

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

High Plains Petroleum Corporation

3. ADDRESS AND TELEPHONE NO.

3860 Carlock Dr., Boulder, CO 80305 303-440-4529

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1900' FNL & 660' FEL

At proposed prod. zone same as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

14 mi. SW of Cuba, New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660' FEL 660' FEL

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED, 1924' to
OR APPLIED FOR, ON THIS LEASE, FT. San Isidro 16-10

16. NO. OF ACRES IN LEASE

480

19. PROPOSED DEPTH

4500'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320 (N/2 Sec. 16)

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6808 6823 GR

22. APPROX. DATE WORK WILL START

May 1, 2006

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8" J55	36#	200'	115 sx. circ. to the surface
8 3/4"	7" J55	23#	3500'	390 sx. circ. to the surface

A 4500 foot Gallup development well is to be drilled. A 12 1/4" surface hole will be drilled to 200', and 9 5/8" casing will be cmtd. to the surface. Then, an 8 3/4" hole will be drilled through the Mesaverde into the Upper Mancos, where 3500' of 7" intermediate casing will be set and cmtd. to the surface. Finally, a 6 1/8" hole will be drilled through the sands in the Gallup, using air to prevent lost circulation into natural fractures in the Gallup sands and to prevent damage to the sands, which are water sensitive. The well will be completed openhole, like the offsetting wells in Sections 15 and 16. Attached Exhibits: (A) Location and Elevation Plat; (B) Ten Point Compliance Program; (C) Blowout Preventor Diagram; (D) Multi-point Requirements of APD; (E) Access to Location; (F) Drill Rig Layout; (G) Completion Program Layout; (H) Location Profile.

Rio Puerco Mancos is only Niobrara Mancos - Tactis and above - Lower Mancos is not in pay.
HOLD C104 FOR NSL 1860' from boundary
<1800' from nearest well

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

John B. Somers II

TITLE

Petroleum Engineer
and President

DATE

Feb. 22, 2006

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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.
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
GENERAL REQUIREMENTS

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

APPROVED BY

D. Marking

TITLE

AFM

DATE

5/19/06

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

NMOC

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88218

District III

1080 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 - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APT Number 30-043-21014	Pool Code 52260	Pool Name Rio Puerco Mancos
Property Code 26092	Property Name SAN ISIDRO 10	Well Number 10-8
GRID No. 10459	Operator Name HIGH PLAINS PETROLEUM CORPORATION	Elevation 6808

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
H	16	20N	3W		2207	North	1000	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	Joint or Infill	Consolidation Code	Order No.
320	N		

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 80.00ch. Federal Lease No. NMNM 115432	80.05ch. Federal Lease No. NMNM 105185 Lot 35.96480' N Long 107.15217' W Sec. 16 1093	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: John B. Somers II Printed Name: John B. Somers II Title and E-mail Address: HP Boulder President @Yahoo.com Date: April 11, 2006
16 80.00ch. Federal Lease No. NMNM 115432	80.05ch. Federal Lease No. NMNM 105185 Lot 35.96480' N Long 107.15217' W Sec. 16 1093	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 knowledge and belief. Date of Survey: 04/11/2006 Signature and Seal of Professional Surveyor: William E. Mahoney II Certificate Number: 8466

EXHIBIT "B"
Ten-Point Compliance Program
of NTL-6 Approval of Operations

Attached to Form 3160-3

High Plains Petroleum Corporation
San Isidro # 16-8
1900' FNL & 660' FEL
Sec. 16, T20N, R3W, NMPM,
Sandoval County, New Mexico

1. The Geologic Surface Formation

Nacimiento Fm.

2. Estimated Tops of Important Geologic Markers

Menefee SS	2320'
Point Lookout SS	2980'
Mancos SH	3240'
Gallup SS	3870'

ABHP ~ 1600 psi

3. Estimated Depths of Anticipated Water, Oil, Gas or Minerals

<u>Formation</u>	<u>Interval</u>	<u>Anticipated Content(s)</u>
Ojo Alamo SS	483 - 590'	Water
Menefee Sands	2320 - 2980'	Water, Oil and Coal Gas
Point Lookout SS.	2980 - 3240'	Water
Gallup Sands	3870 - 4395'	Oil

4. The Proposed Casing Program

<u>Hole Size</u>	<u>Interval</u>	<u>Length</u>	<u>Size (OD)</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>
12 1/4"	0 - 200'	200'	9 5/8"	36#	J55	New
8 3/4"	200 - 3500'	3500'	7"	23#	J55	New

Cementing Program

Surface - 200' of 9 5/8" 36# csg. will be cmt. w/ 115 sx. of Std. Type II cmt. containing 2% CaCl₂ (Yield - 1.20 cu. ft./sk.)

Intermediate - 3500' of 7" 23# csg. will be cmt. with 310 sx. of San Juan PRB II cmt. containing Flocele and Kwik Seal (Yield - 2.57 cu. ft./sk.) and 80 sx. of San Juan PRB II cmt. containing Flocele and Kwik Seal (Yield - 1.83 cu. ft./sk.) to cement from 3500' to the surface

5. The Operator's Minimum Specifications for Pressure Control

Exhibit C is a schematic diagram of the blowout preventor equipment. The ^{BOP}BOP 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 hr. period, and such checks of the BOP will be noted on daily drilling reports.

