

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



December 19, 2012

Yates Petroleum Corp.
ATT: Clif May
105 4th Street
Artesia, NM 88210

RE: CANCELLATION OF INTENT TO DRILL

Vaughn BGZ #1-J, 19-9s-34e, API # 30-025-39505

Taco AUK State #4-H, 10-10s-34e, API # 30-025-39754

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,

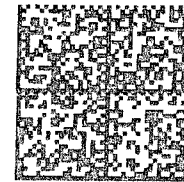
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Donna Mull".

Donna Mull, Line Manager, Hobbs OCD

CC: OCD Santa Fe
OCD Hobbs
BLM
State Land Office

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



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