Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NMNM115009

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

2006 APR 10 AM 11 39

RECEIVED

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: Federal 36 #1

2. NAME OF OPERATOR: High Plains Petroleum Corporation

9. API WELL NO.: 30-043-21018

3. ADDRESS AND TELEPHONE NO.: 3860 Carlock Dr., Boulder, CO 80305 303-494-4529

10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~ San Isidro MV. Oil pool

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2310' FSL and 1650' FWL
At proposed prod. zone: Same

RECEIVED
OIL CONS. DIV.
DIST. 3

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 36, T20N, R3W, NMPM K

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 12 miles southwest of Cuba, New Mexico

12. COUNTY OR PARISH: Sandoval

13. STATE: New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330 990'

16. NO. OF ACRES IN LEASE: 320

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40 ULK.

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 467'

19. PROPOSED DEPTH: 4500'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6948' GR

22. APPROX. DATE WORK WILL START*: May 29, 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#/ft.	200'	120 sx. Circulate to Surface
8 3/4"	7" J55	23#/ft.	2600'	300 sx. Circulate to Surface

A 4500 foot well is to be drilled to test the Menefee Member of the Mesaverde and the Gallup Formations. A 12 1/4" surface hole is to be drilled to 200', and 9 5/8" casing will be set and cemented to the surface. Then, an 8 3/4" hole is to be drilled through the Mesaverde and into the Upper Mancos, where 7" intermediate casing will be set and cemented to the surface. Finally, a 6 1/8" hole will be drilled through the sands in the Gallup, using air to prevent loss of mud into natural fractures in the Gallup sands, which occurred in the Nack Federal No. 1 Well that is being offset, and to prevent filtrate damage from swelling of clays in the sands. The well will be completed openhole, like nearby wells in the Rio Puerco Mancos Field. Attached Exhibits are: (A) Location and Elevation Plat; (B) Ten Point Compliance Program; (C) Blowout Preventor Diagram; (D) Multi-point Requirements of the APD; (E) Access to Location; (F) Drill Rig Layout; (G) Completion Program Layout; and (H) Location Profile

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. Amen II TITLE Petroleum Engineer and President DATE April 6, 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.

CONDITIONS OF APPROVAL, IF ANY:

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 /s/ Matthew Q TITLE AFM DATE 5/18/06

NMOCD

*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

Exhibit "A"

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 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

1 API Number	2 Pool Code	3 Pool Name
30-043-21018	53590	San Isidro Mesaverde (oil Pool)

4 Property Code	5 Property Name	6 Well Number
35712	FEDERAL 36	1

7 OGRID No.	8 Operator Name	9 Elevation
10459	HIGH PLAINS PETROLEUM CORPORATION	6948

10 Surface Location

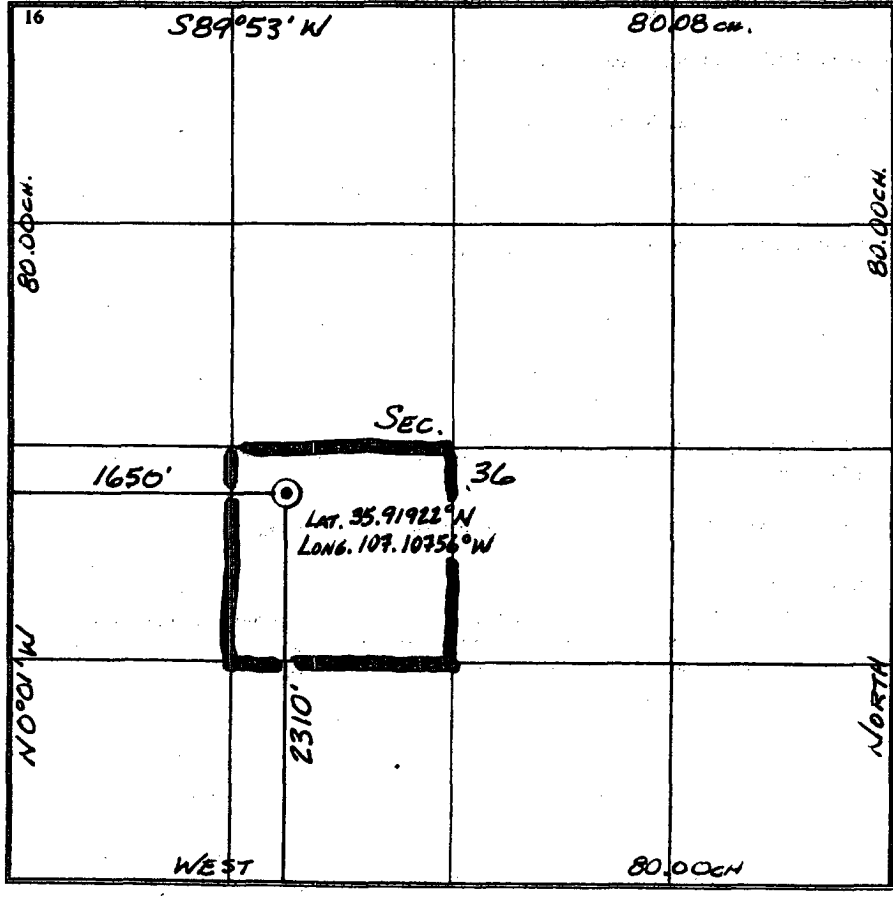
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	20N	3W		2310	South	1650	West	Sandoval

