

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



1906

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply  
 [A]  Working, Royalty or Overriding Royalty Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



November 14, 2006

Mr. David Brooks  
New Mexico Oil Conservation Division  
1220 S. Saint Francis Drive  
Aztec, NM 87505

Re: Canyon Largo Unit #313  
Sec 28, T25N-R6W  
Rio Arriba County, New Mexico

Dear Mr. Brooks:

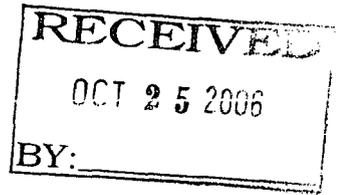
Enclosed are documents for filing a Non-Standard Proration Unit approval for the above referenced well. Huntington Energy, L.L.C. plans to deepen the well. The Bureau of Land Management and New Mexico Oil Conservation Division have approved the Permit to Drill, pending approval of the Non-Standard Proration for this location.

Thank you for your help with this matter. If you need any additional information, please contact me at (405) 840-9876.

Sincerely,

A handwritten signature in cursive script that reads 'Cathy Smith'.

Cathy Smith  
Land Associate



October 13, 2006

Resource Development Technology, LLC  
P.O. Box 1020  
Morrison, Colorado 80465

Attn: Heather Lohman  
Land Manager

Re: Waiver of Non-Standard Proration Unit  
Canyon Largo Unit Well # 313  
NE/4 of Section 28, T25N-R6W  
Rio Arriba County, NM

Gentlemen ;

Huntington Canyon Largo, L.L.C. is the operator of the Canyon Largo Unit Gallup PA. The Canyon Largo Unit Gallup PA well # 313, a TA well located in the NE/4 NE/4 of Section 28, T25N-R6W is no longer necessary for unit operations. Huntington has obtained the CLU Gallup PA owner's approval and now wishes to deepen said well to the Dakota Formation. The Canyon Largo Unit Agreement provides for Dakota wells to be drilled on a 320 acre stand up unit basis.

Resources Development Technology operates the Old Rock Com # 2 well , a Dakota well located in the SE/4 SE/4 of Section 28, T25N-R6W, and is not located within the boundaries of Canyon Largo Unit. Because of such, it will be necessary for Huntington to obtain administrative approval for a Non-Standard Proration Unit consisting of 160 acres, being the NE/4 of Section 28, T25N-R6W.

Therefore, pursuant to the above, Huntington Canyon Largo, LLC respectfully requests Resource Development Technology, LLC's approval of the Non-Standard Proration Unit for the CLU # 313, described above, and waive any objections thereto. If you agree, please signify your approval by executing below, and returning this waiver to my attention.

Sincerely,

David M. Herritt  
Member

Resource Development Technology, LLC

By:

