

IN REPLY REFER TO: NMNM 021125 3162.3-1 (211)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

July 18, 2005

Cordillera Energy, Inc. c/o Walsh Engineering Attn.: Paul Thompson 7415 East Main Street Farmington, NM 87402

30-045-31102



Dear Mr. Thompson:

Reference is made to your Application for Permit to Drill (APD) the No. 2F Jackson well, located 660' FNL and 760' FEL, Section 18, T31N, R12W, San Juan County, New Mexico. This APD was approved on November 6, 2002 with an expiration date of November 6, 2003. 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

abond. hoc.

Sincerely,

/s/ Adrienne Brumley

Adrienne Brumley Petroleum Engineer, Petroleum Management Team

cc: NMO

NMOCD