

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-90874 3160 (P0130)

JAN 27 2011

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 30-005-63990

Gentlemen:

Your Application for Permit to Drill (APD), approved September 25, 2007 and extended to September 25, 2011, for the re-entry of Biplane BNM Federal Well No. 2, located 660 feet FSL and 1190 feet FEL (SE¼SE¼) Sec. 9, T. 6 S., R. 27 E., Chaves County, New Mexico, Federal lease NM-90874 has expired September 10, 2010 because re-entry and production operations had not commenced on or before September 10, 2010, the end of the extended term of lease NM-90874. David Glass confirmed this by telephone conversation with Cy Cowan on January 24, 2011.

If you have any questions regarding this letter, please contact David Glass, Petroleum Engineer, Lands and Minerals at (575) 627-0275.

Sincerely,

RECEIVED
FEB 01 2011
NMOCD ARTESIA

151 Angel Mayes

Angel Mayes Assistant Field Manager, Lands and Minerals

cc: NM (P0130, File Room) NM (P0130, I & E) MMOCD-Artesia

Accepted for record NMOCD Description