

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220-6292



In Reply Refer To: NMNM92742 3162.4 (52200)

April 24, 2008

MAY - 2 2008 OCD-ARTESIA

Yates Petroleum Corporation Attn: Cy Cowan, Regulatory Agent 105 South Fourth Street Artesia, NM 88210

Your Application for Permit to Drill (APD), for the following well has expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

NMNM92742

Zingaro ANG Federal #3

990'/N & 890'/E

Sec. 1 T22S, R23E

APD approved on 04/19/06, with one extension which expired on 04/19/08.

30015 30531

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 4 copies for the well) to us, 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 4 copies for each well) to this office. Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement and \$4,000 processing fee. 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 Cheryle Ryan at (575) 234-5949.

Sincerely,

/s/ Don Peterson

Don Peterson Assistant Field Manager Fluid Minerals

bcc: BLM-I&E (CFO, HFS) NMOCD (Artesia, Hobbs) NM (513, L Askwig)