



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
NMLC-028446A
3162.4 (52200)

MAY 12 2008
OCD-ARTESIA

May 07, 2008

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Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

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.

NMLC-028446A Orient Express ARS Fed. Com #1 910'S & 660'E Sec. 15-T17S- R-28E Eddy County
APD approved 05/04/06, with a one year extension approved on 04/12/07 to expire on 05/04/08.

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 5 copies) to this office, 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) 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. 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 Betty Hill at (505) 234-5937.

Sincerely,

/s/ Don Peterson

Don Peterson
Assistant Field Manager
Lands & Minerals

bcc:

BLM I&E (CFO)
NMOCD (Artesia)
NM (513, L. Askwig)