

30 005 63866



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88202

IN REPLY REFER TO  
3162.4  
NM-112258

FEB 07 2008  
OCD-ARTESIA

FEB 05 2008

Parallel Petroleum Corporation  
Attn: Deane Durham  
1004 North Big Spring, Suite 400  
Midland, TX 79701

Dear Mr. Durham

Your Application for Permit to Drill (APD), approved October 16, 2006, for the Alydar 1426-34 Fed Com Well #1, located 1880' FSL & 300' FEL (SHL) and 1880' FSL and 660' FWL (BHL), Section 34, T. 14 S., R. 26 E., Chaves County, New Mexico, Lease No. NM-112258 has expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

If drilling operations have commenced on the referenced well, please contact this office at (505) 627-0272 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 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 help expedite the processing.

Sincerely,

(Orig. Sgd.)  
Jerry Dutch

for

Angel Mayes  
Assistant Field Manager  
Lands and Minerals

cc: BLM-I&E (RFO)  
NMOCD (Artesia)