

High Plains Petroleum Corporation

3860 Carlock Dr. Boulder, CO 80305 303-494-4529

February 27, 2008

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

CERTIFIED MAIL – ARTICLE NO. 7006 3450 0001 8867 3510

Re: Application for Approval
Non-standard location
Dees Federal #1
2310' FEL & 330' FSL Section 25,
Township 20 North, Range 3 West, NMPM,
Sandoval County, New Mexico

This letter is to request approval of the nonstandard location (nsl) of Dees Federal #1, a well in the Rio Puerco Mancos Pool in Sandoval County, New Mexico. A copy of the Well Location and Acreage Dedication Plat, Form C102, is attached to this application.

Dees Federal #1 was initially permitted as a 6000 foot Entrada wildcat on the top of Johnson Anticline. In May, 2007, it was decided to only drill the well to the Morrison to test the sands in the Dakota Formation. In drilling to the Dakota, oil was encountered in two (2) sands in the Mancos Shale, which High Plains intends to complete, test and possibly produce, if the OCD approves the nsl of Dees Federal #1.

The location at which Dees Federal #1 was drilled is 330 feet from the south line of Section 25, which is the south edge of the area that has been spaced for the Rio Puerco Mancos Pool.

The location of Dees Federal #1 is also 330 feet from the adjoining drilling and proration unit, which covers the west half (W/2) of Section 25. Therefore, Dees Federal #1 is closer to the adjoining drilling and proration unit than the field rules for the Rio Puerco Mancos Field allow.

Adjoining land in Section 25 and in the east half (E/2) of Section 36 is unleased. Therefore, Dees Federal #1 is only closer than 660 feet from High Plains' lease covering the west half (W/2) of Section 36, Lease No. NMNM115009. Furthermore, there are no wells in the adjoining drilling and proration units in the Rio Puerco Mancos Field or on the adjoining lease to the east, Lease No. NMNM108451. Therefore, Dees Federal #1 is further than 1800 feet from any well in the Rio Puerco Mancos Pool.

Approval of the nsl of Dees Federal #1 could result in the recovery of oil that otherwise might not be recovered and encourage further development of the Rio Puerco Mancos Field.

Application to OCD
Nonstandard Location
Dees Federal #1
February 27, 2008
Page Two

A map showing the owners of leases that are contiguous to the drilling and proration unit for Dees Federal #1 is also attached to this application. Those owners are being furnished a copy of this application by certified mail return receipt requested, and by their copy of this letter are hereby notified that they have 20 days from receipt of the application by the Oil Conservation Division to object in writing to the nonstandard location of Dees Federal #1. A list of those owners is also attached, as required.

Administrative approval of the nsl would be appreciated so that completion and testing can begin as soon as weather permits.

Sincerely,

John B. Somers II
President
High Plains Petroleum

Attachments

cc: Yates Drilling Co., Abo Petroleum and Myco Industries c/o Yates Petroleum Corporation
CERTIFIED MAIL – ARTICLE NO. 7007 1490 0003 2434 6448

New Mexico State Office
Bureau of Land Management
CERTIFIED MAIL – ARTICLE NO. 7007 2560 0000 1441 2182

R3W R2W

			High Plains Pet. NMNM 108982
Yates Drilling Co. Abco Petroleum and Myco Ind.		High Plains Pet.	
24 NMNM 105186		19 NMNM 106646	
Unleased Federal Land	High Plains Pet. 25 NMNM 98710 Dees Fed. #1	Yates, Abco Pet. and Myco Ind. 30 NMNM 108451	
High Plains Pet. NMNM 115009	Unleased Federal Land	Unleased Federal Land	
	36	31	

REMARKS: Lease Ownership and Operators of Leases and units
contiguous to the drilling and proration unit for:
Dees Federal #1
Rio Puerco Mancos Field
Sandoval County, New Mexico

J. Somers

2/27/2008



High Plains Petroleum Corporation

3860 Carlock Dr. Boulder, CO 80305 303-494-4529

List of Affected Persons

Non-standard Location

Dees Federal #1

2310' FEL & 330' FSL Section 25,
Township 20 North, Range 3 West,
New Mexico Principal Meridian
Sandoval County, New Mexico

Yates Drilling Co., owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Abo Petroleum, owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Myco Industries, owner of interests in Lease No's NMNM105186 and NMNM108451, whose address is 105 South Fourth Street, Artesia, New Mexico 88210-2118

Bureau of Land Management, administrator of unleased federal land, whose address is 1474 Rodeo Road, P.O. Box 27115, Santa Fe, New Mexico 87502-0115

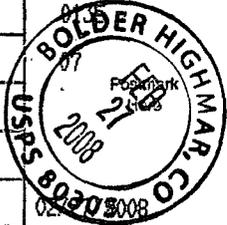
7007 1490 0000 2434 6448

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

ARTESIA NM 88210-2118 **OFFICIAL USE**

Postage	\$	\$0.97
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.77



Sent To Yates Petroleum Corporation
 Street, Apt. No.,
 or PO Box No. 105 South Fourth St.
 City, State, ZIP+4 Artesia, NM 88210-2118

PS Form 3800, August 2006 See Reverse for Instructions

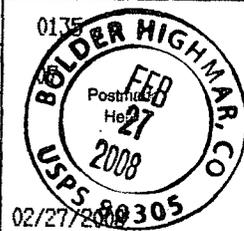
7007 2560 0000 1441 2182

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

SANTA FE NM 87502-0115 **OFFICIAL USE**

Postage	\$	\$0.97
Certified Fee		\$2.65
Return Receipt Fee (Endorsement Required)		\$2.15
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$5.77



Sent To NEW MEXICO STATE OFFICE
Bureau of Land Management
 Street, Apt. No.,
 or PO Box No. 1474 Redwood Rd
P.O. Box 27115
 City, State, ZIP+4 Santa Fe, NM 87502-0115

PS Form 3800, August 2006 See Reverse for Instructions