

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



November 8, 2012

Huntington Energy, L.L.C.
Attn: Ms. Catherine Smith

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6706
Administrative Application Reference No. pDKB1231257793

Huntington Energy, L.L.C.
OGRID 32660
Canyon Largo Unit Well No. 513
API No. 30-039

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
505 FSL & 158 FEL	P	33	25N	7W	Rio Arriba

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 33	320	Basin; Dakota Gas Pool	71599

Reference is made to your application received on November 11, 2012.

You have requested to drill this well at an unorthodox location described above in the referenced pool or formation. This location is governed by the Special Rules and Regulations for the Basin-Dakota Gas Pool, which provides for 320-acre units with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location in order to minimize surface usage.

It is also understood that you have executed waivers of objection to this application from all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management