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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

Carlsbad Field Office OCD Artesia

15-37656



November 6, 2015

YATES PETROLEUM CORPORATION 105 S. 4TH ST ARTESIA, NM. 88210

Gentlemen:

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 NM80645 LILY ALY FEDERAL 13 AUGUST 23, 2015 1650' FNL & 1650' FEL, sec.3 - T. 24 S.- R. 31 E. EDDY COUNTY, NM.

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 \$9,500 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.

Sincerely,

If you have any questions, please contact Duncan Whitlock at 575-2345926.

NM OIL CONSERVATION ARTESIA DISTRICT

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RECEIVED

forStephen J. Caffey Assistant Field Manager, Lands & Minerals

J.D. W hitlook g

cc: NMOCD