





IN REPLY REFER TO: NMLC058514 NMLC059002 3162.4 (P0220)

HOBBS OCD

AUG 27 2012

RECEIVED

August 23, 2012

Conoco Phillips Company 3300 N. "A" St., Bldg. 6 Midland, TX 79705

Gentlemen:

Your Applications for Permit to Drill (APDs) the referenced wells have expired because drilling has not commenced within two years as per Onshore Order #1.

30.025-39788

NMLC058514 / NMNM70987A MCA Unit 450, 810'/N. & 2480'/E., sec.34, T.17S., R.32E.

APD approved on June 9, 2010, APD expired on June 8, 2012

30-025-39786

NMLC059002 / NMNM70987A MCA Unit 445, 2130'/N. & 160'/W., sec.34, T.17S., R.32E.

APD approved on June 8, 2010, APD expired on June 7, 2012

If a well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced on a well send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM, so we may correct our records.

Sincerely,

For Don Peterson

Assistant Field Manager

D. Whitlood

Lands & Minerals

bcc: P0222, I&E HFS NMOCD Hobbs