Accessories to BOP will include floor safety valve and choke manifold with pressure rating equivalent to the BOP. After intermediate casing has been set, a tank will be hooked up to flow to if there is a flow from fractures in the Gallup.

6. The Characteristics of the Proposed Circulating Fluids

The surface hole will be drilled with native mud. The 8 3/4" hole from 200' to 3500' will be drilled with a low water loss mud containing KCl to prevent clay swelling. Mud and weight additives will be on location to be added if pressure requires. The Upper Mancos and Gallup will be drilled with air.

7. The Auxiliary Equipment to be used

- (a) A float will be used at the bit
- (b) The mud system will be monitored visually
- (c) A stabbing valve will be on the floor to be stabbed into the drill pipe when the kelly is not in the string
- (d) Upper kelly cock valve with handle available
- (e) A test tank

8. The Testing, Logging and Coring Programs to be followed

- (a) DSTs - No DSTs are planned.
- (b) Logging
 - (1) Mud log from the base of the surface casing to TD
 - (2) Openhole logs as follows - Induction, SP, Litho-Density, Compensated Neutron-Gamma Ray and caliper

Exhibit "C"
San Isidro 16-8
SE/4NE/4 Sec. 16, T20N, R3W, NMPPM,
Sandoval County, New Mexico

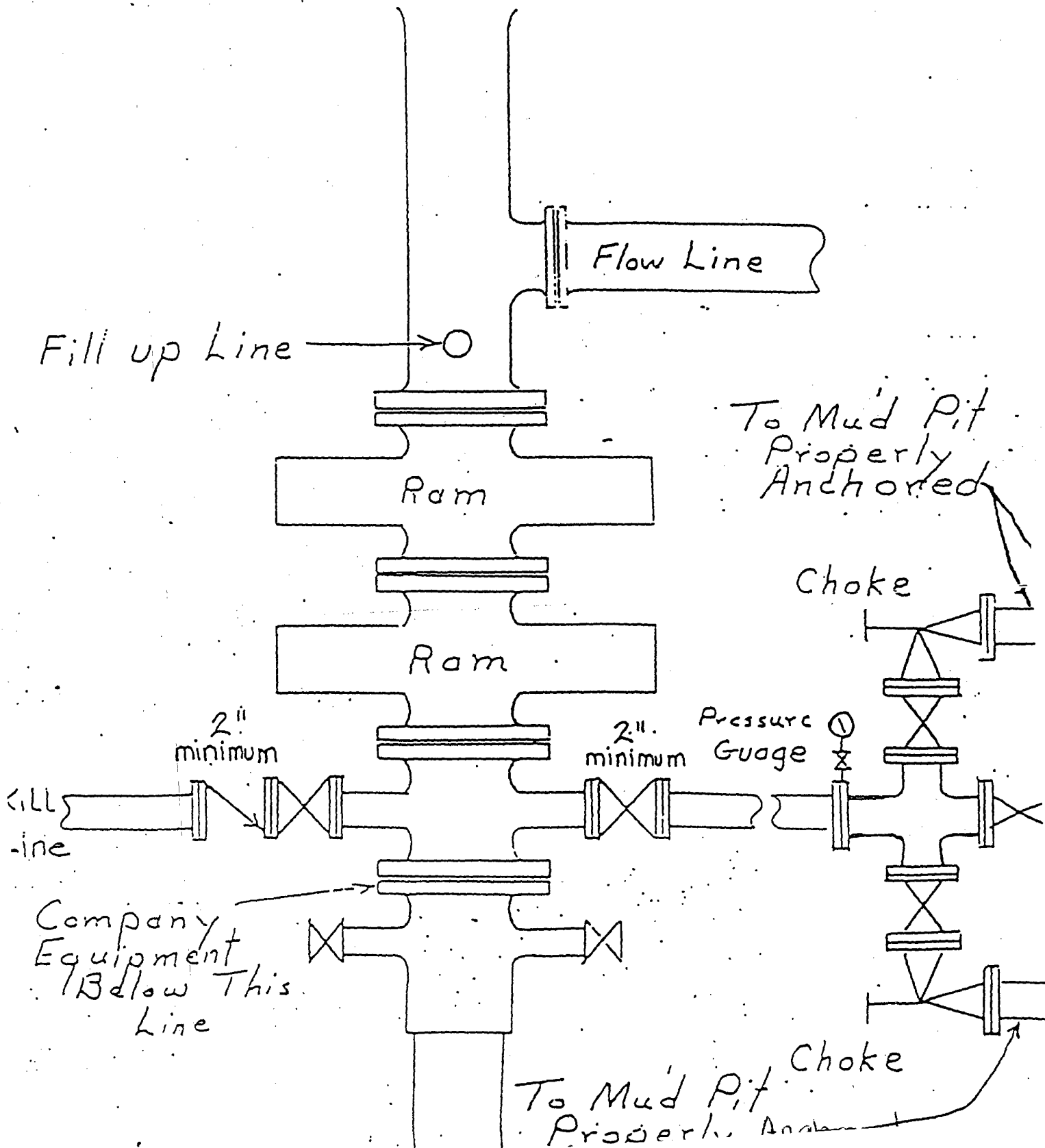
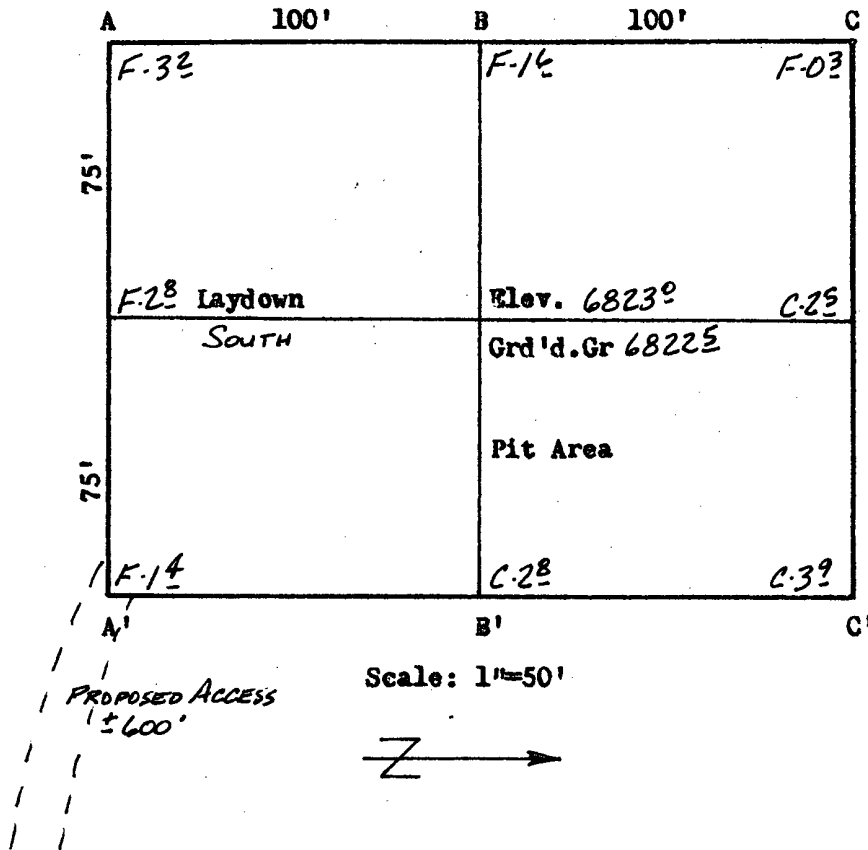


