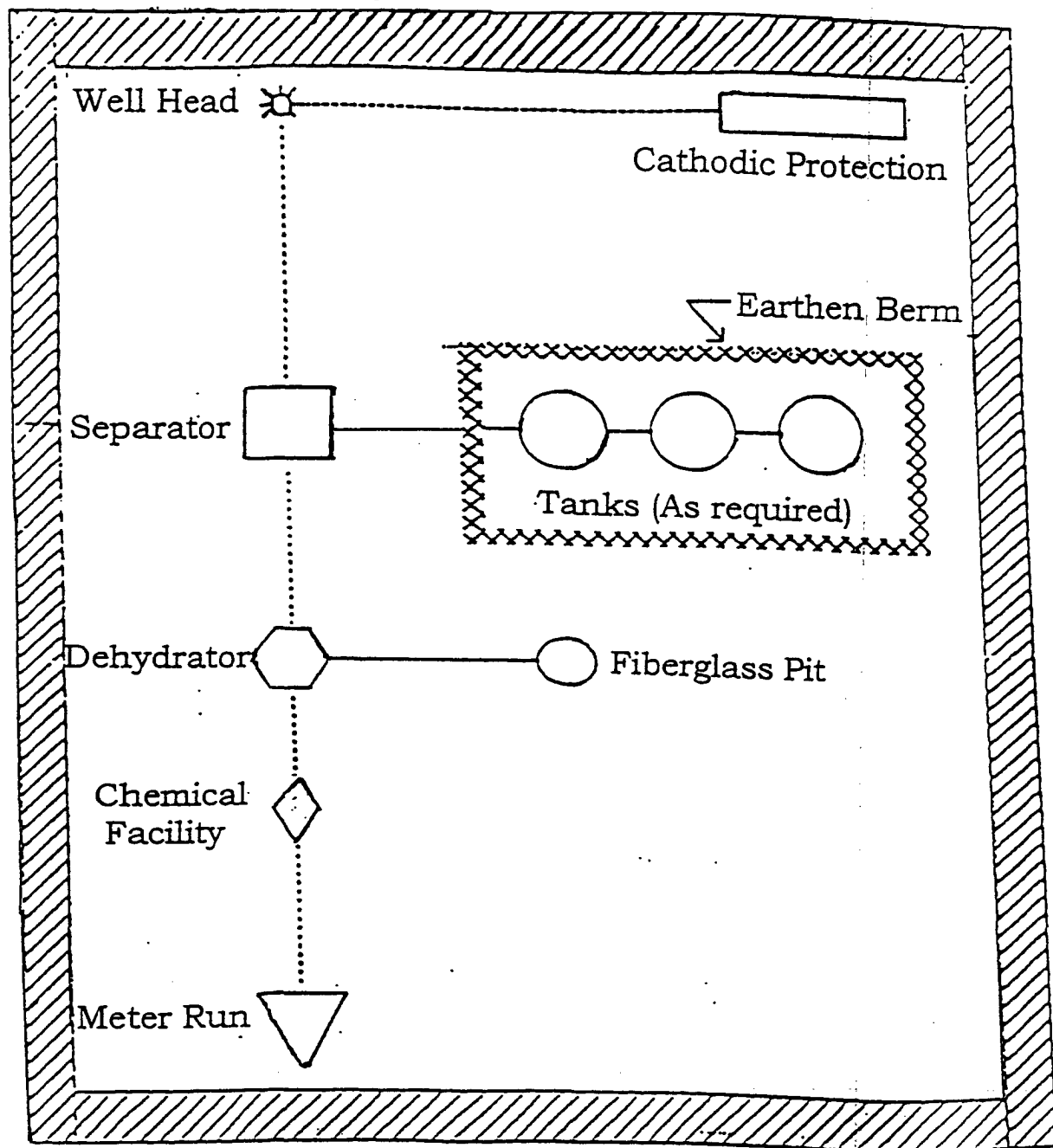


Minimum BOP Installation for all Completion/Workover Operations, 7-1/16" bore, 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams. A stopping head to be installed on the top of the BOP. All BOP equipment is 2000 psi working pressure or greater excluding 500 psi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

Figure #2



Well Pad Boundary



PLAT #1

ANTICIPATED  
PRODUCTION FACILITIES  
FOR A  
DAKOTA WELL