



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY, REFER TO:
NMNM0207001
3162.3-1 (NMF0110)

August 29, 2011

McElvain Oil & Gas Properties, Inc.
Attn: Regulatory Department
1050 17th Street, Suite 1800
Denver, CO 80265-1801



Dear Sirs:

Please be advised that the following approved Application for Permit to Drill (APD) has expired effective December 12, 2010. If you wish to drill this well at some later date, you must file another application to permit to drill.

Hagood #1R
825' FNL & 1405' FEL
Section 24, T. 30 N., R. 14W
San Juan County, New Mexico
Federal lease NMNM-0207001
API Number: 30-045-34837

If any surface disturbance was conducted, you must file your plans for reclamation.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions, contact Cynthia Marquez at (505) 599-8935.

Sincerely,
Cynthia Marquez,
Land Law Examiner
Petroleum Management Team

CC Well File
NMOCD
AFMSS/cmarquez/rtn apd 08/29/2011