



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 4, 2007

Yates Petroleum Corp

ATT: Cliff May

105 S 4th Street

Artesia, NM 88210

RE: CANCELLATION OF INTENT TO DRILL

Vaughn BGZ #1-J

19-9s-34e, 1980/S & 1980/E

API # 30-025-37403

Gentlemen:

Twelve months or more have elapsed since Division Form C-101, Notice of Intention to drill, for the subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

Chris Williams

District I, Supervisor

CW:dm

CC: OCD Santa Fe
OCD Hobbs
BLM
State Land Office