

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE - ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Melrose Operating Co. c/o P.O. Box 953 Midland, TX 79702		RECEIVED MAR - 8 2004	² OGRID Number 184860
			³ API Number 30-0 15 - 33287
⁴ Property Code 26081	⁵ Property Name OCD-ARTESIA Artesia Unit		⁶ Well No. 103

7 Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	18S	28E		1110'	South	2495'	East	Eddy

8. Proposed Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

9. Proposed Pool 1

Artesia, Queen-Grayburg-San Andres (03230)

10. Proposed Pool 2

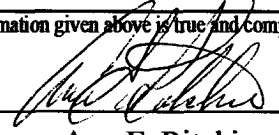
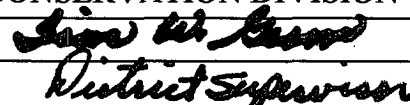
11. Work Type Code N	12. Well Type Code O	13. Cable/Rotary R	14. Lease Type Code S	15. Ground Level Elevation 3647'
16. Multiple no	17. Proposed Depth 3500'	18. Formation San Andres	19. Contractor United Drlg.	20. Spud Date 3-15-04

21. Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	300'	275 sx	surface
7 7/8"	5 1/2"	15.5#	3500'	600 sx	surface
			400 - 450'		

22. Describe the proposed program. If this is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill 12 1/4" hole to 300', set 8 5/8" casing, cement to surface. RU BOPs. Drill 7 7/8" hole to 3500', set 5 1/2" casing, cement to surface, RD BOPs & drilling rig. Perforate San Andres formation & frac. Place well on test.

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Ann E. Ritchie		Approved by: 	
Title: Regulatory Agent		Title: District Supervisor	
Date: 2-28-04		Approval Date: MAR 08 2004 Expiration Date: MAR 09 2005	
Phone: 432 684-6381		Conditions of Approval: Attached: <input type="checkbox"/>	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <i>30-015-</i>	Pool Code <i>03230</i>	Pool Name <i>Artesia, Queen-Grayburg-San Andres</i>
Property Code <i>26081</i>	Property Name ARTESIA UNIT	Well Number <i>103</i>
OGRID No. <i>184860</i>	Operator Name MELROSE OPERATING COMPANY	Elevation <i>3647'</i>

Surface Location

UL or lot No. <i>0</i>	Section <i>3</i>	Township <i>18 S</i>	Range <i>28 E</i>	Lot Idn	Feet from the <i>1110</i>	North/South line <i>SOUTH</i>	Feet from the <i>2495</i>	East/West line <i>EAST</i>	County <i>EDDY</i>
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres <i>40</i>	Joint or Infill	Consolidation Code	Order No. <i>Waterflood Unit</i>
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
<p>GEODETIC COORDINATES NAD 27 NME Y-644823.2-N X-552341.9-E LAT.= 32°46'21.34" N LONG.= 104°09'46.95" W</p>			
<p>2495'</p>			
<p>1110'</p>			

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Signature
Ann E. Ritchie
Printed Name
Regulatory Agent
Title
2-27-04
Date

