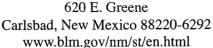




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office
620 E. Greene



JUN 07 2010

In Reply Refer To: LC-029342A 3162.4 (P0220)

Your Reference:

30 - 015 - 36135

LC-029342A Encore 21 Loco Com. #1 830'/S & 1235'/W sec. 21, T. 17 S., R. 30 E. APD approved on 02/09/08, APD expired on 02/09/10

Encore Operating, L.P. 777 Main Street, Suite 1400

Fort Worth, TX 76102

JUN 1 0 2010

NMOCD ARTESIA

Gentlemen:

Your Application for Permit to Drill (APD), the above referenced well has expired because drilling has not commenced within two years 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 Jim Amos of this office at (505) 234-5909 and send all necessary reports (spud, casing/cementing, etc., 1 original and 4 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 3 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 (575) 234-5937.

Sincerely,

/s/ Don Peterson

Don Peterson Assistant Field Manager, Lands, & Minerals

bcc: P0221, I&E CFO NMOCD Artesia