7/16/2014

NSL

PMA-1141 9758926

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



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Dugan & Associates, P.C.

Thomas P. Dugan

Admitted in Alabama, Colorado, New York, New Mexico & Southern Ute Tribal Court

A Professional Corporation Attorneys at Law

(970) 259-1770 Fax: (970) 259-1882

900 Main Avenue, Suite A Durango, Colorado 81301

September 25, 2014

Hon. Jami Bailey, Director New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

SECOND AMENDED APPLICATION FOR ADMINISTRATIVE NON-STANDARD LOCATION (NSL) ORDER

Re: Huntington Energy, LLC CLU 25-6-15 Well No. 4H API No. 30-039-31240

Dear Ms. Bailey:

On behalf of Huntington Energy, LLC (Operator) we hereby request administrative approval of the following proposed non-standard location for the above-referenced horizontal well:

Surface Location
454 feet FSL & 278 feet FEL
Unit P, Section 15, Township 25 North, Range 6 West, N.M.P.M.
Rio Arriba County, New Mexico

Beginning of Completed Interval
1070 feet FSL & 330 feet FEL, Unit 1, Section 15

Terminus

1070 feet FSL & 330 feet FWL, Unit M, Section 15

This well will be completed as a stand-alone oil well partly within the Devils Fork Gallup Associated Pool, an expandable pool which is spaced for oil on 160 acres pursuant to NMOCD Orders R-5353 and R-5353-G. These orders also provide for setbacks of 790 feet from quarter-section boundaries. A project area comprising the <u>South</u> One-Half of Section <u>15</u> will be dedicated to the well.

This proposed location is non-standard because the beginning and end of the completed interval are each only 330 feet from the quarter section boundaries. The location is depicted on Form C-102, attached as Exhibit A.

This non-standard location is requested in order to prevent waste by achieving efficient production of the hydrocarbon reserves underlying the project area. Conforming to the 790-foot setback requirement would prevent completion of the well's lateral in a significant portion of the project area, thereby causing hydrocarbons that can be produced to be left in the reservoir.

The proposed location encroaches to the East and West and South toward the following lands that could be included in potential oil or gas spacing units in the Mancos formation:

W/2 and SE/4 Section 14 E/2 and SW/4 of Section 16

The location requested in this amended application will not encroach diagonally toward Section 21 or 23.

Pursuant to Rule 19.15.15.13.D NMAC, notice of this Application in the form attached as Exhibit B2, and including a copy of this Application and attachments, has been sent by Certified Mail, Return, Receipt Requested, or hand-delivered, prior to filing of this Application, to the operators identified in Amended Exhibit B1. In an abundance of caution, new notices of this amendment (together with copies of the modified Form C-102 attached hereto) were sent to the parties identified in Exhibit B1 to the amended application filed on September 22, although the proposed location is exactly the same as that requested in the September 22 amended application.

Changes in this Second Amended Application from the September 22 Amended Application are indicated by underscoring or cross-through font for the examiner's convenience. A revised form C-102 is attached, which has been changed from the C-102 originally filed only by deleting "640" in the "Dedicated Acres" box, and adding an outline around the proposed south-half project area.

Administrative approval of the above-identified location is accordingly requested. Please advise if further information is needed.

Very truly yours,

DUGAN & ASSOCIATES, P.C.

Thomas P. Dugan

Attorney for Huntington Energy, LLC

DISTRICT I
1626 M. French Dr., Hobbs, H.M. 86240
Fhons: (676) 393-6181 Fazz (676) 393-6720
DISTRICT II
811 S. First St., Artesia, R.M. 86310
Phone: (675) 748-1265 Fazz (676) 748-9720
DISTRICT III
1000 Rio Brance Rd., Asteo, H.M. 67410
Phone: (505) 354-6176 Fazz (606) 334-5170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fs., NM 67605
Fhone: (605) 476-3460 Fazz (606) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department Form C-102 Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 67505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	*Pool Code	Pool Name		
30-039-31240	17610	DEVILS FORK GALLUP		
*Property Code	· Pr	roperty Name	* Well Number	
313617	CLU.	25-6-15	4H	
OGRID No.	*01	perator Name	* Elevation	
208706	HUNTINGTO	ON ENERGY	6529'	

