

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVEDState of New Mexico
Energy, Minerals and Natural Resources

Form C-101

May 27, 2004

APR 15 2008 Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT☒ Permit renewal request**HOBBS OOD****APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address: Melrose Operating Co., c/o Box 953, Midland, TX 79702		² OGRID Number: 184860
³ Property Code 25191	⁴ Property Name Jalmat Field Yates Sand Unit	⁵ APL Number 30-025 - 38872 ⁶ Well No. 185
⁹ Proposed Pool 1: Jalmat, Tansill-Yates-7 Rvrs		¹⁰ Proposed Pool 2

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
B	13	22-S	35-E		692	North	2089	East	Lea

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3585'
¹⁶ Multiple No	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor TBA	²⁰ Spud Date 4-18-08
Depth to Groundwater: 120'		Distance from nearest fresh water well: approx. none		Distance from nearest surface water: none
Pit: Liner: Synthetic: X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 3000_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water X Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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#	350'	375 sx	Surface
7 7/8"	5 1/2"	15 5#	4200'	925 sx	Surface

²² Describe the proposed program. If this application 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 350', set 8 5/8" casing @ 350', cementing with 375 sx Cl C, slurry wt of 14.8 ppg, yield of 1.34 cf/sx, type Cl C with 2% CaCl₂.

Drill 7 7/8" hole to 4200', run open hole logs, set production casing string to approximately 4200', cementing with lead slurry of 600 sx, 50:50 poz Cl C w/10% bentonite + Sodium Chloride + 0.2% FL, slurry weight - 11.80 ppg, yield - 2.45 cf/sx; tail w/ 325 sx, 50:50 poz Cl C + 10% bentonite + Sodium Chloride + 0.2% FL, slurry weight - 14.2 ppg, yield - 1.3 cf/sx.

Will perforate, stimulate & test well.

We do not anticipate encountering any H₂S intervals during the drilling of this well, based on wells drilled offsetting this location and producing wells in the unit.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Ann E. Ritchie

Title: Regulatory Agent

E-mail Address: ann.ritchie@wtor.net

Date: 4-11-08

Phone: 432 684-6381/214-762-0830

OIL CONSERVATION DIVISION

Approved by:

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025 - 38872	Pool Code 33820	Pool Name Jalmat (T-Y-7 Rvrs)
Property Code 25191	Property Name JALMAT Field Yates Sand Unit	Well Number 185
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3585'

Surface Location

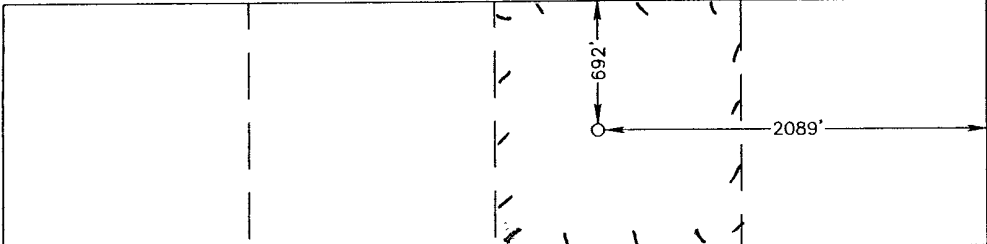

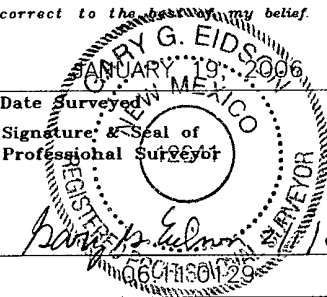
UL or lot No. B	Section 13	Township 22-S	Range 35-E	Lot Idn	Feet from the 692	North/South line NORTH	Feet from the 2089	East/West line EAST	County LEA
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

