

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

1a. Type of work ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM1105187	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator High Plains Petroleum Corporation		7. If Unit or CA Agreement, Name and No.	
3a. Address 3860 Carlock Dr. Boulder, CO 80305		8. Lease Name and Well No. RP Federal 27 #1	
3b. Phone No. (include area code) 303-494-4529		9. API Well No. 30-043-21104	
4. Location of Well (If not located clearly, and in accordance with any State requirements) At surface 1865' ENL and 690' FEL At proposed grid zone same as above		10. Field and Pool, or Exploratory San Isidro Mesaverde	
11. Sec., T, R, M, or Bk. and Survey of Area Sec. 27, T20N, R3W, N1PM		12. County or Parish Sandoval County	
13. State NM		14. Distance in miles and direction from nearest town or post office 12 mi. SW of Cuba, NM	
15. Distance from proposed location to nearest property or lease line, if (Also for nearest dry unit line, if any) 690' to nearest lse line 630' to nearest dry line		16. No. of acres in lease 640	
17. Spacing Unit dedicated to this well 40 ac. in SE 1/4 NE 1/4		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2978' from Torreon #1	
19. Proposed Depth 2900'		20. BLM HMA Road No. on file NM 1950 5/10 1950	
21. Elevations (Show whether DG, KDB, RF, GL, etc.) GL 6844'		22. Approximate date work will start 08/30/2010	
23. Estimated duration 11 days		24. Attachments	

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED GENERAL REQUIREMENTS

1. Well plan certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (If the location is on National Forest System lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature John B. Somers II	Name (Printed/Typed) John B. Somers II	Date 7/12/2010
Title Petroleum Engineer and President		
Approved by [Signature]	Name (Printed/Typed)	Date 7/24/2010
Title AFM	Office FFO	

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)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

AUG 27 2010

OPERATOR

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE/OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATION ON FEDERAL AND INDIAN LANDS.

District I
 1625 N. French Dr., Albuquerque, NM 87240
 District II
 1371 W. Grand Avenue, Aurora, NM 87210
 District III
 1000 R. O. IV Ariza Rd., Arizpe, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number		Pool Code	Pool Name
		53590	San Isidro Mesa Kerkel 01
Property Code	Property Name		Well Name
38298	RP FEDERAL 27		1
OGRIID No	Operator Name		Elevation
10459	HIGH PLAINS PETROLEUM CORPORATION		6844

10 Surface Location

UL or Lot No	Section	Township	Range	Lot No	Feet from the	North/South Line	Feet from the	East/West Line	County
H	27	20 N	3 W		1865	North	690	East	Sandoval

11 Bottom Hole Location If Different From Surface

UL or Lot No	Section	Township	Range	Lot No	Feet from the	North/South Line	Feet from the	East/West Line	County
Dedicated Acres		Tract or Int.	Correlation Code		Order No.				
40									

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.

16 West 80.00 Ch. 1865'		80.00 Ch. 1865'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order. Approved and entered by the division. John B. Somers II 7/12/2010 Signature Date John B. Somers II Printed Name	
80.00 Ch. N 0° 02' W		Sec. 27 Lat 35 93675" N Long 107.13326" W		18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature William E. Mabrick Certificate Number 8466	
West 80.00 Ch.		80.00 Ch.		N 0° 01' W	

Bearings from GLO Plat

Attachment to Form 3160-3
Drilling Plan for RP Federal 27 #1
1865' FNL & 690' FEL of Section 27,
Twp. 20 North, Rge. 3 West, NMPM,
Sandoval County, New Mexico

A 2900 foot Mesaverde development well is to be drilled. A 12 1/4" surface hole will be drilled to 300', where 9 5/8" casing will be set and cemented to the surface to protect the Ojo Alamo aquifer and to provide for control while the Mesaverde is drilled. Then, an 8 3/4" hole will be drilled through the Mesaverde Formation and into the top of the Mancos, where 7" production casing will be set and cemented to the surface, if logs indicate that sands in the Mesaverde contain oil and warrant testing. If that testing establishes production at a rate that is commercial, the well will be equipped to produce into a tank battery on the wellpad.

The formation at the surface is the Tertiary Ojo Alamo Sandstone.

The estimated tops of important geologic markers are: 1120' for the Mesaverde; 2630' for the Point Lookout; and 2840' for the Mancos.

The estimated depths of oil, water and gas are: Fresh water in the Ojo Alamo SS to a depth of 100'; oil, gas and fresh water in the Menefee Member of the Mesaverde from 1350' to 2600'; water in the Point Lookout from 2630' to 2740'; and oil and water in the Lower Mesaverde sands from 2750' to 2840'.

The Operator's minimum specifications for pressure control are the blowout preventor shown on the attached schematic diagram. The BOPE will be hydraulically tested to the full working pressure after nipping up and after any use under pressure. The BOP will be operationally checked each 24 hrs., and such daily checks of the BOP shall be noted on daily drilling reports. A floor safety valve and choke manifold with pressure ratings equal to the BOP will be accessories to the BOP.

The planned casing program is as follows:

<u>Hole Size</u>	<u>Interval</u>	<u>Length</u>	<u>Casing Size</u>	<u>Wt.</u>	<u>Grade</u>	<u>Type</u>
12 1/4"	0 - 300'	300'	9 5/8"	36#	J55	New
8 3/4"	300 - 2900'	2900'	7"	23#	J55	New

The casing will be cemented as follows:

The 300' of 9 5/8" 36# surface casing will be cemented to the surface with 146 sx. of Type II cement containing 2% calcium chloride and 1/4 lb./sk. Cello Flake. The yield for that cement is 1.41 ft³/sk.

The 2900' of 7" 23# production casing will be cemented to the surface with 308' sx. of Premium Lite FM containing 3 lbs./sk LCM, 1/4#/sk Cello Flake and 8% in the 166' sx. of lead cement and 1% FL52, 0.3% CD-32, 3 lbs./sk C SP, 3 lbs./sk. LCM and 1/4 lb./sk. Cello Flake in the 142' sx. of tail cement. Yields of those cements are 2.08 ft³/sk. and 2.13 ft³/sk..

The fluids to be circulated are fresh water and native mud for the surface hole and a low water loss mud containing KCl to prevent clay swelling for the hole from 300' to TD.

No drillstem testing or coring is planned. Logging will include the following: a mud log from base of surface casing to TD and Induction, SP, Compensated Neutron Density logs with gamma ray and caliper logs in the open hole.

The expected bottom hole pressure is a maximum of 1195 psi in the Lower Mesaverde, which is based on the SITP of 1040 psi at San Isidro 16-10 that was supposed to be perforated in the Lower Mesaverde in March, 2010. No abnormal pressures or temperatures have been encountered or reported in the area or at the shallow depth of this well.

The anticipated starting date is August 30, 2010, or as soon as possible after approval of the APD. Drilling is expected to take 11 days, including moving in, rigging up, rigging down and moving out.

Schematic Diagram
Pressure Control Equipment
RP Federal 27 #1
SE/4NE/4 Sec. 27, T20N, R3W, NMPM,
Sandoval County, New Mexico
Lease No. NMNM105187