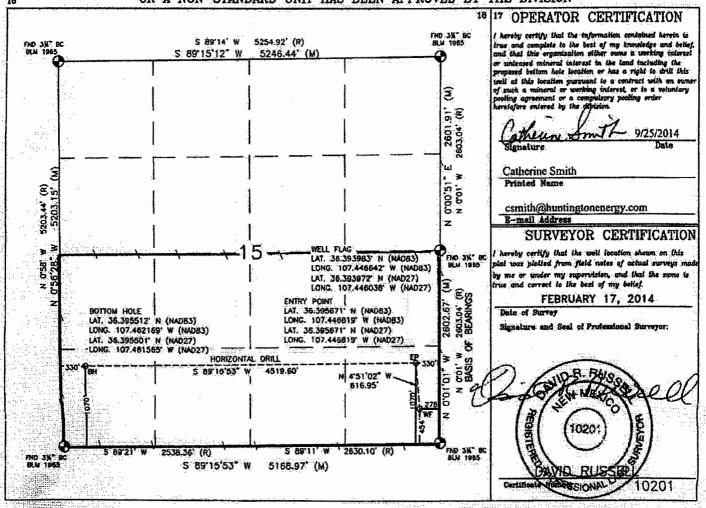
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	WEST/West line	County	Ì
P	15	25N	6W		454'	SOUTH	278'	EAST	RIO ARRIBA	l

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	WEST/West line	County
M	15	25N	6W		1070'	SOUTH	330'	WEST	RIO ARRIBA
Dedicated Acres	PROJEC	T AREA	18 Joint or	Intill	"Consolidation C	ode	DOrder No.		
S/2 - 320									

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



WELL FLAG

LATITUDE: 36.393983° N LONGITUDE: 107.446642° W

DATUM: NAD83

HUNTINGTON ENERGY

CLU 25-6-15 #4H 454' FSL & 278' FEL

LOCATED IN THE SE/4 SE/4 OF SECTION 15,

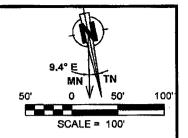
T25N, R6W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO GROUND ELEVATION: 6529', NAVD 88

FINISHED PAD ELEVATION: 6526.9', NAVD 88

±1711 LF OF NEW/UPGRADED

ACCESS ACROSS BLM LANDS



1.) BASIS OF BEARING: BETWEEN FOUND MONIMENTS AT THE SOUTHEAST CORNER AND THE EAST QUARTER CORNER OF SECTION 15, TOWNSHIP 25 NORTH, RANCE 6 WEST, NIA.PJ. RIO ARRIBA COUNTY, NEW MEXICO.

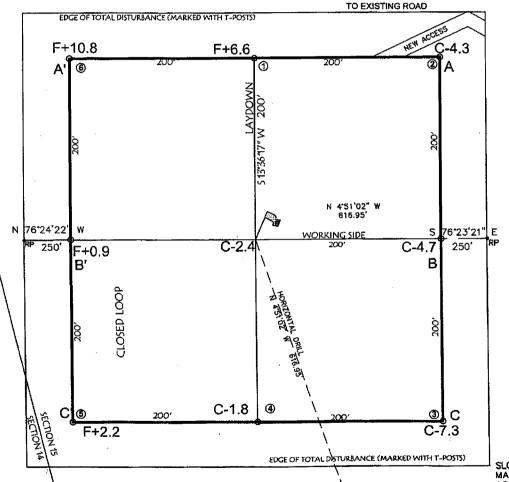
LINE BEARS: N 0'01'01" W A DISTANCE OF 2602.67 FEET AS MEASURED BY C.P.S.

2.) LATITUDE, LONGITUDE AND ELLIPSCIDAL HEIGHT BASED ON AZTEC CORS LI PHASE CENTER.

DISTANCES SHOWN ARE GROUND DISTANCES USING A TRAVERSE MERCATOR PROJECTION FROM A WOSB4 ELLIPSCID, CONNEXTED TO NADB3. NAVOBB ELEVATIONS AS PREDICTED BY GEOLOGY.