Bottom Hole Location If Different From Surface

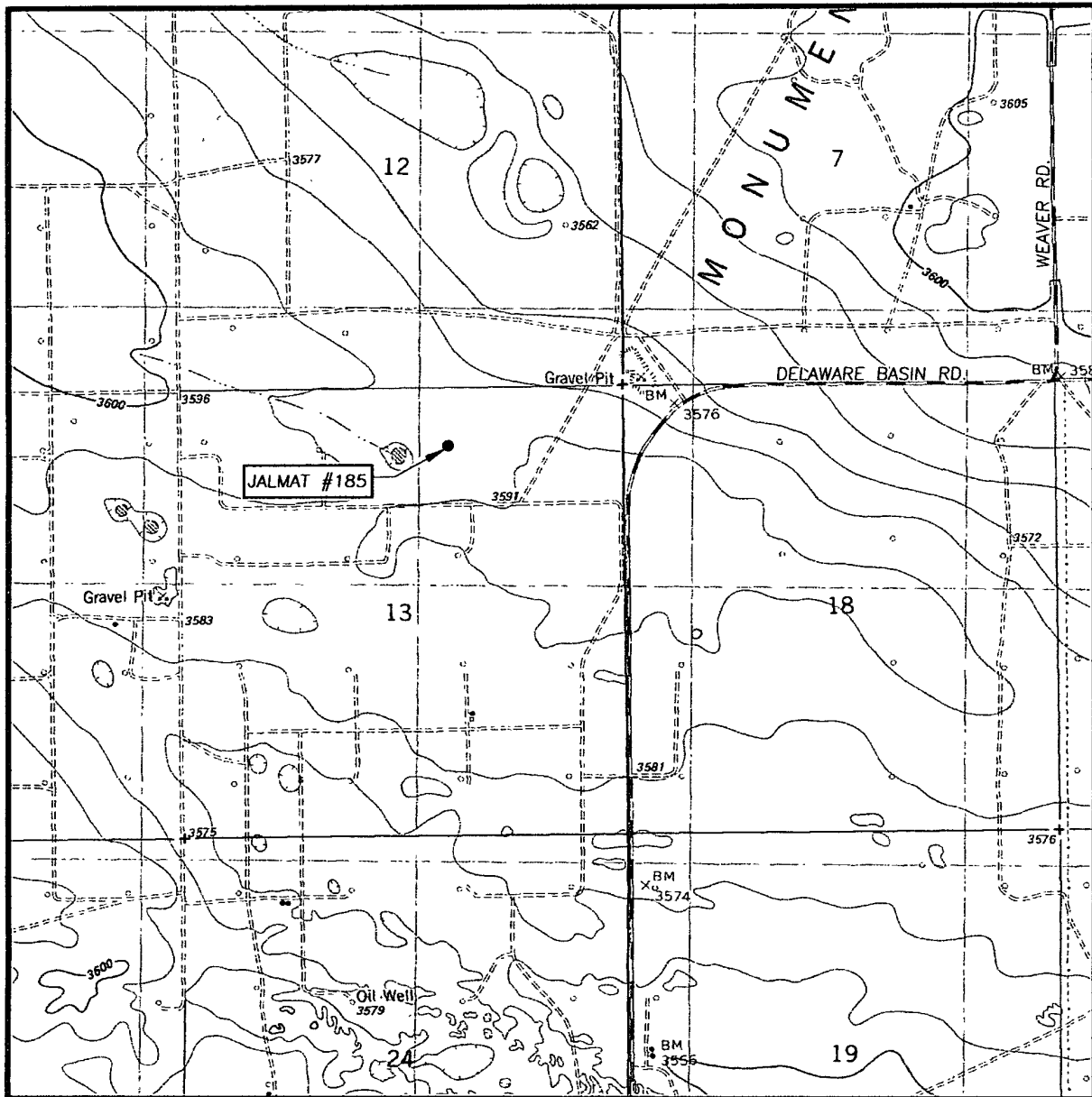
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. Waterflood Unit
-----------------------	-----------------	--------------------	------------------------------

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief  Signature Ann E. Ritchie Printed Name Regulatory Agent Title 4-11-08 Date
<p>GEODETIC COORDINATES NAD 27 NME Y=509646.9 N X=813091.5 E LAT.=32°23'49.38" N LONG.=103°19'08 29" W</p>	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.  Date Surveyed Signature & Seal of Professional Surveyor Certificate No. GARY EIDSON 12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
OIL CENTER, N.M. - 10'

SEC. 13 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA STATE N.M.

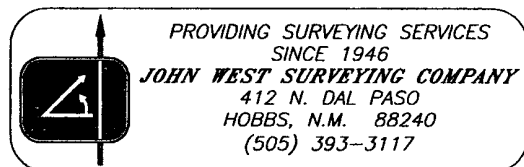
DESCRIPTION 692' FNL & 2089' FEL

ELEVATION 3585'