Exhibit "H"

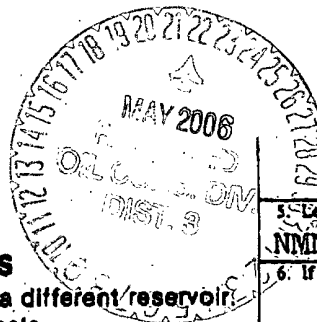
HIGH PLAINS PETROLEUM CORP.
 SAN ISIDRO #16-8
 1900' FNL & 660' FEL
 Sec. 16, T20N, R3W, NMPM
 Sandoval Co., NM



A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6830	-----	-----	-----
6820	-----	-----	-----
	-----	-----	-----

B-B'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6830	-----	-----	-----
6820	-----	-----	-----
	-----	-----	-----

C-C'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L
6830	-----	-----	-----
6820	-----	-----	-----
	-----	-----	-----

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NMNM105185 ✓

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

High Plains Petroleum Corporation

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2207' FNL & 1000' FEL Sec. 16, T20N, R3W, NMPM

7. If Unit or CA, Agreement Designation

8. Well Name and No.

San Isidro 16-8

9. API Well No.

3004321014

10. Field and Pool, or Exploratory Area

Rio Puerco Field

11. County or Parish, State

Sandoval County,
New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Change of Location
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

3/28/2006 Aztec Archaeological Consultants conducted a survey of the original well pad for this development well and found a site requiring the location to be moved.

4/4/2006 The location was moved 307 feet south and 340 feet west along the route of the access road specified by the BLM on March 15, 2006, when the onsite inspection was conducted. That new well pad was then surveyed and cleared by Aztec Archaeological Consultants, as set forth in Aztec Archaeological Consultants' report, Report No. 2006-027.

Therefore, this notice is to amend the APD dated Feb. 22, 2006.

Attached please find a new C102 Form and a new cut and fill diagram for the new location and new well pad.

After the move, the access road will be 458 feet shorter, so there will be less of an impact and less of the surface disturbed.

HOLD CUT FOR NSL = 433' from outer boundary
51600' from nearest well

14. I hereby certify that the foregoing is true and correct

Signed

John B. Sorensen II

Title

Petroleum Engineer
and President

Date

April 11, 2006

(This space for Federal or State office use)

Approved by

Bill Press

Title

EPS

Date

5/17/06

Conditions of approval, if any: