STORY OF THE STORY

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-2019 www.nm.blm.gov



JUN 0 8 2012

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

McKay Oil Corporation One McKay Place Roswell, NM 88201

Gentlemen:

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NMOCD ARTESIA

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 (SE¹/4NE¹/4) Sec. 33, T. 5. S., R. 21 E., Chaves County, New Mexico, Federal lease NM-36189 has expired December 16, 2010 because drilling has not commenced within two years of the approval date.

If drilling operations have commenced on the referenced well, please contact David Glass, Petroleum Engineer, Lands and Minerals at (575) 627-0275 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) so we may correct our records.

If the well has not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.

If you wish to drill this well at a later date, please submit a complete application (1 original and 5 copies). Since the original APD has expired, the resubmitted APD will be subject to all of the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will expedite the processing.

Sincerely,

1S1 Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc; MMOCD-Artesia