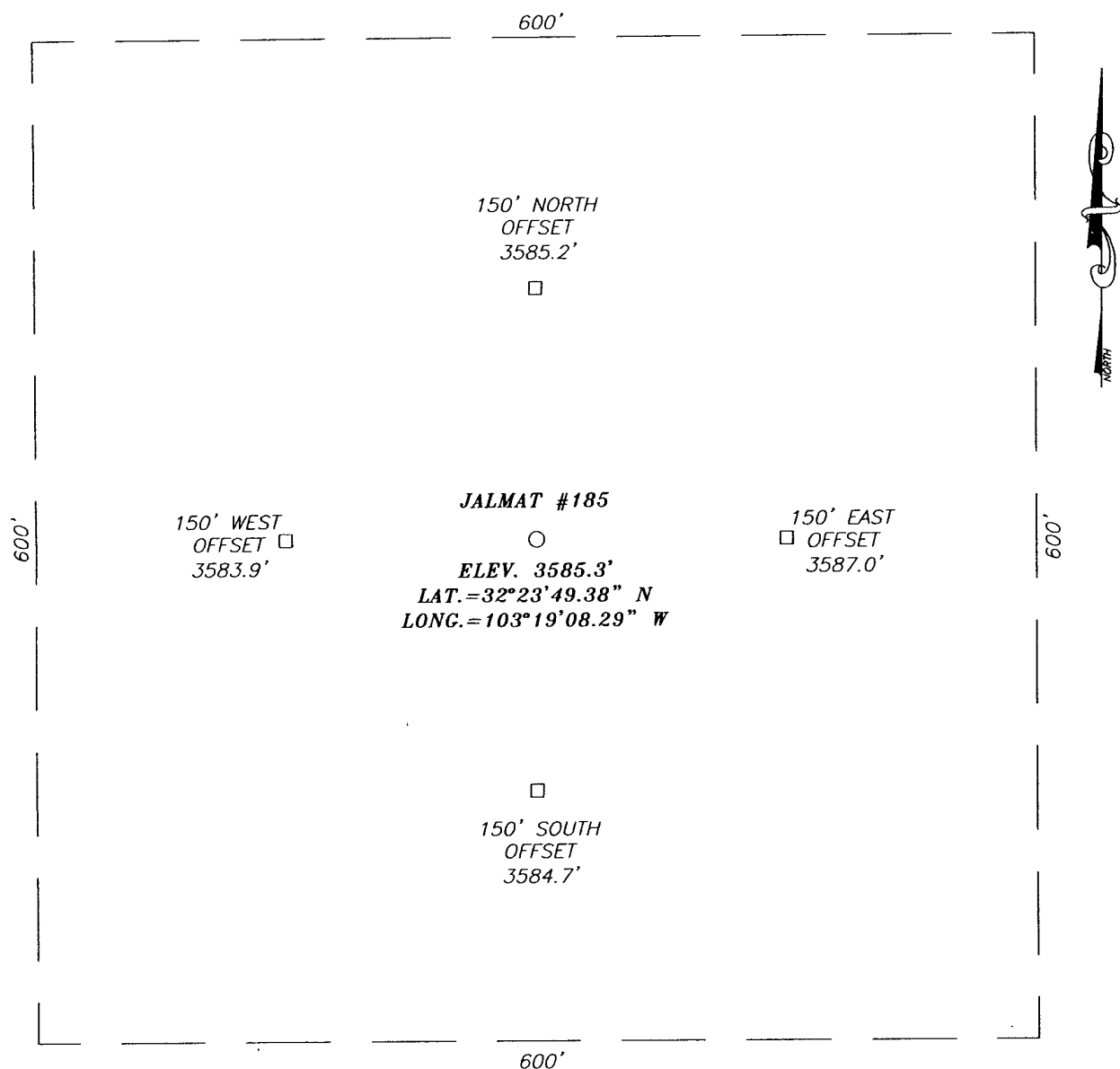
OPERATOR MELROSE OPERATING COMPANY

LEASE JALMAT

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, N.M.

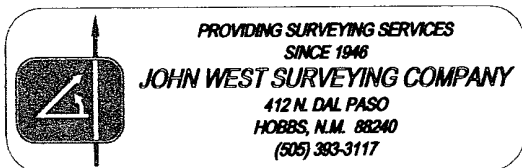
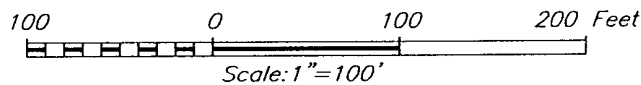


SECTION 13, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF WEAVER ROAD AND DELAWARE BASIN ROAD GO WEST ON DELAWARE BASIN ROAD APPROX. 0.8 MILES. TURN RIGHT AT CATTLE GUARD AND GO WEST-NORTHWEST APPROX. 0.3 MILES. TURN LEFT AND GO SOUTHWEST 0.4 MILES. TURN RIGHT AND GO WEST APPROX. 0.2 MILES. TURN RIGHT AND GO NORTH INTO PASTURE APPROX. 700 FEET.

