



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary
Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 28, 2010

Yates Petroleum Corp
ATT: Clif May
105 S. 4th Street
Artesia, NM 88210

RE: CANCELLATION OF INTENT TO DRILL

Big Hat BKI State #4-G, 3-16s-33e, API # 30-025-38820

Boots State Unit #4-O, 17-11s-35e, API # 30-025-38758

Rimes BLM State Com #1-C, 12-10s-33e, API # 30-025-38773

Big Hat BKK State #5-N, 11-16s-33e, API # 30-025-38772

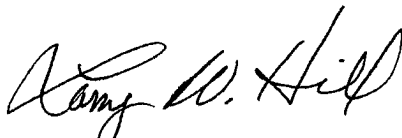
Gentlemen:

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



Larry Hill
District I Supervisor

CC: OCD Santa Fe
OCD Hobbs
BLM
State Land Office

