nergy, Minerals and Natural Resources Department

Susana Martinez Governor

Brett F. Woods, Ph.D. Acting Cabinet Secretary

Daniel Sanchez Acting Division Director Oil Conservation Division



February 28, 2011

Yates Petroleum Corp ATT: Michelle Taylor 105 S. 4th. Street Artesia, NM 88210

CANCELLATION OF INTENT TO DRILL

See Attached List

RECEIVED

MAR 0.2 2011 HOBBSOCD

Gentlemen:

RE:

Twenty-four months or more have elapsed since Division Form C-101, Notice of Intent to Drill 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

OCD /Santa Fe OCD/Hobbs

BLM

CC:

State Land Office

Cancel 30-025-39085

February 28, 2011 Page 2

Yates Petroleum Corp.

Tudor BHD State CFom #1-H, 8-10s-34e, 30-025-38437 Merle State Unit #16-J, 25-10s-34e, 30-025-38489 Lotus ALT State #10-N, 32-22s-32e, 30-025-38693 Lotus ALT State #11-O, 32-22s-32e, 30-025-38694 Big Hat BKK State #9-L, 11-16s-33e, 30-025-38804 Waylon BMA State #5-H, 21-11s-34e, 30-025-39085 Tubb State Unit #2-A, 16-10s-34e, 30-025-39301