

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office 1235 La Plata Highway, Suite A Farmington, New Mexico 87401

IN REPLY REFER TO: 701-90-0001 3162.3-1 (211)

August 25, 2005

Jicarilla Apache Energy Corporation Attn.: Charles Neeley PO Box 710 Dulce, NM 87528

Dear Mr. Neeley:

30-034-27411

Reference is made to your Application for Permit to Drill (APD) the No. 5A JVA well, located 780' FNL and 1158' FWL, Section 29, T27N, R2W, Rio ArribaCounty, New Mexico. This APD was approved on May 17, 2004 with an expiration date of May 17, 2005. Your office was contacted about extending this APD for a one year period on July 15, 2005. To date, our office has received no such request.

According to our records, no known activity has taken place at this location. In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Adrienne Brumley at (505) 599-6358

Sincerely,

/s/ Adrienne Brumley

Adrienne Brumley Petroleum Engineer, Petroleum Management Team

cc:

NMOCD

Abondon Location