3.) LOCATION OF UNDERGROUND UTILITIES SHOULD BE FIELD VERNERD. ALL CONSTRUCTION ACTIVITIES SHOULD BE FIELD VERNERD. ALL CONSTRUCTION ACTIVITIES SHOULD BE FIELD VERNERD. ALL CONSTRUCTION ACTIVITIES SHOULD BE FIELD VERNERD. WITH NEW MEXICO ONS—CALL AUTHORITIES SHOULD BE FIELD VERNERD. WITH NEW MEXICO ONS—CALL AUTHORITIES SHOULD BE FIELD VERNERD. TO CONSTRUCTION.

4.) T—POSTS HAVE BEEN SET TO DEFINE THE EDGE OF DISTURBANCE LIMITS WHICH ARE 90 OFFSETS FROM THE EDGE OF THE STAVED WELL PAID.



~ SURFACE OWNERSHIP ~
BUREAU OF LAND MANAGEMENT

SLOPES TO BE CONSTRUCTED TO MATCH THE ORIGINAL CONTOURS AS CLOSE AS POSSIBLE.

TOTAL PERMITTED AREA 500' x 500' = 5.74 ACRES SCALE: 1" = 100'

JOB No.: HGE005_REV1

DATE: 09/11/14 DRAWN BY: TWT NOTE:
SCORPION SURVEY & CONSULTING, LL.C. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES.
CONTRACTOR SHOULD CALL ONE—CALL FOR LOCATION OF ANY MARKED OR UNMARKED, BURIED PIPELINES OR
CABLES ON WELL PAD, IN CONSTRUCTION ZONE AND/OR ACCESS ROAD AT LWEST TWO (2) WORKING DAYS PRIOR
TO CONSTRUCTION.



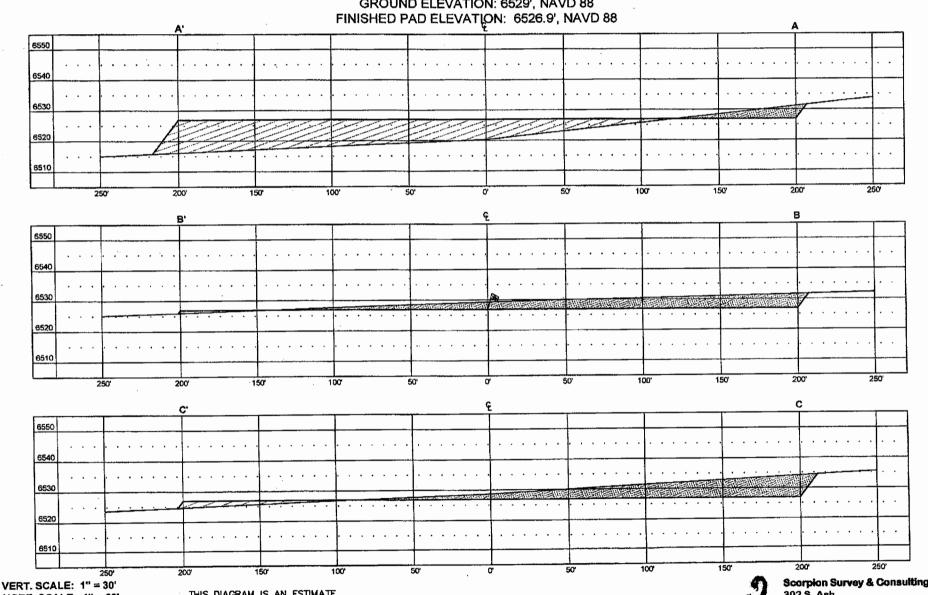
Scorpion Survey & Consulting, L.L.C. 302 S. Ash Aztec, New Mexico 87410 (505) 334-4007

HUNTINGTON ENERGY CLU 25-6-15 #4H

454' FSL & 278' FEL

LOCATED IN THE SE/4 SE/4 OF SECTION 15, T25N, R6W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO GROUND ELEVATION: 6529', NAVD 88



