

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



September 2, 2014

Yates Petroleum Corp
ATT: Regulatory
105 South 4th Street
Artesia, NM 88210

RE: CANCELLATION OF INTENT TO DRILL

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| * Red Raider BKS State #3H-P, 25-24s-33e, API # 30-025-40735 |
| * Igloo BRR State #2H-A, 19-20s-35e, API # 30-025-40604 |
| * Kookaburra AZB State Com #3-C, 24-12s-34e, API # 30-025-40344 |
| * Hank BMH State Com #1-J, 1-10s-32e, API # 30-025-40195 |
| * Azure BNE State Com #2-M, 18-12s-35e, API # 30-025-40114 |
| * Dalton BLD State Com #1-B, 13-12s-34e, API # 30-025-40113 |
| * Braille BFR #1-A, 6-9s-34e, API # 30-025-40111 |
| * Lotus ALT State #6-F, 32-22s-32e, API # 30-025-40093 |
| * Lotus ALT State #7-K, 32-22s-32e, API # 30-025-40092 |
| * October Road BPX State #1H-P, 6-21s-34e, API # 30-025-39940 |

Gentlemen:

Two years or more have elapsed since Division form C-101; Intent to Drill for the subject well was approved. To date no progress reports have been received. Therefore, approval of your permit to drill this well has expired and no operations are to be initiated without further notice to and approval by the Oil Conservation Division

If the work to drill this well has been done, please file subsequent reports (Form C-103) of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

A handwritten signature in black ink that reads "Maxey Brown".

Maxey Brown Supervisor, Hobbs OCD

CC: OCD Santa Fe
OCD Hobbs
BLM
State Land Office

E-PERMITTING - - New Well _____
Comp _____ P&A _____ TA _____
CSNG _____ Loc CHG _____
ReComp _____ Add New Pool _____
Cancl Well in Create Pool _____

SEP 03 2014