

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO NMSF-047017B 3162.3-1 (111)

RCVD JAN 5'10

December 29, 2009

OIL CONS. DIV.

Chaparral Oil and Gas Inc. Attn.: S. Max Libby P.O. Box 962 Farmington, NM 87499

30-045-33539

DIST. 3

Dear Mr. Libby:

Reference is made to your Application for Permit to Drill (APD) the No. 4 Sally well, located 1475' FNL and 1635' FWL, Section 24, T28N, R11W, San Juan County, New Mexico. This APD was approved on February 1, 2006 with an expiration date of February 1, 2008. 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. Please file letter within 30 days of receipt of this notice. 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 Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez

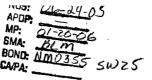
Petroleum Engineering Asst.

Shea C. Valdy

Petroleum Management Team

cc:

NMOCD



FORM APPROVED Form 3160-3 2008 JAN 19 OMB NO. 1004-01/36 (September 2001) Expires: January 21,2004 **UNITED STATES** Bulington Resources DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT +BPactual APPLICATION FOR PERMIT TO DRILL OR REENTER If Indian, Allottee or Tribe Name If Unit or CA Agreement, Name and No. DRILL la. Type of Work REENTER Lease Name and Well No. Oil Well X Gas Well Other Single Zone Multiple Zone Sally #4 1b. Type of Well Name of Operator API Well No. Chaparral Oil and Gas, Inc. 3a. c/o Titus Consulting P. O. Box 962 3b. Phone No. (include area code) Basin Fruitland Coal Farmington, New Mexico 87499 (505) 486-1701 Location of well (Report location clearly and In accordance with any State requirements.' 11. Sec., T., R., M., or Blk. And Survey or Area At surface 1475' FNL, 1635' FWL, Latitude 36.650987 N, Longitude 107.957644 & GE NW F, Sec. 24, T-28-N, R-11-W At proposed prod. zone 1475' FNL, 1635' FWL, Latitude 36.650987 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR 12. County or Parish 13. State Approoximately 1.8 miles southeast of Bloomfield, New Mexico by air. San Juan New Mexico No. of Acres in lease 17. Spacing Unit dedicated to this well 15. Distance from proposed* location to nearest ð property or lease line, ft. W/2 - 320 V (Also to nearest drlg unit line, if any) .894.08 20. BLM/ BIA Bond No. on file 19. Proposed Depth 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 23. Estimated Duration 21. Elevations (Show whether DF. RT, GR, etc.) 22. Aproximate date work will start* 5760' GL 10 Days 9-Jan-06 24. Attachments irements of Onshore Oil and Gas Order No. 1 shall be attached to this form: The following, completed in accordance with the

Well plat certified by a registered surveyor

A Drilling Plan,

A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operation in the second of the sale of the second on the second of t
- Operator certifica CONDITIONS OF APPROVAL
- 6. Such other site specific information and/ or plans as may be required by the a authorized officer.

Name (Printed/ Typed) 25. Signature Date S. Max Libby 1/18/2006 Name (Printed/ Typed) Approved By (Si nature) Title Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to co operations thereog

Conditions of approval, if any, are attached.

itle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Unite States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

^{* (}Instructions on reverse)

State of New Mexico Energy. Minerals & Mining Resources Department OIL CONSERVĂTION DIVISION

2040 South Pacheco JAN 19 AM 8 33 Santa Fe. NM 87505

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLATED APA Number 070 FAR Pool Noise Pool Code Property Code Wall Number Property Name 4 SALLY QGRID No. Bevation Operator Name 5758 CHAPARRAL OIL & GAS INC. Surface Location UL or Lot Feet From> North/South County Lot ldn. Feet from> East/West Sec. Twp. Rge. F NORTH WEST 24 28 N. TTW. 1475 NAUL NAS 1635 Bottom Hole Location If Different From Surface UL or Lot Sec. Twp. Rge. Feet from> North/South | Feet from> East/West County Dedication Joint ? Consolidation Order No. 320 W/2 NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 5304 S 89:50° W OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and betef. 1635 NAD 27 decimal of degree 36.650987 N 107.957944 W Date SURVEYOR CERTIFICATION I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the from GLO/BLM same is true and correct to the best ** calculated of my belief. *** assumed Date of Survey 05 27 '05 Signature and Good It DO Professions Sagrene VICO 6844 EREO LAHO 5281 * S 89'48' W *