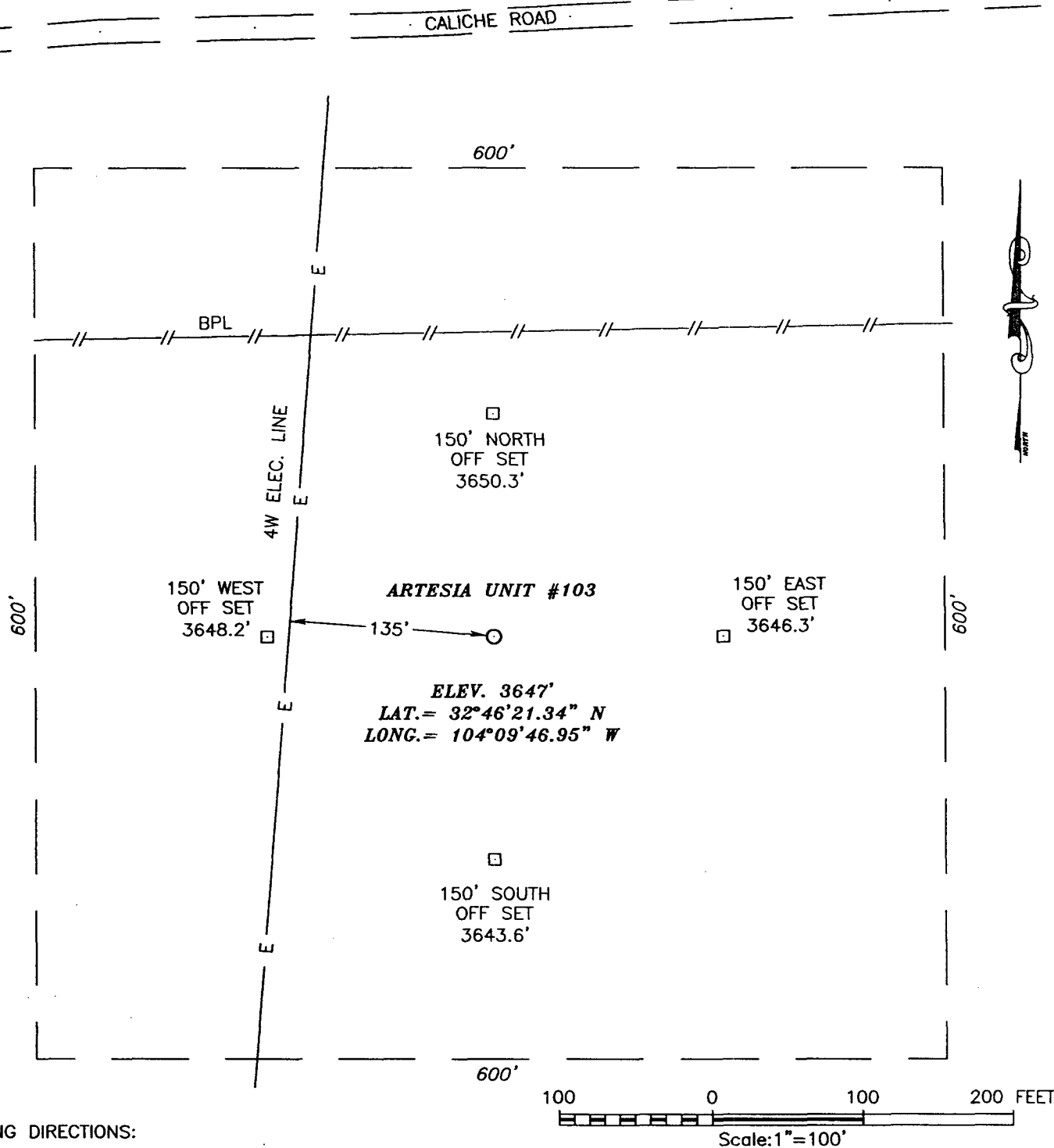
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

FEBRUARY 17, 2004

Date Surveyed
Signature & Seal of Professional Surveyor
[Signature]
04.11.0181
Certificate No. GARY EDSON 12041

SECTION 3, TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



DRIVING DIRECTIONS:

FROM THE INTERSECTION OF US HWY 82 AND STATE HWY 360, GO SOUTHEAST 1.6 MILES ALONG STATE HWY 360 TO AN INTERSECTION. TURN RIGHT AND GO SOUTHWEST 0.5 MILES ON CALICHE ROAD. THIS LOCATION IS 0.08 MILES SOUTH OF ROAD.

