



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO

NMNM108882
3162.3-1 (211)

September 6, 2012

RCVD SEP 10 '12

OIL CONS. DIV.

DIST. 3

API# 30-043-21132

High Plains Petroleum Corporation
Attn., John Sommers
3860 Carlock Dr.,
Boulder, CO 80305

Dear Mr. Sommers:

Reference is made to your Application for Permit to Drill (APD) the **No. 1 Trading Post** well, located **1980' FNL and 1980' FEL, Section 18, T20N, R2W, Sandoval County, New Mexico**. This APD was approved on August 17, 2012, and would generally have a primary expiration date of August 17, 2014. However, the subject well was scheduled to be drilled on federal oil and gas lease NMNM108882, which carries a lease expiration date of August 31, 2012. Since the lease expiration date occurs before the APD expiration, the lease expiration date is the overriding consideration for permit provisions. A field inspection was conducted on August 31, 2012, and verified that no dirt work or necessary drilling activity was taking place at the above location. My discussion with you on August 31, 2012, also confirmed these findings.

In view of the foregoing information, both the APD and lease NMNM108882 are considered to have expired on September 1, 2012. You will receive further notice from our BLM office in Santa Fe regarding lease NMNM108882.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions regarding the above, please contact me at (505) 564-7735

Sincerely,

Jim Lovato
Petroleum Engineer,
Petroleum Management Team

cc: NMOC

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