

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



February 14, 2011

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

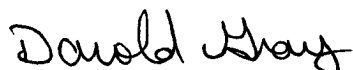
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|----------------------------|------------------------|-----------------------|
| Re: Roulette AXR State #2 | Sec 8 T10S R26E | API # 30-005-63964 |
| <u>Sacra SA #20</u> | <u>Sec 35 T6S R25E</u> | <u>30-005-63984</u> ← |
| Sacra SA Com #18 | Sec 27 T6S R25E | 30-005-63983 |
| Jokers AWJ State #2 | Sec 3 T10S R26E | 30-005-63940 |
| Hard As Nails AMD State #4 | Sec 27 T9S R26E | 30-005-63954 |
| Bittersweet AOZ State #2 | Sec 28 T9S R26E | 30-005-63942 |
| Clarence BCU #7 | Sec 3 T16S R26E | 30-015-34791 |
| Clarence BCU Com #5 | Sec 11 T16S R26E | 30-015-35759 |

To whom it may concern:

Please be advised that your permit(s) to drill the referenced well(s) have expired and have been cancelled. If drilling operations have commenced, you should contact this office immediately.

If you wish to drill these well(s) in the future, it will be necessary to submit new Form(s) C101, Application to Drill, and drilling package(s) for review and approval.

Sincerely,



Darold Gray
Field Supervisor, District II

