In Reply Refer to 3162.4 (P0220)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

* Carlsbad Field Office 620 E. Greene Carlsbad, New Mexico 88220-6292 www.nm.blm.gov



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YATES PETROLEUM CORP. 105 SOUTH FOURTH ST. ARTESIA, NM. 88210



November 21, 2013

Gentlemen:

30-015-37406

Your Application for Permit to Drill (APD) for the well listed below has expired because drilling has not commenced per Onshore Order #1:

LEASE

WELL NAME AND LOCATION

EXPIRATION

NM112917

MAGELLAN FEDERAL UNIT -4H

NOVEMBER 11, 2013

660' FSL & 330' FEL, SESE, sec.4, T. 25 S., R. 27 E.

If the well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM so we may correct our records.

If you wish to drill this wells at a later date, please submit a complete application (1 original and 3 copies) to this office. Since the original APD has expired, the resubmitted APD will be subject to all processing requirements including the \$6,500 application fee and the 30-day posting period. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing.

If you have any questions, please contact Johnny Dickerson at (575) 234-5914.

Sincerely,

Stephen J. Caffey

Assistant Field Manager, Lands & Minerals

cc: NMOCD