



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88202

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JUL 19 2006

ARTESIA

In Reply Refer To:
3162.4 (513)
NM-16071

JUL 18 2006

Yates Petroleum Corporation
Attn: Debbie Caffall
105 S. 4th Street
Artesia, NM 88210

Dear Ms. Caffall:

We are canceling your Application for Permit to Drill (APD) for the Karen Federal Well No. 2, located in Section 25, T. 9 S., R. 24 E., 1980'S & 1530'E which was approved on July 15, 2004, along with the extension that was approved on June 26, 2005, due to receiving another application for this well.

#30.005.63681

If you have any question, please contact me at (505) 627-0237.

Sincerely,

/s/ Linda A. Askwig

Linda A. Askwig
Land Law Examiner

Cc:
I & E (RFO)
NMOCD (Artesia)