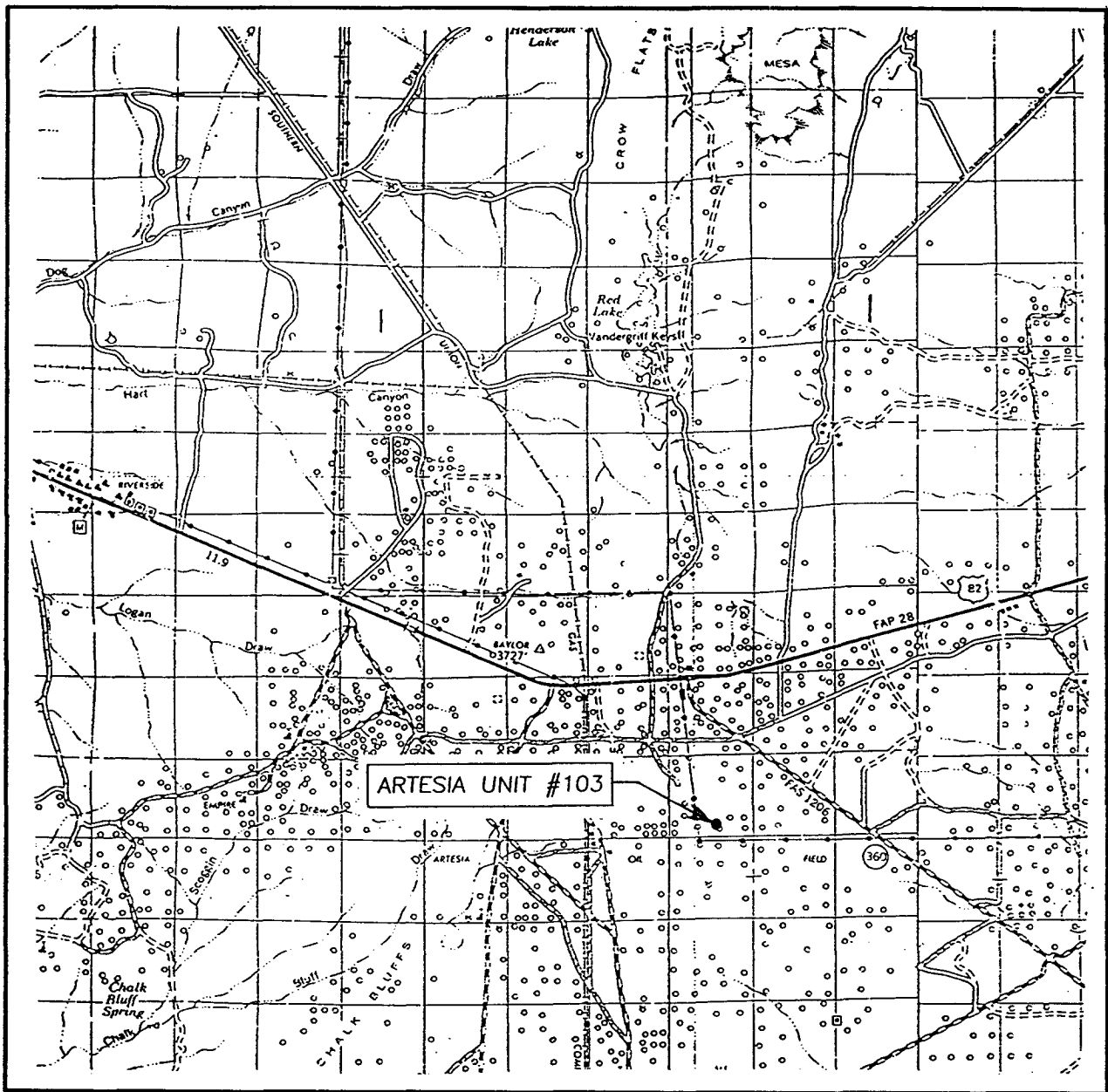
MELROSE OPERATING COMPANY

ARTESIA UNIT #103
 LOCATED 1110 FEET FROM THE SOUTH LINE
 AND 2495 FEET FROM THE EAST LINE OF SECTION 3,
 TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 2/17/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0181	DRAWN BY: L PERALES
Date: 2/23/04	DISK: CD '04
04110181	Scale: 1"=100'

JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

VICINITY MAP



SCALE: 1" = 2000'

SCALE: 1" = 2 MILES

SEC. 3 TWP. 18-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1110' FSL & 2495' FEL

