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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88202

IN REPLY REFER TO 3162.4 NM-36724

APR 18 2008 OCD-ARTESIA

Yates Petroleum Corporation Attn: Debbie Caffall 105 S. 4th Street Artesia, NM 88201 APR 17 2008



Dear Ms. Caffall:

Your Application for Permit to Drill (APD), approved March 30, 1993, along with the extension approved March 22, 2001, for the Salt Creek ACD Federal Well #5, located 1980' FSL & 1980' FEL, Section 21, T 8 S., R. 22 E., Chaves County, New Mexico, Lease No. NM-36724 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.

If drilling operations have commenced on the referenced well, please contact this office at (505) 627-0272 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) 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). 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.

Sincerely,

Angel Mayes

Assistant Field Manager Lands and Minerals

cc: BLM-I&E (RFO) NMOCD (Artesia)

Accepted for record - NMOCD