

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

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

¹ Operator Name and Address: Melrose Operating Company		² OGRID Number: 184800 184860	
³ Property Code: 25191		⁵ API Number 30-025-37277	
⁴ Property Name: Jalmat Yates Sand Field Unit		⁶ Well No.: 216	
⁹ Proposed Pool 1 33820		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
E	24	22S	35E		2540	North	140	West	L

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 S	¹⁵ Ground Level Elevation 3581'
¹⁶ Multiple no	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor United Drilling	²⁰ Spud Date 6-15-05
Depth to Groundwater: 300-350'		Distance from nearest fresh water well: none		Distance from nearest surface water: over 5 miles
Pit: Liner: Synthetic X <u>12</u> mils thick Clay <input type="checkbox"/> Pit Volume: 8000 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'	250 sx	Surface
7 7/8"	5 1/2"	15.5#	4200'	1200 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 to 35', cement with 250 sx Cl C cement, circulating to surface. Drill 7 7/8" hole to 4200', run open hole logs, set production casing string to total depth and cement casing with 1200 sx Cl C, circulating to surface. Will perforate, stimulate & test. Development well in waterflood. No H2S indicated in the Jalmat, Yates.

**Permit Expires 1 Year From Approval
Date Unless Drilling Underway**

NSL-5191 (this location is the JY5FU not Cone - will notify Santa Fe.)

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: 6-7-05

Phone: 432 684-6381

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

[Signature]
PETROLEUM ENGINEER

JUN 09 2005

Conditions of Approval Attached

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1620 N. FRENCH DR., BOHRS, NM 86940

DISTRICT II
1301 W. GRAND AVENUE, ALBERCA, NM 86810

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 36-025-37277	Pool Code 33820	Pool Name Jalmat; Yates-SA-7R
Property Code 25191	Property Name JYSU	Well Number 216
GRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3581'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	22-S	35-E		2540	NORTH	140	WEST	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	NSL 5191
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Ann E. Ritchie</i> Signature</p> <p>Ann E. Ritchie Printed Name</p> <p>Regulatory Agent Title</p> <p>6-7-05 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 28, 2005</p> <p>Date Surveyed _____ Signature of Surveyor _____ Professional Surveyor New Mexico <i>Ray Johnson</i> 05.17.013 Certificate No. _____ Professional Surveyor</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=502474.2 N X=810105.7 E</p> <p>LAT.=32°22'38.69" N LONG.=103°19'43.90" W</p>	