VERT. SCALE: 1" = 30' HORZ. SCALE: 1" = 60' JOB No.: HGE005_REV1

DATE: 02/04/14

LATITUDE: 36.393983° N

LONGITUDE: 107.446642° W

DATUM: NAD 83

THIS DIAGRAM IS AN ESTIMATE OF DIRT BALANCE AND IS NOT INTENDED TO BE AN EXACT MEASURE OF VOLUME





Scorpion Survey & Consulting, L.L.C. 302 S. Ash Aztec, New Mexico 87410 (505) 334-4007

LATITUDE: 36.393983° N LONGITUDE: 107.446642° W DATUM: NAD 83

HUNTINGTON ENERGY

CLU 25-6-15 #4H 454' FSL & 278' FEL

LOCATED IN THE SE/4 SE/4 OF SECTION 15,

T25N, R6W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO GROUND ELEVATION: 6529', NAVD 88

±1711' OF NEW / UPGRADED ACCESS ACROSS BLM LANDS



U.S.G.S. QUAD: GONZALES MESA SCALE: 1" = 2000' (1:24,000) JOB No.: HGE005_REV1

DATE: 09/11/14



Scorpion Survey & Consulting, L.L.C. 302 S. Ash Aztec, New Mexico 87410 (505) 334-4007

HUNTINGTON ENERGY

CLU 25-6-15 #4H 454' FSL & 278' FEL LOCATED IN THE SE/4 SE/4 OF SECTION 15, T25N, R6W, N.M.P.M., RIO ARRIBA COUNTY, NEW MEXICO

DIRECTIONS

- 1) FROM THE BLANCO TRADING POST OFFICE, GO 1.3 MILES EAST ON HWY 64 TO CR 4450.
- 2) TURN RIGHT AND GO 3.6 MILES TO INTERSECTION.
- 3) TURN RIGHT AND CROSS BRIDGE, TRAVEL 21.8 MILES SOUTH ALONG LARGO CANYON TO OLD SCHOOL HOUSE.
- 4) TURN RIGHT AND TRAVEL 2.5 MILES.
- 5) TURN LEFT AND CROSS LARGO WASH AND GO 2.9 MILES.
- 6) TURN RIGHT AND GO 5.0 MILES TO TOP OF GONZALES MESA AND DOWN MAIN ROAD.
- 7) TURN LEFT AND GO 1.7 MILES TO "T" INTERSECTION.
- 8) TURN LEFT AND GO 0.3 MILES TO EXISTING LOCATION WHERE ROAD IS STAKED ON SOUTH SIDE OF PAD.

WELL FLAG LOCATED AT LAT. 36.393983° N, LONG.107.446642° W (NAD 83).