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

John B. Somers II
Signature

John B. Somers II
Printed Name

HP Boulder President @ Yahoo.com
Title and E-mail Address

April 6, 2006
Date

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 belief.

16 Jan. 2006
Date of Survey

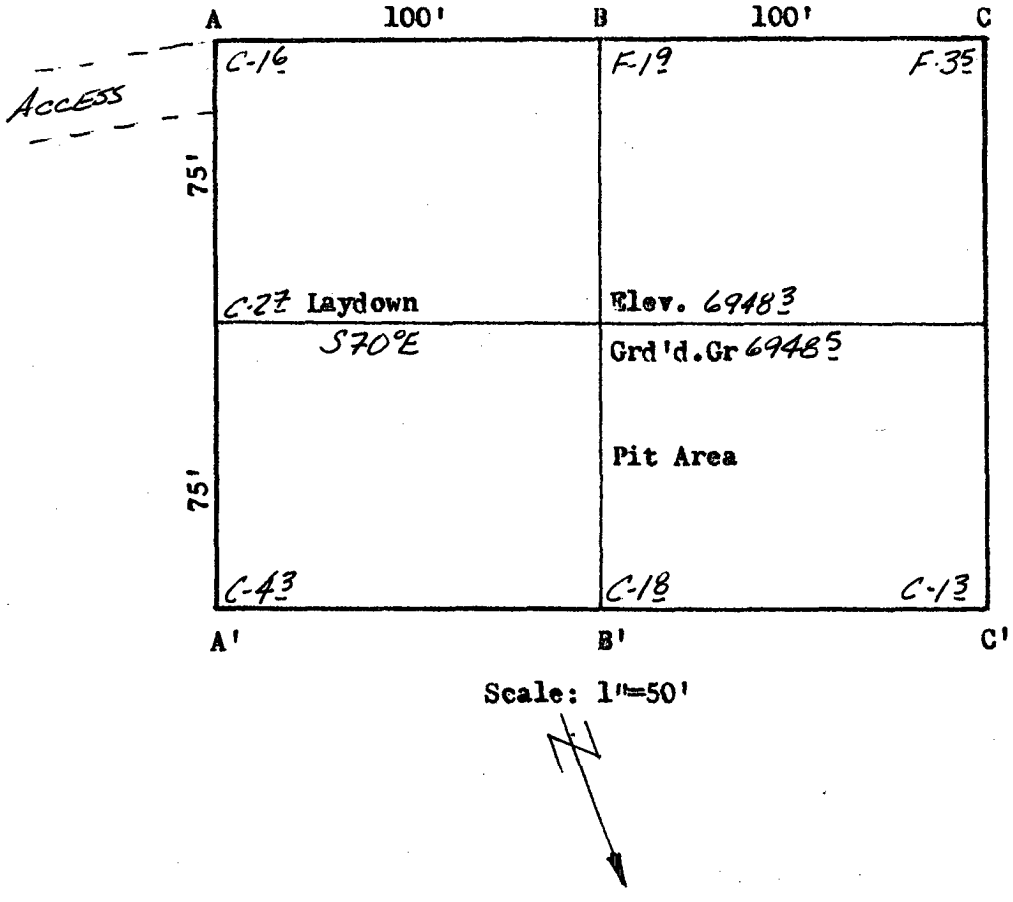
Signature and Seal of Professional Surveyor

WILLIAM E. MAHNKE II
NEW MEXICO
#8466
REGISTERED PROFESSIONAL LAND SURVEYOR

William E. Mahnke II
Certificate Number 8466

Exhibit "H"

HIGH PLAINS PET CORP.
FEDERAL 36 #1
2310' FSL & 1650' FWL
Sec.36, T20N, R3W,NMPM
Sandoval Co., NM



Scale: 1"=50'

