30.005.63836



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



In Reply Refer To: NM-31099 3160 (P0100)

APR 16 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 June 29, 2006, along with the extension approved June 8, 2007, for the Horn YG Federal Well #5, located 880' FNL & 990' FEL, Section 8, T 8 S., R. 26 E., Chaves County, New Mexico, Lease No. NM-31099 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 (I 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,

Angel Mayes

Assistant Field Manager

milMayes

Lands and Minerals

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