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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



APR 28 2009

In Reply Refer To:
NM-20932
3160 (P0100)

APR 23 2009

Yates Petroleum Corporation
Attn: Armando Lopez
105 S. 4th Street
Artesia, NM 88201

Dear Mr. Lopez:

Your Application for Permit to Drill (APD), approved March 31, 2006, along with the extension approved March 22, 2007, for the Stewart Federal Well #4, located 660' FNL & 880' FEL, Section 1, T 8 S., R. 24 E., Chaves County, New Mexico, Lease No. NM-20932 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.

If drilling operations have commenced on the referenced well, please contact this office at (575) 627-0272 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 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.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager
Lands and Minerals

cc: BLM-I&E (RFO)
NMOCD (Artesia)