



RECEIVED

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JAN 18 2011

Farmington Field Office
Land Management

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM107357
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		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 Drive Boulder, CO 80305-6511		8. Lease Name and Well No. Hogback 11 #41
3b. Phone No. (include area code) 303-494-4529		9. API Well No. 30-045-35230
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 505' FNL & 495' FEL (NE/4NE/4) At proposed prod. zone same as above		10. Field and Pool, or Exploratory Horseshoe Gallup
14. Distance in miles and direction from nearest town or post office* 6 mi. north of the Waterflow Post Office		11. Sec., T. R. M. or Blk. and Survey or Area A Sec. 11, T30N, R16W, NMPPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 505' FLL & 495' FDUL	16. No. of acres in lease 240	17. Spacing Unit dedicated to this well 40 ac. in the NE/4NE/4 (Unit Letter A)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1165' to Williams #1A	19. Proposed Depth 1860'	20. BLM/BIA Bond No. on file NM 1950 S/W
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5496' GL	22. Approximate date work will start* 05/15/2011	23. Estimated duration 8 days

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>John B. Somers II</i>	Name (Printed/Typed) John B. Somers II	Date 01/11/2011
---	---	--------------------

Title
Petroleum Engineer and President

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 7/6/11
---	-----------------------------	----------------

Title AFM	Office PFO
--------------	---------------

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 01 2011

A

NMOCD



H₂S POTENTIAL EXIST

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1090 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

RECEIVED

Form C-102

Revised October 12, 2005

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Farmington Field Office
Bureau of Land Management

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30.045-35230		* Pool Code 32870	* Pool Name Horseshoe Gallup
* Property Code 38713	* Property Name HOGBACK 11		* Well Number 41
* OGRID No. 10459	* Operator Name HIGH PLAINS PETROLEUM CORPORATION		* Elevation 5496

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
A	11	30N	16W		505	North	495	East	San Juan

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 40ac NENE		* 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.

16	N 89°45' W	79.62 Ch.	505'	495'	80.00 Ch.	80.00 Ch.	N 0°01' W	N 89°52' W	79.84 Ch.	N 0°01' W	11	Sec.	Lat. 36.83444° N Long. 108.48697° W	17 OPERATOR CERTIFICATION
														<p>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 unleased 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>John B. Somers II 1/11/2011 Signature Date John B. Somers II Printed Name</p>
													18 SURVEYOR CERTIFICATION	
													<p>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.</p> <p>19 Aug 2008 Date of Survey Signature and Seal of Professional Surveyor William E. Mahinke II Certificate Number 8466</p>	

Attachment to Form 3160-3

Drilling Plan for Hogback 11 #41
505' FNL & 495' FEL of Section 11,
Twp. 30 North, Rge. 16 West, NMPM
San Juan County, New Mexico

An 1860 foot Gallup development well is to be drilled in the Horseshoe Gallup Field. A 12 ¼" hole will be drilled to 90', 9 5/8" conductor pipe set and cemented to the surface. Then, an 8 ¾" hole will be drilled through the Mesaverde and into the top of the Mancos, where 7" casing will be set and cemented to the surface to protect the Point Lookout Sandstone, which may contain water that would be of use after the well is abandoned. Finally, a 6 ¼" hole will be air drilled through the Upper Mancos Shale and Upper Gallup Sandstones into the shale between the Upper and Lower Gallup Sandstones, logs will be run and 4 ½" production casing will be set and cemented in two (2) stages to prevent cement loss into the Upper Gallup Sands, which are under-pressured.

The formation at the surface is the Menefee Member of the Mesaverde.

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>
Point Lookout SS	150'
Mancos Shale	466'
Gallup SS	1570'

The estimated depths of water and oil are as follows:

Water – 150' to 300' in the Point Lookout SS
Oil – 1793' to 1829' in the Upper Gallup

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 every 24 hrs., and such daily checks of the BOP will 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>Weight</u>	<u>Grade</u>	<u>Type</u>
12 ¼"	0 – 90'	90'	9 5/8"	36 #	J55	New
8 ¾"	90 – 480'	480'	7"	23 #	J55	New
6 ¼"	480 – 1860'	1860'	4 ½"	10.5 #	J55	Used

The casing will be cemented as follows:

The 90' of 9 5/8" surface casing will be cemented to the surface with 48 sx. of Class G cement containing 3% Calcium Chloride and ¼ lb/sk lost circulation control agent. The yield for that cement is 1.17 ft³/sk.

