

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



March 24, 2011

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

RE: CANCELLATION OF INTENT TO DRILL

Lotus ALT State #7-K, 32-22s-32e, API # 30-025-38774

Lotus ALT State #6-F, 32-22s-32e, API # 30-025-38796

Carper McAlester ATE State #3-B-25-11s-34e, API #30-025-38819


Gentlemen:

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

Cancelled
API #

Oil Conservation Division * 1625 N. French Dr.*
* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 392-0720* <http://www.emnrd.state.nm.us>

dm



March 24, 2011

Page 2

cc: OCD /Santa Fe
 OCD/Hobbs
 BLM
 State Land Office