



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292



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MAY 20 2005

In Reply Refer To:
NM-97846
3162.4 (522)

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

RECEIVED
MAY 23 2005
OCD-ARTESIA

Gentlemen:

Your Application for Permit to Drill (APD), for the following well 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.

NM-97846 Penny Pincher AYP Federal #1 600'N & 660'W Sec. 24, T. 21 S., R. 22 E.
APD approved 5/19/03 resubmitted 4/19/05

30-015-31812

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, 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) to the Roswell Field Office. 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. If you have any questions please contact Joe Lara at (505) 234-5915 or Linda Denniston at (505) 234-5974.

Sincerely,

/S/ Russell E. Sorensen

Russell E. Sorensen
Assistant Field Manager
Lands & Minerals

bcc:
BLM I&E (CFO)
NMOCD (Artesia)
NM (513, L. Askwig)