

Gentlemen:

Your Application for Permit to Drill (APD), approved November 18, 2008, for the Giacomo 1525-8 Federal Com Well No. 2H, located SH: 1880 feet FNL and 208 feet FEL (SE¹/₄NE¹/₄) and BH: 1897 feet FNL and 660 feet FWL (SW¹/₄NW¹/₄) sec. 8, T. 15 S., R. 25 E., Chaves County, New Mexico, Federal lease NM-112249 has expired November 18, 2010 because drilling has not commenced within two years of the approval date.

If drilling operations have commenced on the referenced well, please contact David Glass, Petroleum Engineer, Lands and Minerals at (575) 627-0275 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) so we may correct our records.

If the well has not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.

If you wish to drill this well at a later date, please submit a complete application (1 original and 5 copies). Since the original APD has expired, the resubmitted APD will be subject to all of the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will expedite the processing.

Sincerely,

/S/ Angel Mayes

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Angel Mayes Assistant Field Manager, Lands and Minerals

cc: NM (P0130, File Room) NM (P0130, I & E) MOCD-Artesia