The 480' of 7" casing will be cemented to the surface with 97 sx. of Class G cement containing 2% CaCl₂ and ¼ lb/sk lost circulation control agent. The yield for this cement is also 1.17 ft³/sk.

The 1860' of 4 ½" production casing will be cemented to the surface in two (2) stages, a first stage consisting of 37 sx. of Class G cement containing 1% CaCl₂, 2% extender, 0.1% anti foam and ¼ lb/sk lost circulation control agent (Yield 1.26 ft³/sk & TOC 1450°), and a second stage consisting of 70 sx. of Class G cement containing 3% extender, 0.2% anti foam and ¼ lb/sk lost circulation control agent (Yield 2.61 ft³/sk).

The fluids to be circulated are:

Fresh water and native mud for the surface hole, fresh water based mud from 90' to 480' and warm air from 480' to TD.

No drillstem testing is planned. Ten (10) sidewall cores are to be cut.

Logging will include the following:

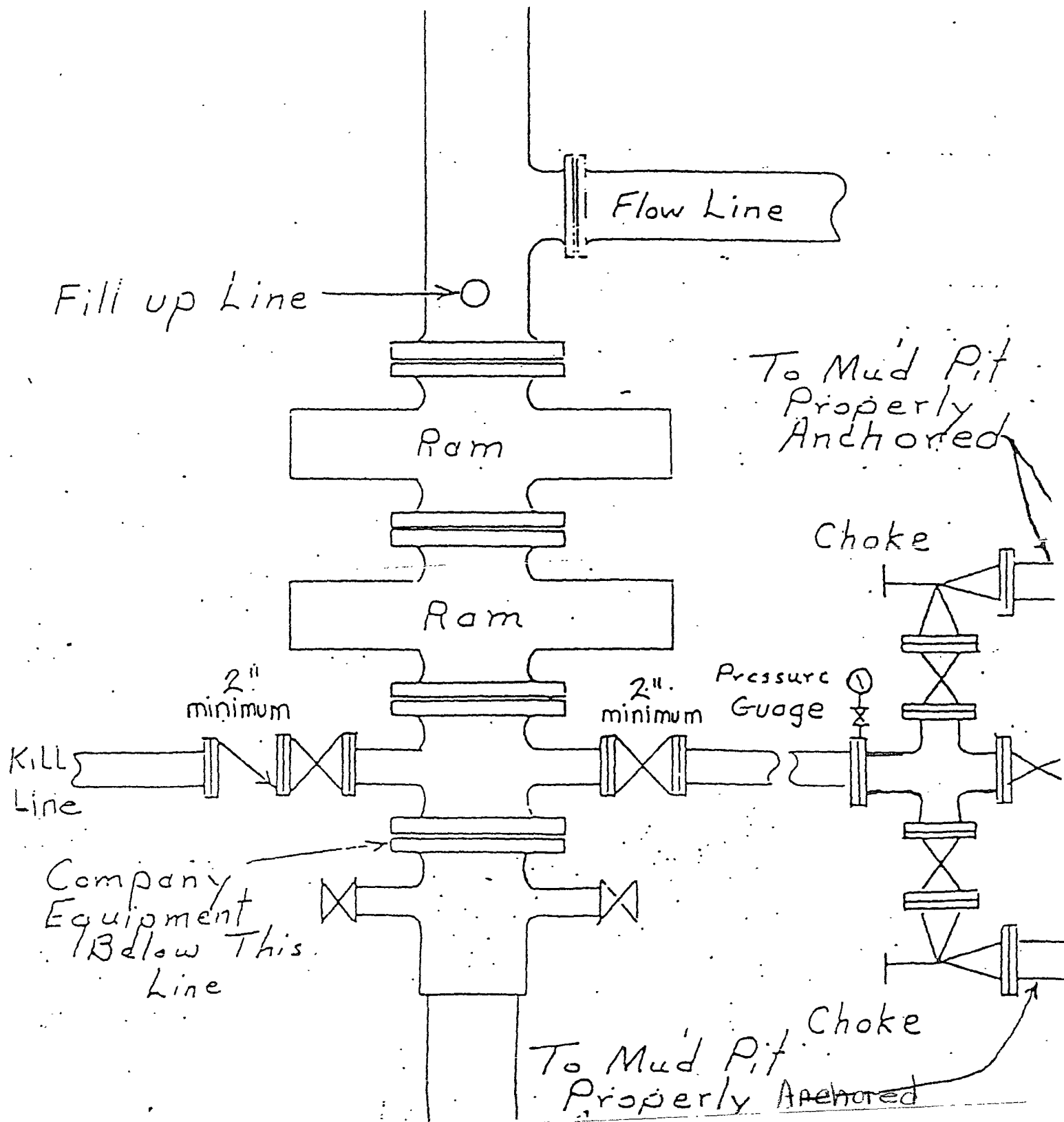
A mud log from the base of surface casing, 90', to TD.