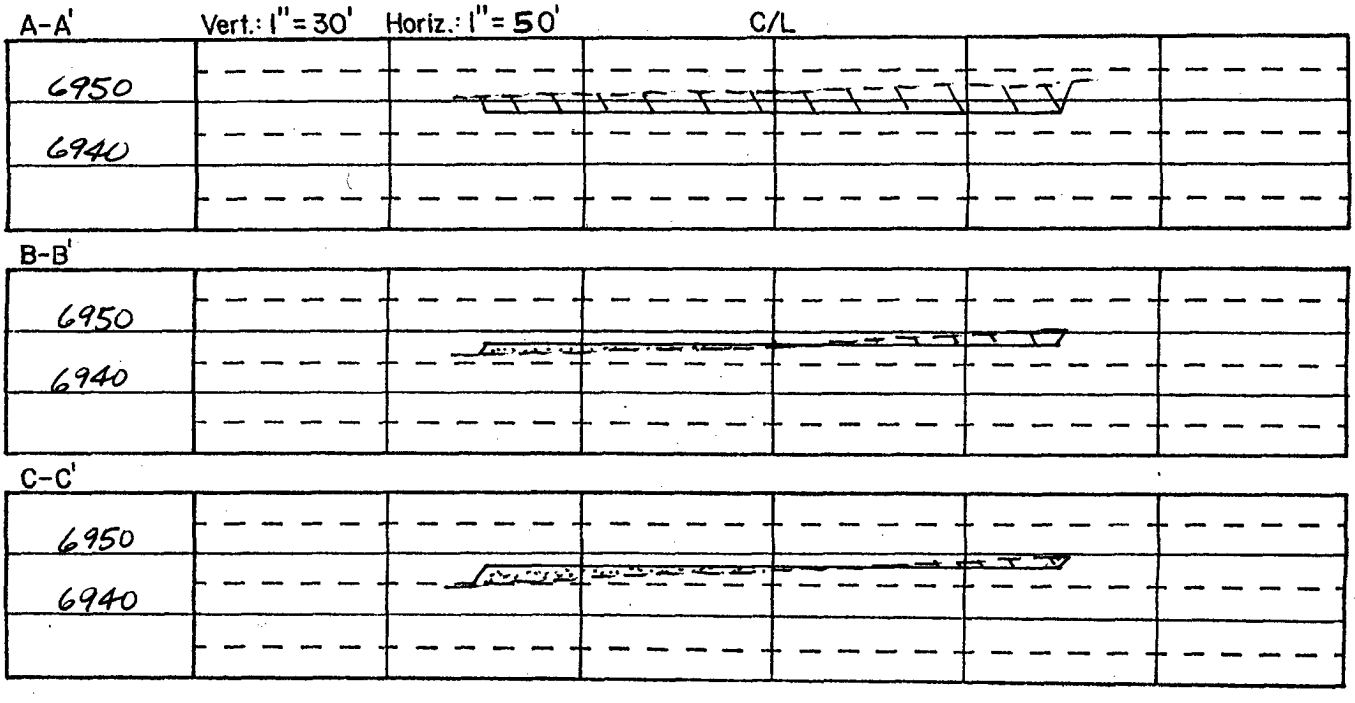


EXHIBIT "B"
Ten-Point Compliance Program
of NTL-6 Approval of Operations

Attached to Form 3160-3

High Plains Petroleum Corporation
Federal 36 #1
2310' FSL & 1650' FWL
Sec. 36, T20N, R3W, NMPM,
Sandoval County, New Mexico

1. The Geologic Surface Formation

   Kirtland Shale

2. Estimated Tops of Important Geologic Markers

Menefee SS	1610'
Point Lookout SS	2350'
Mancos SH	2585'
Gallup SS	2950'
Dakota SS	4550'

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

Formation -	Interval -	Anticipated Content(s)
Menefee Sands	1700 - 2200'	Water, Oil and Coal Gas
Point Lookout SS.	2370 - 2560'	Gas and Water
Gallup Sands	2950 - 4050'	Oil and Gas
Lower Mancos SH	4080 - 4240'	Oil and Gas
Dakota Sands	4550 - 4850'	Oil and Gas

4. The Proposed Casing Program

Hole Size	Interval	Length	Size (OD)	Weight	Grade	Type
12 1/4"	0 - 200'	200'	9 5/8"	36#	J55	New
8 3/4"	200 - 2600'	2600'	7"	23#	J55	New

Cementing Program

Surface - 200' of 9 5/8" 36# csg. will be cmtd. w/ 120 sx. of Std. Type II cmt. containing 2% CaCl2 (Yield - 1.20 cu. ft./sk.)

Intermediate - 2600' of 7" 23# csg. will be cmtd. with 220 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 2600' 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 will be hydraulically tested to the full working pressure after nippling 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 2600' 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"

Federal 36 #1
NE/4SW/4 Sec. 36, T20N, R3W, NMPM,
Sandoval County, New Mexico