



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*Underground Injection Control Program
"Protecting Our Underground Sources of Drinking Water"*

21-Feb-07

HUNTINGTON ENERGY, LLC

908 NW 71ST

OKLAHOMA CITY OK 73116-

NOTICE of Failed Mechanical Integrity

Dear Operator:

The bradenhead test(s) reported on the following well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by you and/or an OCD Compliance Officer employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the full nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so a Compliance Officer may witness the test.

MECHANICAL INTEGRITY TEST DETAIL SECTION

CANYON LARGO UNIT No.304

30-039-22687-00-00

Active Oil (Producing)

C-11-24N-6W

Test Date: 2/21/2007

Permitted Injection PSI:

Actual PSI:

Test Reason: Annual IMIT

Test Result: F

Repair Due: 5/27/2007

Test Type: Bradenhead Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT:

In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, enforcement action will occur. Such enforcement may include this office issuing a NOTICE OF VIOLATION with a penalty and/or applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well for your violation of OCD rules.

Sincerely,

Henry Villanueva

Aztec OCD District Office

Note: Bradenhead Tests are performed every 3 years. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. * Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

Oil Conservation Division * 1000 Rio Brazos Road * Aztec, New Mexico 87410

Phone: 505-334-6178 * Fax: 505-334-6170 * <http://www.emnrd.state.nm.us>



NEW MEXICO ENERGY, MINERALS
and
NATURAL RESOURCES
DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178
FAX: (505) 334-6170
www.oem.state.nm.us/ocd/District 3/district3.htm

OCVD FEB1307
OIL CONS. DIV.

DIST. 3

BRADENHEAD TEST REPORT

(Submit 2 copies to above address)

Date of Test 12-29-06 Operator Huntington Energy API #30-0 39-22687

Property Name CLU Well No. 304 Location: Unit Section 11 Township 24N Range 6W

Well Status (Shut-In) or Producing) Tubing None Intermediate None Casing yes Bradenhead yes

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

TIME	PRESSURES:			BRADENHEAD	
	BRADENHEAD	INTERMEDIATE	CASING	FLOWED	INTERMEDIATE FLOWED
5 minutes	<u>72</u>		<u>72</u>	Steady Flow <u>yes</u>	
10 minutes	<u>72</u>		<u>72</u>	Surges <u>no</u>	
15 minutes	<u>72</u>		<u>72</u>	Down to Nothing <u>no</u>	
20 minutes	<u>72</u>		<u>72</u>	Nothing <u>no</u>	
25 minutes	<u>72</u>		<u>72</u>	Gas <u>Flowed Gas</u>	
30 minutes	<u>72</u>		<u>72</u>	Gas & Water <u>no</u>	
				Water <u>no</u>	

If bradenhead flowed water, check all of the descriptions that apply below:

CLEAR FRESH SALTY SULFUR BLACK

5 MINUTE SHUT-IN BRADENHEAD 72 INTERMEDIATE

REMARKS:

NO tubing in hole bradenhead and casing Equilized

By Dan Moulder

Witness

Lease operator
(Position)

E-mail address

Failure.
Schedule tests.

Tubless
8.625 cs set 190'
4 1/2 set 5691