

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



April 1, 2008

High Plains Petroleum Corporation  
Attn: Mr. John B. Somers II  
3860 Carlock Dr  
Boulder, CO 80305

## Administrative Order NSL-5803

**Re: Dees Federal Well No. 1**  
**API No. 30-043-21042**  
**Unit O, Section 25-20N-3W**  
**Sandoval County**

RCVD APR 18 '08

OIL CONS. DIV.

DIST. 3

Dear Mr. Somers:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-06054749**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 29, 2008, and

(b) the Division's records pertinent to this request.

High Plains Petroleum Corporation (High Plains) has requested to complete the above-referenced well at an unorthodox Rio Puerco Mancos oil well location, 330 feet from the South line and 2310 feet from the East line (Unit O) of Section 25, Township 20 North, Range 3 West, N.M.P.M., in Sandoval County, New Mexico. The E/2 of Section 25 will be dedicated to this well in order to form a standard 320-acre oil spacing unit in the Rio Puerco Mancos Oil Pool (52260). Spacing in this pool is governed by the Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool, as most recently amended by Order R-7471-A-(1), issued on May 31, 1985, which provide for 320-acre units with wells to be located at least 660 feet from any unit outer boundary, at least 330 feet from any quarter-quarter section line, and at least 1800 feet from any other well in the pool. This location is less than 660 feet from the southern and western unit boundaries.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).



It is our understanding that you are seeking this location in order to utilize an existing wellbore that was drilled to test a different formation..

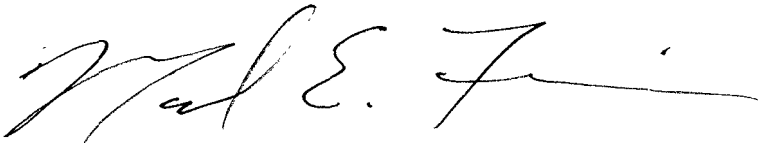
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec  
United States Bureau of Land Management - Farmington