



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-100552  
3160 (P0130)

FEB 23 2011

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

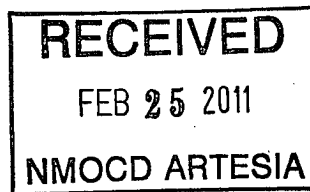
30-005-64021

Gentlemen:

Your Application for Permit to Drill (APD), approved May 2, 2008 and extended to December 29, 2010, for the Carthel BGT Federal Well No. 2, located 1980 feet FNL and 1980 feet FEL (SW $\frac{1}{4}$ NE $\frac{1}{4}$ ) Sec. 23, T. 15 S., R. 29 E., Chaves County, New Mexico, Federal lease NM-100552 has expired December 29, 2010 because production operations had not commenced on or before December 29, 2010, the end of the extended term of lease NM-100552.

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

Sincerely,



/s/ Angel Mayes

Angel Mayes  
Assistant Field Manager,  
Lands and Minerals

cc:  
NMOCD-Artesia

Accepted for record  
NMOCD 3-1-2011  
DJ