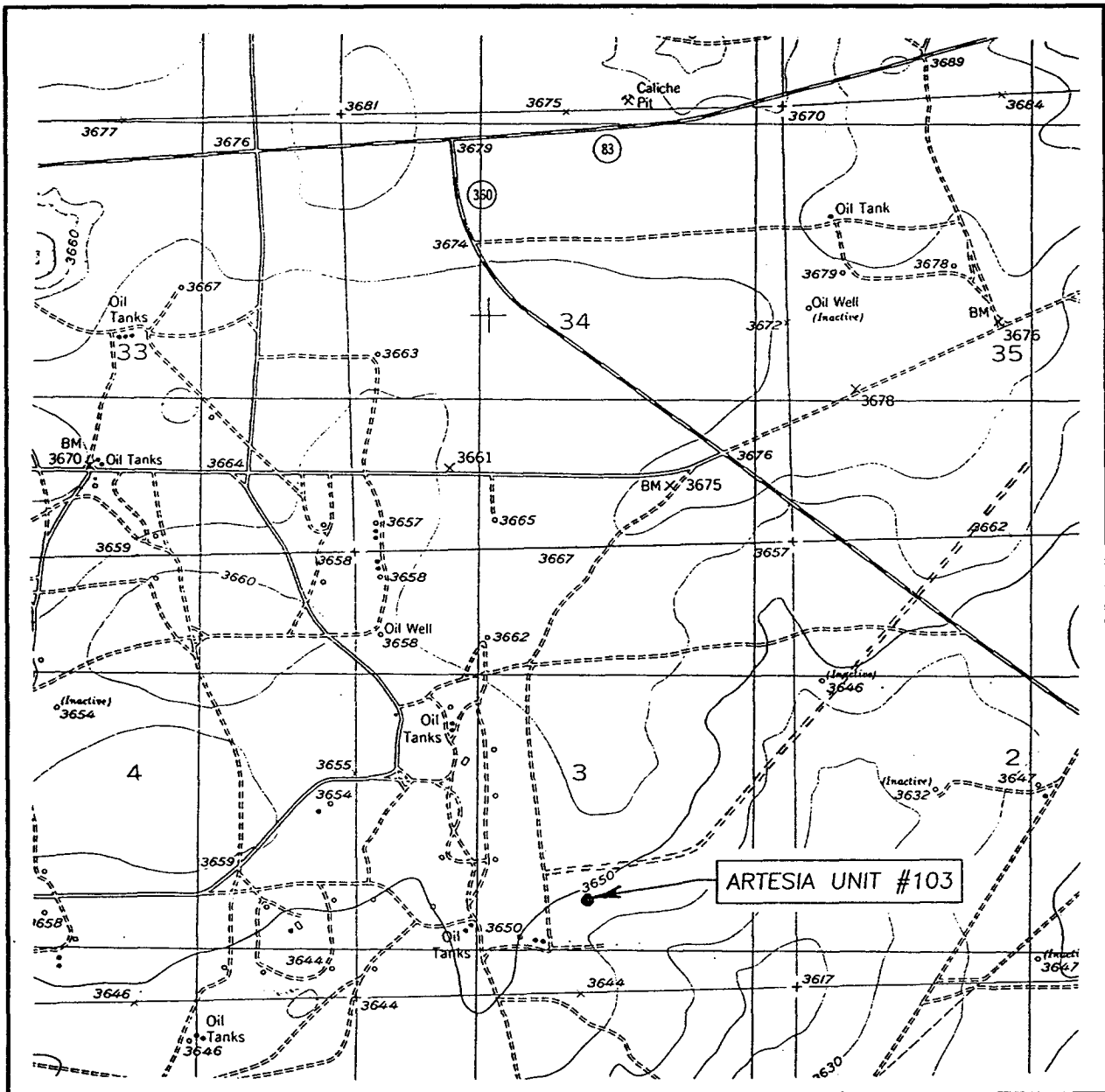
ELEVATION 3647'

OPERATOR MELROSE
OPERATING COMPANY

LEASE ARTESIA UNIT

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE, N.M. - 20'

SEC. 3 TWP. 18-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1110' FSL & 2495' FEL

ELEVATION 3647'

MELROSE

OPERATOR OPERATING COMPANY

LEASE ARTESIA UNIT

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

3025 Rochelle Rd
Rockwall, TX 75082
972) 771-6717

**Melrose Operating
Company**

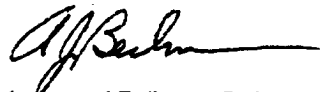
Memo

To: Tim Gumm, OCD
From: Tony Beilman
CC: Chris Thomas
Date: 3/09/04
Re: Application to Drill the Artesia Unit Wells 100, 101, 102, 103, 104

Mr. Gumm,

Please accept this letter as my affidavit attesting that the H₂S concentration on these proposed wells are below 100 ppm. Rule 118 requires that I provide this data to you. I had contracted WTOR Ann Ritchie to file the APD and she had alerted me of this requirement. At that time I thought the correspondence was sent. I apologize for any delays that I may have caused you for an incomplete APD.

Sincerely I remain



Anthony J Beilman, P.E.

Artesia Unit #103

3-18-28

1110 S / 2495 E