New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

March 5, 2009

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

RE: CANCELLATION OF INTENT TO DRILL

   Monkey BIZ State Com #1-M

   _21-16s-32e, 660/S & 660/W_

   API # 30-025-39032

Gentlemen:

Per letter, that is attached, stating the wish to withdraw the approved Form C-101, Notice of Intention to drill, for the subject well. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill for this well will be canceled per your request. Pending such approval, this location will be considered as an abandoned location.

Truly yours,

OIL CONSERVATION DIVISION

Larry Hill
District I, Supervisor

CC: OCD Santa Fe
     OCD Hobbs
     BLM
     State Land Office

Cancel
3D-025-39032

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008

**YATES
PETROLEUM
CORPORATION**

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

March 3, 2009

Ms. Donna Mull
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 8824

Re: Monkey BIZ State Com. #1
API #30-025-39032

Dear Ms. Mull:

Yates Petroleum Corporation wishes to withdraw the approved Application for Permit to Drill this well. The lease, VO-7001, has expired. There has been no surface disturbance to this area, therefore, there is no cleanup required.

Should you need additional information, please contact me at the above address or by phone at (505) 748-4347. Thank you for your assistance in this matter.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Regulatory Agent

/crm