



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-105201
3160 (P0130)

30-005-63985

NOV 23 2010

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

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Your Application for Permit to Drill (APD), approved September 4, 2007 and extended to September 4, 2011, for the Beacon BDB Federal Well No. 1, located 1980 feet FSL and 660 feet FEL (NE $\frac{1}{4}$ SE $\frac{1}{4}$) Sec. 26, T. 11 S., R. 26 E., Chaves County, New Mexico, Federal lease NM-105201 has expired September 1, 2010 because drilling had not commenced on or before August 31, 2010, the end of the primary term of lease NM-105201. David Glass confirmed this by telephone conversation with Cy Cowan on November 17, 2010.

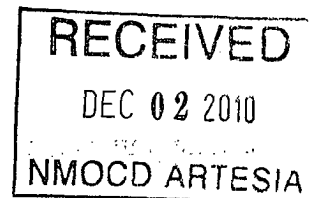
If you have any questions regarding this letter, please contact David Glass, Petroleum Engineer, Lands and Minerals at (575) 627-0275.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc: NM (P0130, File Room)
NM (P0130, I & E)
NMOCD-Artesia *D* *JS*



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