

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO 1004-0135
Expires: July 31, 2010

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.
NMNM113426

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

OJO ENCINO 21 FEDERAL 1H

2. Name of Operator

HIGH PLAINS OPERATING COMPANY

Contact: ARTHUR (BUTCH) W BUTLER III

Email: bbutler@highplainsop.com

9. API Well No.

30-031-21107-00-S1

3a. Address

32700 ASPEN DRIVE
BUENA VISTA, CO 81211

3b. Phone No. (include area code)

Ph: 719-395-8059
Fx: 719-395-8093

10. Field and Pool, or Exploratory

OJO

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

Sec 21 T20N R5W NESW Lot K 2537FSL 2523FWL
35.94893 N Lat, 107.37144 W Lon

11. County or Parish, and State

MCKINLEY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 RESPECTFULLY REQUESTS THAT ALL INFORMATION FROM THIS WELL BE HELD CONFIDENTIAL.

HPOC requests from NM OCD an exception to NMAC rule 19.15.16.10 J. (3). This rule states, "The operator shall set tubing as near the bottom as practical and tubing perforations shall not be more than 250 feet above top of pay zone."

This well was directionally drilled with the top of the Entrada reservoir encountered at a MD of 6352' (5896' TVD). Due to the excellent reservoir quality of the Entrada, static fluid level is at or near the surface. The relative viscosity of the oil and water (the water moves 10 times easier than the oil) dictates a very cautious approach when pumping. If the fluid level is pulled down

RCVD DEC 11 '09
OIL CONS. DIV.

DIST. 3

NMOCB EXCEPTION EXPIRES 6-11-2010

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

Electronic Submission #78758 verified by the BLM Well Information System
For HIGH PLAINS OPERATING COMPANY, sent to the Farmington
Committed to AFMSS for processing by STEVE MASON on 12/11/2009 (10SXM0048SE)

Name (Printed/Typed) ARTHUR (BUTCH) W BUTLER III

Title MANAGER

Signature (Electronic Submission)

Date 12/11/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

STEPHEN MASON
Title PETROLEUM ENGINEER

Date 12/11/2009

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.

Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 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.

Additional data for EC transaction #78758 that would not fit on the form

32. Additional remarks, continued

creating a pressure differential on the reservoir, water is coned in and ultimate reserves recovered will be decreased. It is HPOC's intent to keep the fluid level within 500' of the surface, decreasing this coning effect. We will equip the well with a progressive cavity pump (PCP). These pumps work very well pumping from shallow depths, but lose efficiency the deeper they are placed. It costs more to lift the wellbore fluid the deeper the pump is placed.

So, to maximize recoverable reserves and for efficiency of the pumping operation, HPOC requests an exception to the tubing depth rule. The PCP manufacturer has recommended pumping from as shallow as possible. We would like to set the tubing at 1036'.