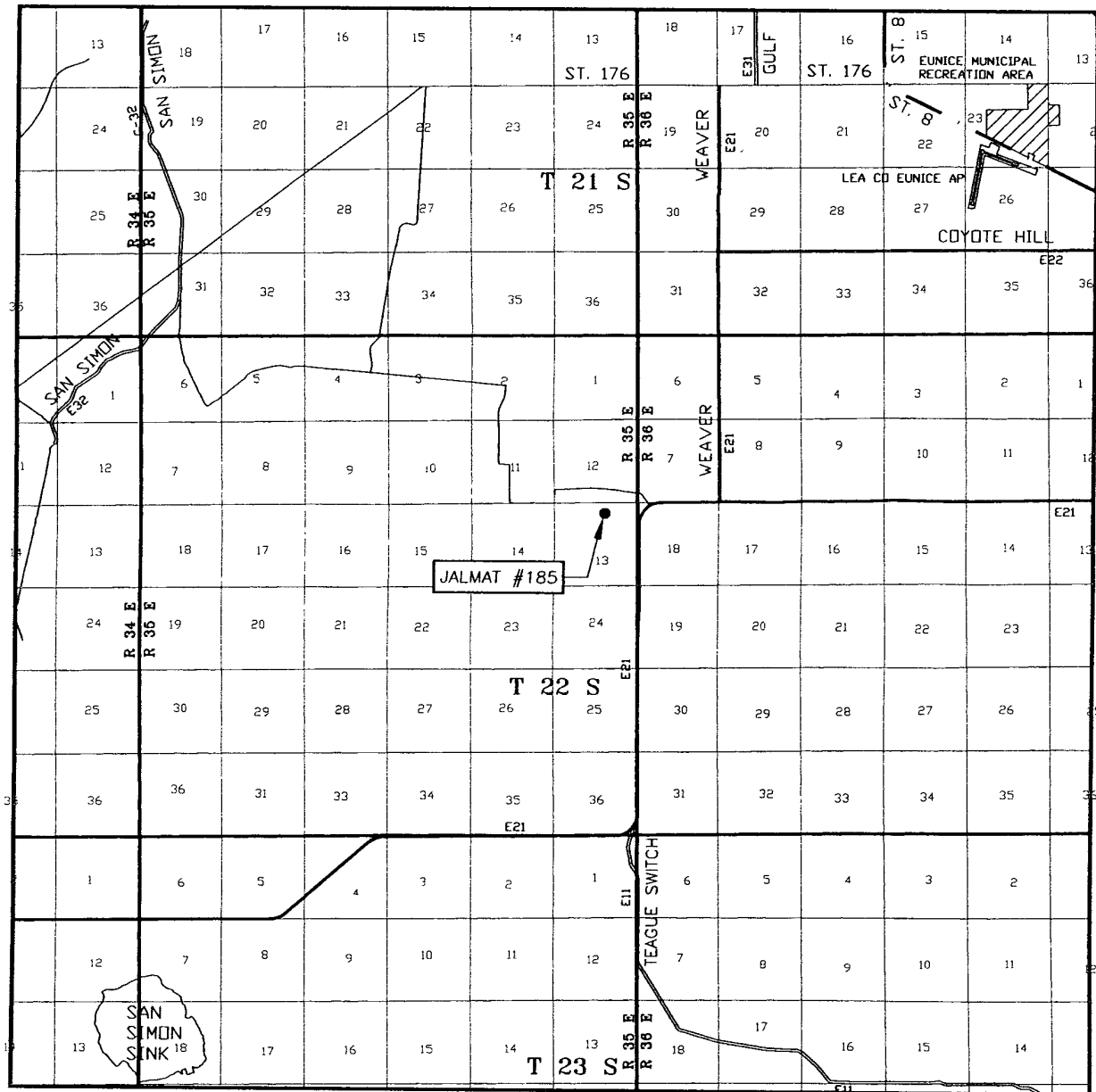


MELROSE OPERATING COMPANY

JALMAT #185 WELL
 LOCATED 692 FEET FROM THE NORTH LINE
 AND 2089 FEET FROM THE EAST LINE OF SECTION 13,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 1/19/06	Sheet 1 of 1 Sheets		
W.O. Number: 06.11.0129	Dr By: LA	Rev 1:N/A	
Date: 1/27/06	Disk: CD#5	06110129	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 13 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 692' FNL & 2089' FEL

ELEVATION 3585'

OPERATOR MELROSE OPERATING COMPANY

LEASE JALMAT

