July 12, 2002

Oil Conservation Division 1000 Rio Brazos Rd. Aztec, NM 87410

Attention: Mr. Charles Perrin

30-043-20748

Re: Plugging

San Isidro #26-7 Sec. 26, T20N, R3W.

Sandoval County, New Mexico

Dear Mr. Perrin,

This week, San Isidro #26-7 was plugged. A copy of the daily reports for that work is attached.

A Sundry Notice will be prepared and submitted to the Albuquerque District Office of the BLM, so the OCD should receive a copy of that form from the BLM in the near future.

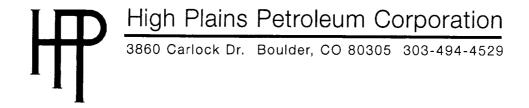
If you have any questions, give me a call. Your patience in this matter has been appreciated. When plugging instructions were requested from the BLM in February, I never expected it to be mid May before we would know what would be required.

Sincerely,

John Somers

High Plains Petroleum

Enclosure



San Isidro #26-7 Abandonment

- 7/8 MI Triple P Rig #14. Spotted tbg. trailer SD. @ 8 P.M.
- 7/9 RU. RIH w/ 2 3/8" tbg. set @ 2245.81. American Energy arrived @ 9:20 A.M.. Rigged up to cmt.. WO backhoe to dig a pit for circ.. Dug pit. WO liner from ORE. Installed BOP. Pmpd. 30 sx. Cl.B cont. 3% CaCl₂. Plug down @ 4:00 P.M.. Pulled 6 stds. SD WOC. RIH @ 6 P.M.. Tagged cmt. @ 2116'. Pulled and laid down 11 jts. Set @ 1897'. Pressured up to 500 psi. Held Ok. SD @ 6:30 P.M..
- 7/10 Picked up 17'. Unable to cmt. due to rain causing cmt. to form in the hopper. Cleaned out hopper. Pmpd. 20 sx. Plug #2 set @ 9"40 A.M.. Pulled and laid down 22 jts. Set @ 1211'. Pulled up 11'. Pmpd. 20 sx. Cl.B cont. 3% CaCl2. Plug #3 set @ 10:02 A.M.. Pulled and laid down 12 jts.. Set @ 836'. Pmpd. plug #4, 20 sx. Cl.B cont. 3% CaCl2. Plug set @ 10:15 A.M.. Pulled and laid down 12 jts. Set @ 462'. Pmpd. Plug #5, 20 sx. Cl.B cont. 3% CaCl2. Plug set @ 10:30 A.M.. Pulled and laid down 7 jts. Hung @ 246'. Pmpd. 48 sx. Cl.B. Final plug set @ 10:50 A.M.. Washed up lines, tongs, slips, BOP and last 8 jts. of tbg.. Rigged down. Done @ noon. Pulled the pit. Plugging completed. Plugging witnessed by BLM Inspector Al Yepa.