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PATRICK H. LYONS COMMISSIONER

1408' State of New Mexico Commissioner of Public Lands

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

November 17, 2009

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attn: Ms. Janet Richardson

Re: Thurman Draw Unit Well No. 1 Drilling Extension to August 1, 2010 Eddy County, New Mexico

Dear Ms. Richardson:

We are in receipt of your letter of August 13, 2009. In your letter, you have advised that due to problems in obtaining a right of way to the initial location, you have requested an extension of time in which to drill the Thurman Draw Unit Well No. 1.

The Commissioner of Public Lands hereby grants you an extension to August 1, 2010 to commence the drilling of the Thurman Draw Unit Well No. 1. Failure to timely spud the Thurman Draw Well No. 1 prior to August 1, 2010 will subject the state leases in this unit to expiration. This action is subject to like concurrence by the Bureau of Land Management and the New Mexico Oil Conservation Division.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS COMMISSIONER OF PUBLIC LANDS

BY

JAMI BAILEY, Director Oil. Gas and Minerals Division (505) 827-5744 PL/JB/pm pc: Reader File,

BLM Roswell-Attn .: Mr. Wesley Ingram OCD-Attn.: Mr. Ed Martin)

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