From the base of 7" casing to TD, openhole logs will be run, including Induction, SP, gamma ray, caliper and compensated neutron density logs.

The expected bottom hole pressure is a maximum of 388 psi in the Upper Gallup, which is based on the original Horseshoe Gallup bottom hole pressure of 215 psi at a supersea elevation of +4175 and a 42 gravity oil column to the middle of the oil sands in Hogback 11 #41, which should be a supersea elevation of +3685. At the shallow depth of this well, both the pressure and temperature are low.

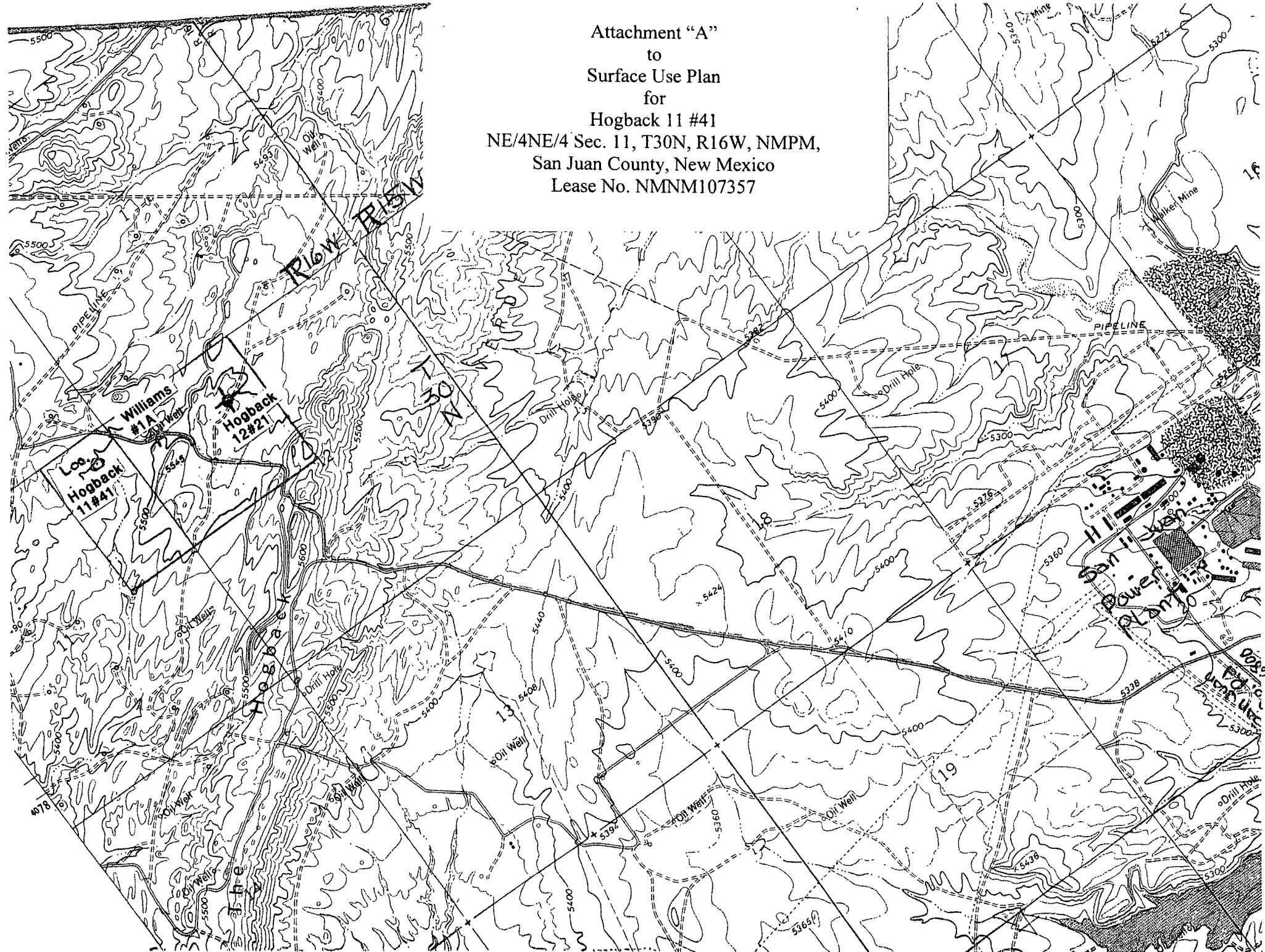
The anticipated starting date is mid May. Drilling using a rig that drills only daylights is expected to take 8 days, including moving in, rigging up, rigging down and moving out.