JOB No.: HGE005_REV1 DATE: 09/11/14



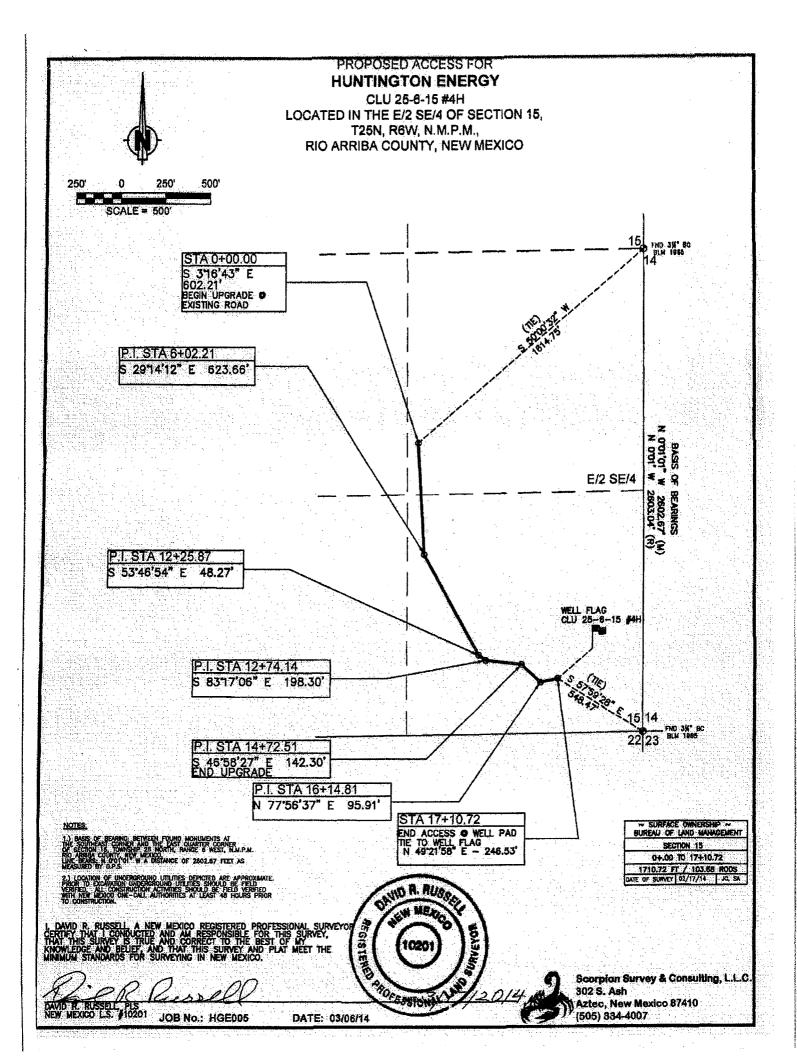


EXHIBIT B1 to Amended Non-Standard Location Application Huntington Energy, LLC CLU 25-6-15 Well No. 4H

Name and Address of Affected Person(s)

Section 14-25N-5W

Burlington Resources Oil and Gas Company 3401 East 30th Street Farmington, NM 87499

Section 16-25N-5W

Burlington Resources Oil and Gas Company 3401 East 30th Street Farmington, NM 87499

Ms. Helen Harvey P.O. Box 2185 Santa Fe, NM 87504.

Dugan & Associates, P.C.

A Professional Corporation
Attorneys at Law

(970) 259-1770 Fax: (970) 259-1882

Thomas P. Dugan

Admitted in Alabama, Colorado, New York New Mexico & Southern Ute Tribal Court 900 Main Avenue, Suite A Durango, Colorado 81301

September 22, 2014

Burlington Resources Oil and Gas Company 3401 East 30th Street Farmington, NM 87499

Ms. Helen Harvey P.O. Box 2185 Santa Fe, NM 87504.

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re:

Re:

Huntington Energy, LLC CLU Well No. 25-6-15 API No. Not yet assigned.

Ladies and Gentlemen:

Please be advised that Huntington Energy, LLC will be filing an application with the New Mexico Oil Conservation Division for administrative approval of a proposed non-standard location for the referenced well.

The proposed non-standard location of this horizontal well is described in the attached application. This notice is being sent to you because the operator believes you are the operator or owner of a working interest in a potential offsetting spacing unit. A copy of the Application and all required attachments is enclosed.

If you have an objection to the attached Application, you should file your objection in writing with the New Mexico Oil Conservation Division, at the address shown in the Application, within 20 days from the date the Division receives the Application. The Division may approve the unorthodox location without further notice or hearing if no affected person has filed an objection within the 20-day period.

In the event that you do not object to the proposed location, we would greatly appreciate your signing and dating the waiver of objection below and returning the same to us, so that approval of our application can be expedited.

Sincerely
Dugan & Associates, P.C. By Thomas P. Dugan
Attorneys for Huntington Energy, LLC
The undersigned hereby waives any objection to approval of the Application for Non-Standard ocation (NSL) described in the above notice.
Date:

McMillan, Michael, EMNRD

From:

Adrienne Gomez <Adrienne@Dugan-Law.com>

Sent:

Wednesday, September 24, 2014 12:55 PM

To:

McMillan, Michael, EMNRD

Subject:

RE: Huntington energy CLU 25-6-15 #4H

Please see the responses below:

- 1. It is a typo; it is S1/2 of Section 15;
- 2. It was voluntarily agreed upon;
- 3. This is an oil prospect. It was intended to dedicate a 320-acre project area comprising to S1/2 of Section 15, which will be voluntarily consolidated.

Please advise if you will require re-notice to offsets.