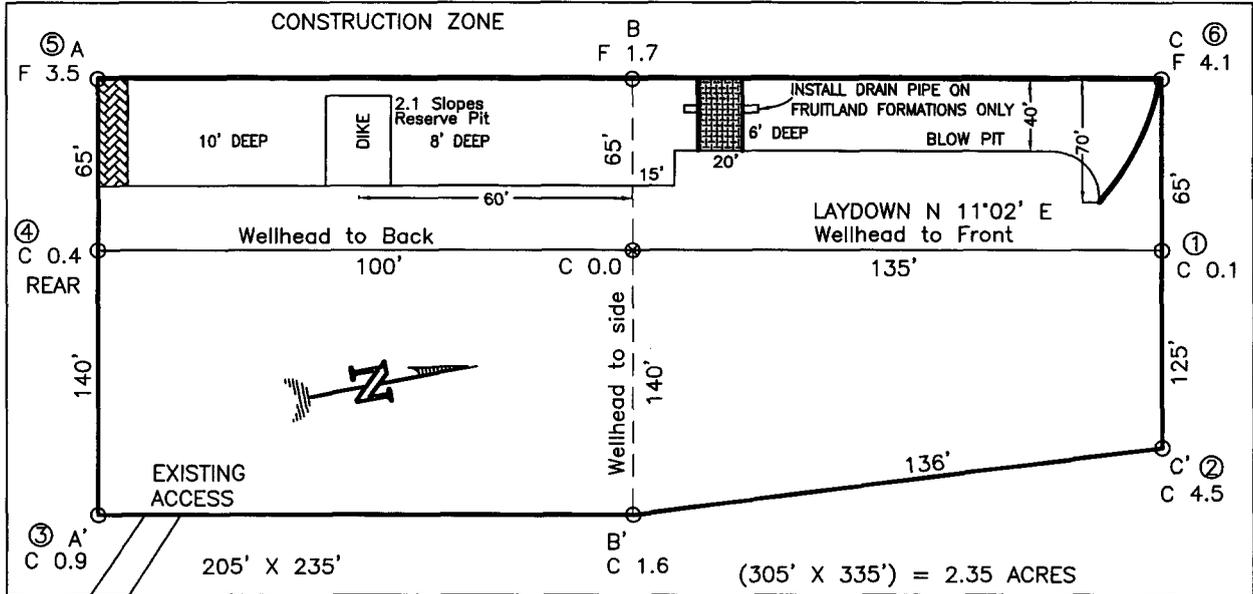
  
Print Name : Greg Twombly

### Canyon Largo Unit #313: Non-Standard Proration Unit

The Canyon Largo Unit #313, located 790' FNL and 790' FEL, Section 28, T25N-R6W, Rio Arriba County, NM, is currently producing from the Gallup Formation. Huntington Energy, L.L.C. has filed an Application for Permit to Drill to deepen this well to the Dakota formation. The Application has been approved by the Bureau of Land Management and the New Mexico Oil Conservation Division with a stipulation for non-standard approval. Per spacing rules, the Dakota formation in the unit requires a 320 acre standup spacing unit covering the E/2 of Section 28. However, the SE/4 of Section 28 cannot be included in the unit. The Old Rock Com #2 well is located in the SE/4 of Sec 28, T25N-R6W and is a sub economic producing Dakota well, not located within the Canyon Largo Unit. Therefore, the CLU 313 deepening to the Dakota will need a Non-Standard Proration approval for 160 dedicated acres for a Dakota deepening, consisting of the NE/4 of Section 28, T25N-R6W, Rio Arriba County, New Mexico containing 160 acres, more or less.



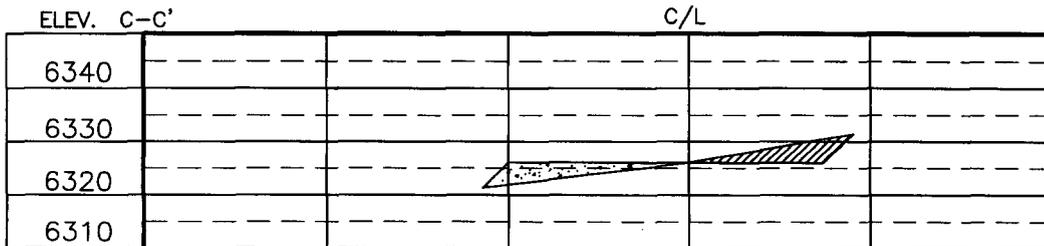
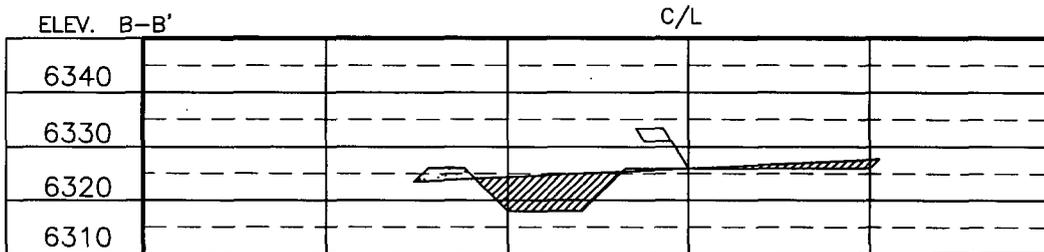
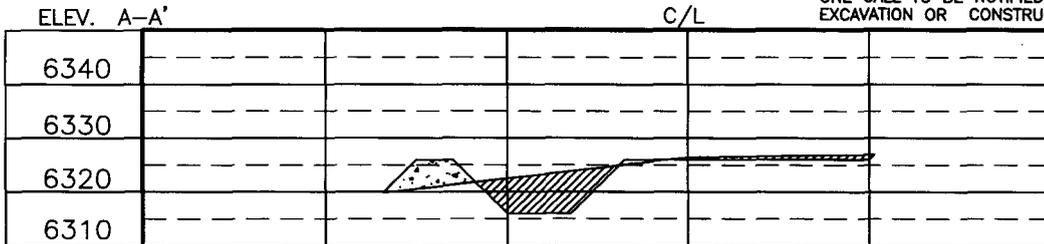
**HUNTINGTON ENERGY, LLC**  
**CANYON LARGO UNIT No. 313, 800 FNL 780 FEL**  
**SECTION 28, T-25-N, R-6-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO**  
**GROUND ELEVATION: 6326, DATE: OCTOBER 13, 2006**



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:		REVISED BY:	
<b>Daggett Enterprises, Inc.</b> Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-8019 NEW MEXICO P.L.S. No. 8894					
				DRAWN BY: A.G.	DATE: 10/28/06
				TADFILE: HTG06CFB	ROW#: HTG06B

# 28

CLU 313  
6,020  
GALLUP

CLU 42  
2,708  
PICTURED CLIFFS

CLU 315  
6,437  
GALLUP

Old Rock 3  
6,060  
GALLUP

Old Rock 2  
6,820  
DAKOTA

Old Rock Com 1  
2,705  
PICTURED CLIFFS

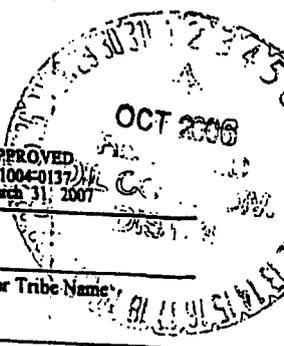
CLU 207  
2,698  
PICTURED CLIFFS

CLU 319  
7,116  
GALLUP/DAKOTA

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

2006 SEP 28 AM 11:03

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



APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <u>deeper</u> <input checked="" type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. Canyon Largo Unit	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> 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		11. Sec., T. R. M. or Blk. and Survey or Area Sec 28-25N-6W	
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		12. County or Parish Rio Arriba	
13. State NM		14. Distance in miles and direction from nearest town or post office* 12 miles NE of Lybrook	
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: E/F\* dedication 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:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature <u>Catherine Smith</u>	Name (Printed/Typed) Catherine Smith	Date 09/26/2006
--------------------------------------	---	--------------------

Title Land Associate

Approved by (Signature) <u>Original Signed: Stephen Mason</u>	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)

NMOCD

*82*