Schematic Diagram
Pressure Control Equipment
Hogback 11 #41
NE/4NE/4 Sec. 11, T30N, R16W, NMPM,
San Juan County, New Mexico
Lease No. NMNM107357



This is a detailed topographic map of a region in southeastern Utah, characterized by rugged terrain and numerous contour lines. The map includes several key features:

- Geographic Labels:** The names "Williams" and "Hogback" are prominently displayed in the center-left and center-right areas, respectively. A "PIPELINE" is indicated by a dashed line running diagonally across the upper portion of the map.
- Well Locations:** Several oil wells are marked with small circles and labeled: "Oil Well #1A", "Oil Well #12", "Oil Well #11", "Oil Well #10", "Oil Well #9", "Oil Well #8", "Oil Well #7", "Oil Well #6", "Oil Well #5", "Oil Well #4", "Oil Well #3", "Oil Well #2", and "Oil Well #1".
- Topographic Features:** Contour lines are drawn at intervals of 100 feet, with labels such as 5500, 5400, 5300, 5200, 5100, 5000, 4900, 4800, 4700, 4600, 4500, 4400, 4300, 4200, 4100, 4000, 3900, 3800, 3700, 3600, 3500, 3400, 3300, 3200, 3100, 3000, 2900, 2800, 2700, 2600, 2500, 2400, 2300, 2200, 2100, 2000, 1900, 1800, 1700, 1600, 1500, 1400, 1300, 1200, 1100, 1000, 900, 800, 700, 600, 500, 400, 300, 200, 100, and 0.
- Infrastructure:** A "ROAD" is shown running diagonally from the bottom left towards the top right. A "Drill Hole" is marked near the bottom center.
- Other Features:** A "CUT WHEEL" is labeled near the bottom center. A "Drill Hole" is marked near the bottom center. A "Drill Hole" is marked near the bottom center.



Attachment to Form 3160-3

Certification

Hogback 11 #41
NE/4NE/4 Sec. 11, T30N, R16W, NMPM,
San Juan County, New Mexico
Lease No. NMNM107357

I hereby certify that I have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist, that the statements made in the drilling and surface use plans are, to the best of my knowledge, true and correct and that work associated with the operations proposed herein will be performed by High Plains Petroleum Corporation and its contractors and subcontractors in accordance with the plans and the terms and conditions under which these plans are approved.

January 14, 2011
Date

John B. Somers II
John B. Somers II