Adrienne Gomez Paralegal Dugan & Associates, P.C. 900 Main Avenue, Suite A Durango, Colorado 81301 970.259.1770

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Wednesday, September 24, 2014 10:24 AM

To: Adrienne Gomez

Subject: Huntington energy CLU 25-6-15 #4H

Ms. Gomez:

I need a couple of things clarified in the application of Huntington energy CLU 25-6-15 #4H

- Your letter states the project area is the N/2 of Section 11; however, your C-102 stated the project are is the entire Section 15?
- Next, how was the project area created? Was it voluntarily agreed upon?
- How was the 640-acre project area created? Was the objective oil or gas?

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 F. 505.476.3462

Exhibit B2

Dugan & Associates, P.C.

Thomas P. Dugan

Admitted in Alabama, Colorado, New York, New Mexico & Southern Ute Tribal Court

A Professional Corporation
Attorneys at Law

(970) 259-1770 Fax: (970) 259-1882

900 Main Avenue, Suite A Durango, Colorado 81301

September 25, 2014

Burlington Resources Oil and Gas Company 3401 East 30th Street Farmington, NM 87402

Ms. Helen Harvey P.O. Box 2185 Santa Fe, NM 87504.

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Re: Huntington Energy, LLC CLU Well No. 25-6-15

API No. 30-039-31240

Ladies and Gentlemen:

This amended notice letter is being sent to you because of a change in the acreage to be included in the project area for the proposed well. There is no change in the proposed location of the well from the notice sent to you on September 22, 2014.

Please be advised that Huntington Energy, LLC will be filing an application with the New Mexico Oil Conservation Division for administrative approval of a proposed non-standard location for the referenced well.

The proposed non-standard location of this horizontal well is described in the attached application. This notice is being sent to you because the operator believes you are the operator or owner of a working interest in a potential offsetting spacing unit. A copy of the Amended Application and all modified form C-102 is enclosed.

If you have an objection to this Application, you should file your objection in writing with the New Mexico Oil Conservation Division, at the address shown in the Application, within 20 days from the date the Division received the September 22 Application. The Division may approve the unorthodox location without further notice or hearing if no affected person has filed an objection within the 20-day period.

In the event that you do not object to the proposed location, we would greatly appreciate your signing and dating the waiver of objection below and returning the same to us, so that approval of our application can be expedited.

Sincerely
Dugan & Associates, P.C. By Thomas P. Dugan
Attorneys for Huntington Energy, LLC
The undersigned hereby waives any objection to approval of the Application for Non-Standard Location (NSL) described in the above notice.
By,



September 11, 2014

ConocoPhillips Company
San Juan Business Unit
Attn: Denise R. Greer, Sr. Landman
P. O. Box 4289
Farmington, NM 87499-4289

Re:

Waiver of Location Exception

Proposed Canyon Largo Well 2506 15 #4H

S/2 Section 15-T25N-R6W Rio Arriba County, NM

Gentlemen:

Huntington Energy, L.L.C. proposes to drill the subject well at a Non-Standard Location for the Devils Fork Gallup Pool as follows:

Surface location – 455' FSL and 278' FEL

Devils Fork Gallup formation entry point – 1070' FSL and 330' FEL

Bottom Hole location – 1070' FSL and 330' FWL

Burlington Resources Oil & Gas LP is the offset Operator directly to the East of the proposed entry point and West of the proposed Bottom Hole Location. Huntington Energy, L.L.C. respectfully requests Burlington Resources Oil & Gas LP's approval of the non-standard well location for the proposed CLU 2506-15 #4H well, and waiver of any objections thereto in Huntington's Non-Standard Location filings before the New Mexico Oil Conservation Division. If you agree, please signify your approval by executing below and returning this waiver to my attention at ikeller@huntingtonenergy.com and by mailing an original to the address shown above.

Sincerely,

John P. Keller

Sr. Land Advisor

Burlington Resources Oil & Gas Company LP waives its objection to the non-standard location described herein this $\mathcal{J}_{\lambda}^{ad}$ date of September, 2014.

Burlington Resources Oil & Gas Co LP By:-BROG GP LLC, its sole General Partner

Patrick H. Noah, Attorney-in-fact