

2/29/08 DATE IN	SUSPENSE	Brooks ENGINEER	2/29/08 LOGGED IN	NSL TYPE	PKV0806054749 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



*High Plains Petroleum Corp
Dees Fed #1*

ADMINISTRATIVE APPLICATION CHECKLIST

5803

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

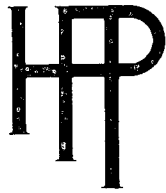
[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[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.

<u>John B. Somers II</u> Print or Type Name	<u>John B. Somers II</u> Signature	<u>President</u> Title High Plains Petroleum Corporation HP Boulder@yahoo.com e-mail Address	<u>2/27/2008</u> Date
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2008 FEB 29 PM 2 52



High Plains Petroleum Corporation

3860 Carlock Dr. Boulder, CO 80305 303-494-4529

February 27, 2008

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

CERTIFIED MAIL – ARTICLE NO. 7006 3450 0001 8867 3510

Re: Application for Approval
Non-standard location
Dees Federal #1
2310' FEL & 330' FSL Section 25,
Township 20 North, Range 3 West, NMPM,
Sandoval County, New Mexico

This letter is to request approval of the nonstandard location (nsl) of Dees Federal #1, a well in the Rio Puerco Mancos Pool in Sandoval County, New Mexico. A copy of the Well Location and Acreage Dedication Plat, Form C102, is attached to this application.

Dees Federal #1 was initially permitted as a 6000 foot Entrada wildcat on the top of Johnson Anticline. In May, 2007, it was decided to only drill the well to the Morrison to test the sands in the Dakota Formation. In drilling to the Dakota, oil was encountered in two (2) sands in the Mancos Shale, which High Plains intends to complete, test and possibly produce, if the OCD approves the nsl of Dees Federal #1.

The location at which Dees Federal #1 was drilled is 330 feet from the south line of Section 25, which is the south edge of the area that has been spaced for the Rio Puerco Mancos Pool.

The location of Dees Federal #1 is also 330 feet from the adjoining drilling and proration unit, which covers the west half (W/2) of Section 25. Therefore, Dees Federal #1 is closer to the adjoining drilling and proration unit than the field rules for the Rio Puerco Mancos Field allow.


Adjoining land in Section 25 and in the east half (E/2) of Section 36 is unleased. Therefore, Dees Federal #1 is only closer than 660 feet from High Plains' lease covering the west half (W/2) of Section 36, Lease No. NMNM115009. Furthermore, there are no wells in the adjoining drilling and proration units in the Rio Puerco Mancos Field or on the adjoining lease to the east, Lease No. NMNM108451. Therefore, Dees Federal #1 is further than 1800 feet from any well in the Rio Puerco Mancos Pool.

Approval of the nsl of Dees Federal #1 could result in the recovery of oil that otherwise might not be recovered and encourage further development of the Rio Puerco Mancos Field.

Application to OCD
Nonstandard Location
Dees Federal #1
February 27, 2008
Page Two

A map showing the owners of leases that are contiguous to the drilling and proration unit for Dees Federal #1 is also attached to this application. Those owners are being furnished a copy of this application by certified mail return receipt requested, and by their copy of this letter are hereby notified that they have 20 days from receipt of the application by the Oil Conservation Division to object in writing to the nonstandard location of Dees Federal #1. A list of those owners is also attached, as required.

Administrative approval of the nsf would be appreciated so that completion and testing can begin as soon as weather permits.

Sincerely,

John B. Somers II
President
High Plains Petroleum

Attachments

cc: Yates Drilling Co., Abo Petroleum and Myco Industries c/o Yates Petroleum Corporation
CERTIFIED MAIL – ARTICLE NO. 7007 1490 0003 2434 6448

New Mexico State Office
Bureau of Land Management
CERTIFIED MAIL – ARTICLE NO. 7007 2560 0000 1441 2182

Exhibit "A"

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1600 Rio Brazos Rd., Aztec, 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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 10 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-043-21042	Pool Code	Well Name WC Entrada
Property Code	Property Name DEES FEDERAL	Well Number 1
OGRIID No. 10459	Operator Name High Plains Petroleum Corporation	Elevation 6961

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	20N	3W		330	South	2310	East	Sandoval

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill	Consolidation Code		Order No.				

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

<div> <div>16</div> <div>589°45'W</div> <div>80.00CH</div> <div>Sec.</div> <div>25</div> <div>Lat. 35.92831°W</div> <div>Long. 107.10311°W</div> <div>589°53'W</div> </div>	<div> <div>80.19CH</div> <div>2310'</div> <div>330'</div> <div>80.08CH</div> </div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete in the best of my knowledge and belief.</div> <div><i>John B. Somers II</i></div> <div>John B. Somers II</div> <div>President</div> <div>March 14, 2007</div>
		<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>17 Jan 2006</div> <div>William E. Mahnke II</div> <div>8466</div>

R2W

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2/27/2008



High Plains Petroleum Corporation

3860 Carlock Dr. Boulder, CO 80305 303-494-4529

List of Affected Persons

Non-standard Location

Dees Federal #1

2310' FEL & 330' FSL Section 25,
Township 20 North, Range 3 West,
New Mexico Principal Meridian
Sandoval County, New Mexico

Yates Drilling Co., owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Abo Petroleum, owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Myco Industries, owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Bureau of Land Management, administrator of unleased federal land, whose address is 1474 Rodeo Road, P.O. Box 27115, Santa Fe, New Mexico 87502-0115

7007 2560 0000 1441 2182

U.S. Postal Service TM	
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Return Receipt Fee (Endorsement Required)	\$2.15
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.77

Sent To	
X-tes Petroleum Corporation	
Street, Apt. No., or PO Box No.	105 South Fourth St.
City, State, ZIP+4	Artesia, NM 88210-2118
PS Form 3800, August 2005	
See Reverse for Instructions	

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Postage	\$ 0.97
Certified Fee	\$2.65
Return Receipt Fee (Endorsement Required)	\$2.15
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.77

Sent To	
NEW MEXICO State Office	
Bureau of Land Management	
Street, Apt. No., or PO Box No.	1474 Rader Rd
City, State, ZIP+4	P.O. Box 27115 Santa Fe, NM 87502-0115
PS Form 3800, August 2005	
See Reverse for Instructions	