

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 3737

### APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number 30-015-33774
Property Code 34471	Property Name LANITA BFN	Well No. 001

### Surface Location

UL or Lot N	Section 10	Township 19S	Range 26E	Lot Idn N	Feet From 660	N/S Line S	Feet From 1980	E/W Line W	County Eddy
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### Proposed Pools

Chester
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type Private	Ground Level Elevation 3327
Multiple N	Proposed Depth 9800	Formation Chester	Contractor	Spud Date 12/15/2004

### Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	900	950	0
Int1	12.25	9.625	36	1700	750	0
Prod	8.75	5.5	15.5	9800	2450	1200

### Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill and test the Chester and intermediate formations. Approximately 900 of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-900 FWGel/Spud Mud; 900-1700 FW; 1700-8600 Cut Brine; 8600-TD Salt Gel/Starch/4%-6% KCL BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8 casing and tested daily.

### Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 12/14/2004

Phone: 505-748-4364

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 12/19/2004 Expiration Date: 12/19/2005

Conditions of Approval:  
There are conditions. See Attached.