

In Reply Refer To: 3162.4 (513) NM-26069 United States Department of the Interior

BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88202

RECEIVED MAY 2 6 2006

30.005.63676

MAY 24 2006

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

Dear Ms. Caffall:

We are canceling your Application for Permit to Drill (APD) for the Margene AWM Federal Well No. 3, located in Section 19, T. 9 S., R. 26 E., 860'/N & 660'/E which was approved on July 2, 2004; along with the extension that was approved on June 14, 2005, due to receiving another application for this well.

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

app 6/23/04 30.005.63833

Sincerely,

/s/ Linda A. Askwig

Linda A. Askwig Land Law Examiner

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