

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 E. Greene St. Carlsbad, NM 88220-6292



In Reply Refer To: 3162.4 (080) NM-043625

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Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

Gentlemen:

We are cancelling your APD, approved August 30, 2002, and extension that expires August 30, 2004, for the Saguaro AGS Fed. Com #15 well, located 1780'/N & 660'/W, Section 23, T.20S, R.24E, Eddy County, New Mexico. This is due to the recent resubmission of the APD, on July 28,2004, at the same location.

Sincerely,

/s/ Joe G. Lara

Joe G. Lara Assistant Field Manager Lands & Minerals

bcc: I&E-(CFO) NMOCD-(Artesia) NM (062,L. Askwig)