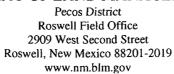
## NO STATE OF STATE OF

## United States Department of the Interior

## **BUREAU OF LAND MANAGEMENT**





In Reply Refer To: NM-36189 3160 (P0130)

McKay Oil Corporation One McKay Place Roswell, NM 88201



JUL 0 3 2012 30-005-64082

## Gentlemen:

Our letter of June 8, 2012 stated that your Application for Permit to Drill (APD), approved December 16, 2008 for two years for the McKay B Federal Well No. 4, located 1650 feet FNL and 400 feet FEL (SE<sup>1</sup>/4NE<sup>1</sup>/4) Sec. 33, T. 5 S., R. 21 E., Chaves County, New Mexico, Federal lease NM-36189 has expired. The expiration of this APD is rescinded because drilling had commenced at the location for the McKay B Federal Well No. 4 under the name of Eppers B Federal Well No. 2 on August 14, 2008 and the well was drilled to a total depth of 2800 feet on November 11, 2008. The well is currently considered to be in Drilling Well-Shut In (DSI) status and the status will be changed after the Well Completion Report (BLM Form 3160-4) and any necessary Sundry Reports (BLM Form 3160-5) are received by this office.

If you have any questions regarding this letter, please contact David Glass, Petroleum Engineer, Lands and Minerals at (575) 627-0275

Sincerely,

/S/ Angel Mayes

Angel Mayes Assistant Field Manager, Lands and Minerals

MMOCD-Artesia