

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 303-494-4529

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

At surface 2310' FEL and 330' FSL of Section 25

At proposed prod. zone Same

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

11 miles SW from Cuba, New Mexico along St. Hwy. 197

10. DISTANCE FROM PROPOSED*

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

330'

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

none

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH

6000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

6961' GR

22. APPROX. DATE WORK WILL START*

May 1, 2007

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"	36#	200'	120 sx.
8 3/4"	7"	23#	2600'	280 sx.
6 1/4"	4 1/2"	10.5#	6000'	360 sx.

A 6000' Jurassic Entrada test is proposed. Two hundred feet of surface casing will be set through the Pictured Cliffs Fm. to protect the Ojo Alamo aquifer and prevent any problem with gas from coals in the Fruitland Fm. Then, the Mesaverde will be drilled with a low water loss KCl mud. Intermediate casing will be set into the top of the Mancos, and the Mancos and Gallup will be drilled with air. If no natural fractures are encountered, mud will be used to drill to the Todilto ls. Then, an oil-based mud will be used to drill into the Entrada with a DST to be conducted after drilling 15 ft. of sand. A 4 1/2" production liner will be run from TD up 250 feet into the 7" csg. and cmtd. for completion, if DST results, samples and log analysis justify such completion. A 10" Shaffer Double Gate BOP will be used for blowout prevention.

Attached Exhibits: (A) Location and Elevation Plat; (B) Ten Point Compliance Program; (C) Blowout Preventor Diagram; (D) Multipoint Requirements of APD; (E) Access to Location; (F) Drill Rig Layout; (G) Completion Program Layout; (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.

34.

SIGNED

John B. Jones II

TITLE

Petroleum Engineer & Pres.

DATE

3/20/2007

(This space for Federal or State office use)

PERMIT NO.

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

NOTIFY AZTEC OCD 24 HRS.

OIL CONS. DIV.

DIST. 3

PRIOR TO CASING & CEMENT

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:

APPROVED BY

D. Mankie

TITLE

Attn

DATE

5/1/07

*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.

NMOCB

OIL CONS. DIV.

Exhibit "A"

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

API Number 30-043-21042	Pool Code 97610	Record WC20N3W25; Entrada oil
Property Code 30473	Property Name DEES FEDERAL	Well Number 1
OGRI No. 10459	Operator Name High Plains Petroleum Corporation	Elevation 6961

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	2310	Sandoval

PL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
"Dedicated Acres 40	"Join or Infill	"Consolidation Code		"Order No.					

16 589°45'W 80.19cm. 80.00cm. 80.00cm. N. 10.00' W. Sec. 25 330' 80.00cm. 28'10' 330' 80.00cm. 589°53'W

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete in the best of my knowledge and belief.
John B. Somers II
John B. Somers II
Printed Name
President
Title and E-mail Address
March 14, 2007
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.
17 Jan 2006
Date of Survey
William E. Mahnke II
Signature and Seal of Professional Surveyor
William E. Mahnke II
Certificate Number
8466

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
5. Indicate Type of Lease FEDERAL <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. Federal Oil & Gas Lease No. NMNM98710
7. Lease Name or Unit Agreement Name Dees Federal
8. Well Number 1
9. OGRID Number 10459
10. Pool name or Wildcat Wildcat in Rio Puerco

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator High Plains Petroleum Corporation

3. Address of Operator 3860 Carlock Drive
Boulder, CO 80305

4. Well Location

Unit Letter O 330 feet from the south line and 2310 feet from the east line
Section 25 Township 20N Range 3W NMPM Sandoval County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6961 GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Mud Depth to Groundwater > 100' Distance from nearest fresh water well > 1000' Distance from nearest surface water < 200'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material Synthetic

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Construct a lined pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RCVD MAR 26 07

OIL CONS. DIV.
DIST. 3

* Vulnerable Area, Pits are to be closed under Guidelines
Salt & oil muds to be run in self contained pit system only

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE John B. Somers II TITLE Petroleum Engineer DATE 3/21/2007

Type or print name John B. Somers II E-mail address: HPBoulder@Yahoo.com Telephone No. 303-494-4529

For State Use Only

APPROVED BY: Brandon Powell TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE 4-3-07

Conditions of Approval (if any): Vulnerable area, pits to be closed under guidelines
Salt & oil muds to be run in self contained pit system only.

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

Attached to Form 3160-3

High Plains Petroleum Corporation
Dees Federal #1
330' FSL & 2310' FEL
Sec. 25, T20N, R3W, NMPM,
Sandoval County, New Mexico

1. The Geologic Surface Formation

Kirtland Shale

2. Estimated Tops of Important Geologic Markers

Menefee SS	1548'
Mancos SH	2524'
Dakota SS	4490'
Entrada SS	5712'

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

Menefee Sands	1650 – 2050' (Oil)
Gallup Sands	3400 – 3500' (Oil)
Dakota Sands	4490 – 4890' (Oil or Gas)
Entrada SS	5712 – 5780' (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 & Type</u>
12 ¼"	0-200'	200'	9 5/8"	36#	J55 New
8 ¾"	200-2600'	2400'	7"	23#	J55 New
6 ¼"	2600-6000'	3400'	4 ½"	10.5#	J55 New

Cement Program

Surface – 200' of 9 5/8" 36# csg. will be cmtd. w/ 120 sx. of Type II cmt. containing 2% CaCl₂ (Yield -1.20 ft.3/sk.)

Intermediate – 2600' 7" 23# csg. will be cmtd. with 200 sx. of San Juan PRB II containing Poly-EFlake and Kwik Seal (Yield 2.57 ft.3/sk) and 80 sx. of San Juan PRB II cmt. containing Poly-EFlake (Yield 1.82 ft3/sk) to cement from 2600' to the surface

Production – 6000' 4 ½" 10.5# csg. will be cmtd. w/ 360 sx. 50/50 poz std. cmt. containing 1% Bentonite, 0.2% CFR3, 0.8% Halad R-9 and 5 lb/sk Pheno Seal (Yield 1.46 ft3/sk)