

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No. NMNM99705  
6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

High Plains Operating Company, LLC

3a. Address

32700 Aspen Drive, Buena Vista, CO 81211

3b. Phone No. (include area code)

719-395-8059 719-207-0164 (Cell)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
263' FNL and 2545' FEL of section 8-T19N-R4W of the NMPM

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Eagle Springs 8 Federal #1 H

9. API Well No.

30-043-20949

10. Field and Pool or Exploratory Area

Arena Blanca Entrada, Southeast (96899)

11. Country or Parish, State

Sandoval County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Transfer of Lease
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Crude
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

High Plains Operating Company, LLC (HPOC) is operating with Bond No. NMB 000457.

HPOC shall transfer approximately 800 barrels of crude oil located in oil storage tanks on Federal Lease No. NMNM99705. The crude oil will be produced from the Eagle Springs 8 Federal #1H and the production will be reported per MMS production reporting requirements. HPOC shall pay all required royalties based on current market price paid by Western Refining. The lease crude will be transported via certified shipper to mud tanks and a frac tank located on HPOC's Federal Lease No. NMJNM 113426 (located in the South half of section 21–Township 20 North–Range 5 West, McKinley County). The crude oil will be used for the oil base mud in the drilling of HPOC's proposed horizontal well, Ojo Encino 21 Federal 1#H.

The transfer of oil is expected to occur in about 2 weeks (September 28 - October 2, 2009), when the oil base mud will be required on the drilling location.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

RCVD SEP 24 '09

OIL CONS. DIV.

DIST. 3

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

Name (Printed/Typed)

Richard R. Milk

Title

Manager, High Plains Operating Company, LLC

Signature

Date—09/15/2009

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Petr. Eng

Date

9/18/09

Office

Conditions of approval, if any, are attached. Approval of this notice 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.

Title 18 U.S.C. Section 1001 and Title 47 U.S.C. Section 1212, make 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.

(Instructions on page 2)

NMOC

**TRANSFER OF LEASE CRUDE OIL -AFFIDAVIT**

I, Richard Mrlik, an authorized representative of: High Plains Operating Company, LLC ("HPOC"), a limited liability company, that is the operator of oil and gas leasehold No. NMNM99705 and Eagle Springs 8 Federal #1H oil well, hereby swear and affirm that, to the best of my knowledge, all applicable; rules; regulations, processes and procedures will be followed and implemented during the transfer of crude oil from the aforementioned leasehold to oil and gas leasehold NMNM 113426.

HPOC shall transfer approximately 800 barrels of crude oil located in oil storage tanks on Federal Lease No. NMNM99705. The crude oil will be produced from the Eagle Springs 8 Federal #1H and the production will be included in the required MMS production reporting. HPOC shall pay all required royalties based on current market price paid by Western Refining. The lease crude will be transported via certified shipper to mud pit and a frac tank located on HPOC's Federal Lease No. NM[NM 113426 (located in the South half of section 21-Township 20 North-Range 5 West, McKinley County). The crude oil will be used for the oil base mud in the drilling of HPOC's proposed horizontal well, Ojo Encino 21 Federal 1#H.

I further swear and affirm that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge.

HPOC  
Recipient Name

[Signature]  
Affiant Signature

RICHARD MRLIK  
Full Name

MANAGER  
Title

SEPT. 15, 2009  
Date

Sworn and subscribed before me by the said

(Printed Name of Recipient's Authorized Representative)

this \_\_\_ day of \_\_\_, 20\_\_.

Notary Public  
Notary's printed name: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

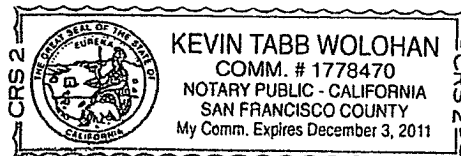
(Seal)

State of California SAN FRANCISCO  
County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this 15 day  
of SEPT, 2009, by RICHARD MRLIK personally  
known to me as proved to me on the basis of satisfactory evidence to  
be the person(s) who appeared before me.

(Seal)

Signature [Signature]



- **Conditions of Approval:**

**Eagle Springs 8 Federal #1H  
Unit F, section 8-19N-4W (BHL)  
Federal Lease # NMNM99705**

**&**

**Ojo Encino 21 Federal #1H  
Unit O, section 21-20N-5W (BHL)  
Federal lease # NMNM113426**

- Contact this office within 24 hours of oil transport so our Inspection and Enforcement staff can be present to witness the transfer.
- Royalties must be paid on the posted Western Refining market price for crude oil effective the day(s) of transport.
- A berm, sufficient to contain the storage tank(s) volume must be in place prior to storing crude oil for the drilling operation.

**Note:**

Please be advised that all safety and environmental precautions must be taken when handling the crude oil during transport, storage, drilling and final oil disposition.