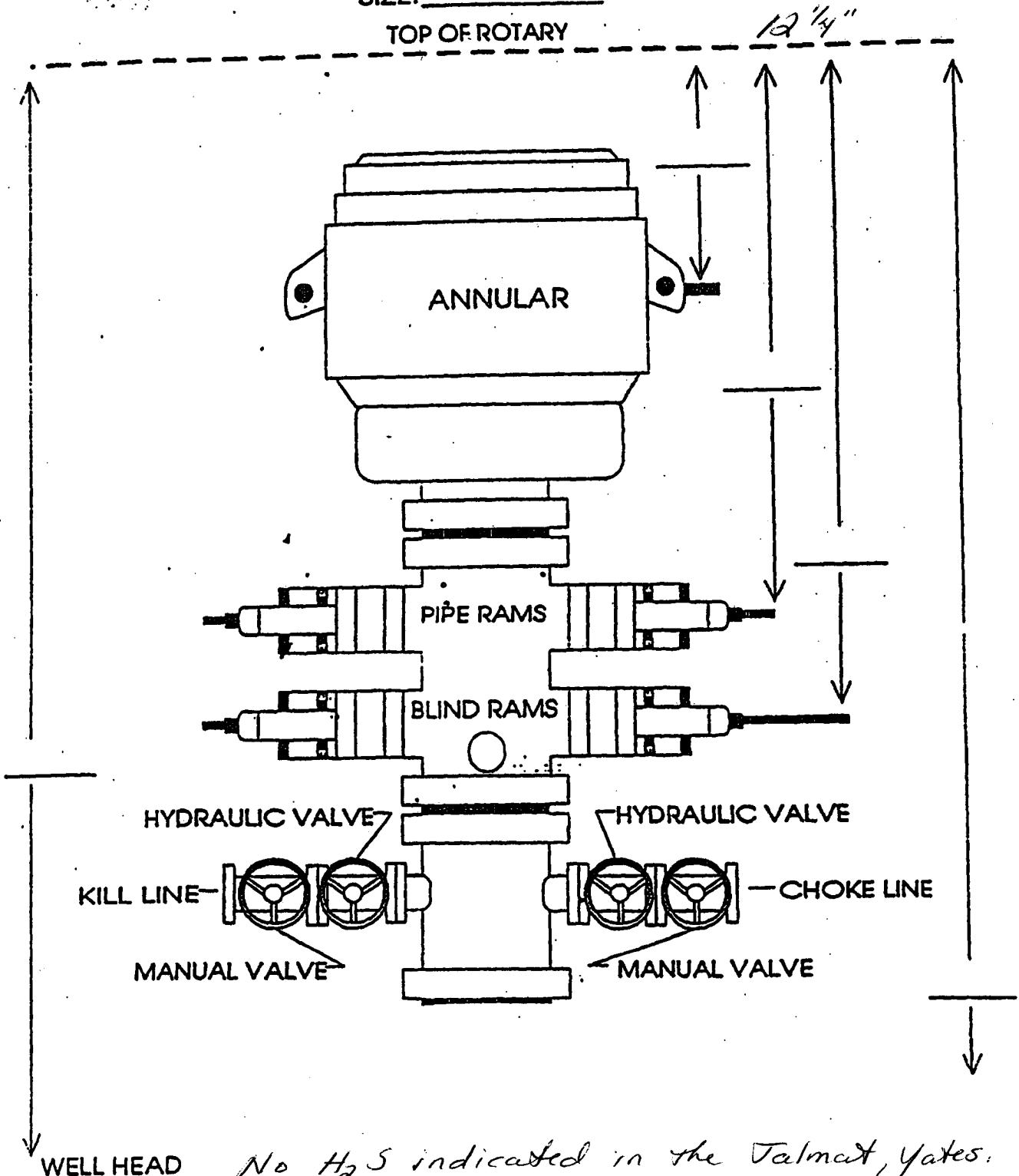
EXHIBIT A

B.O.P. STACK SPACING

SIZE: 3000#

TOP OF ROTARY

12 1/4"



WELL HEAD

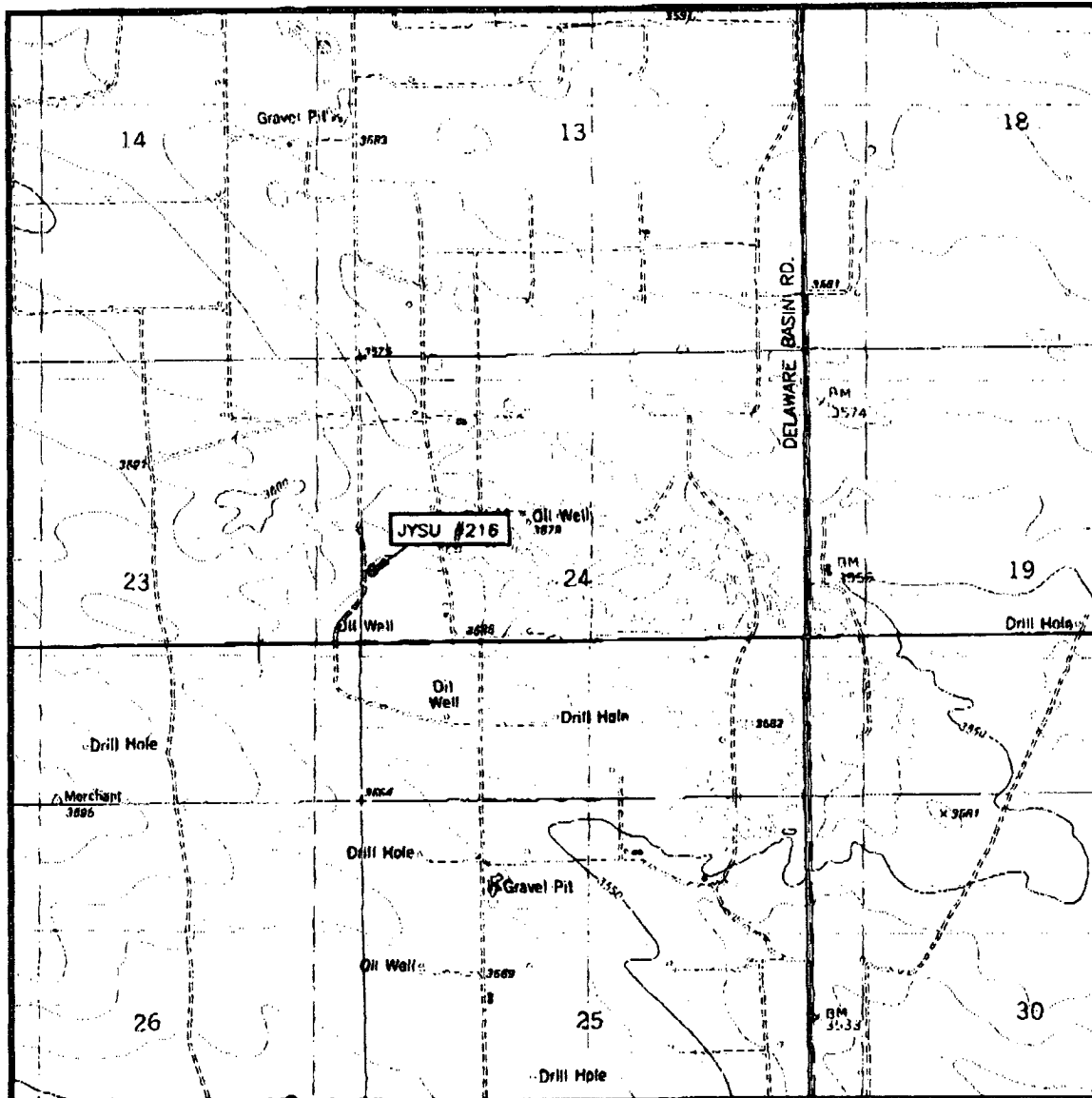
No H₂S indicated in the Talmat, Yates.

WELL JFSYD #215

CONTRACTOR

United Drilg.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 24 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2540' FNL & 140' FWL

ELEVATION 3581'

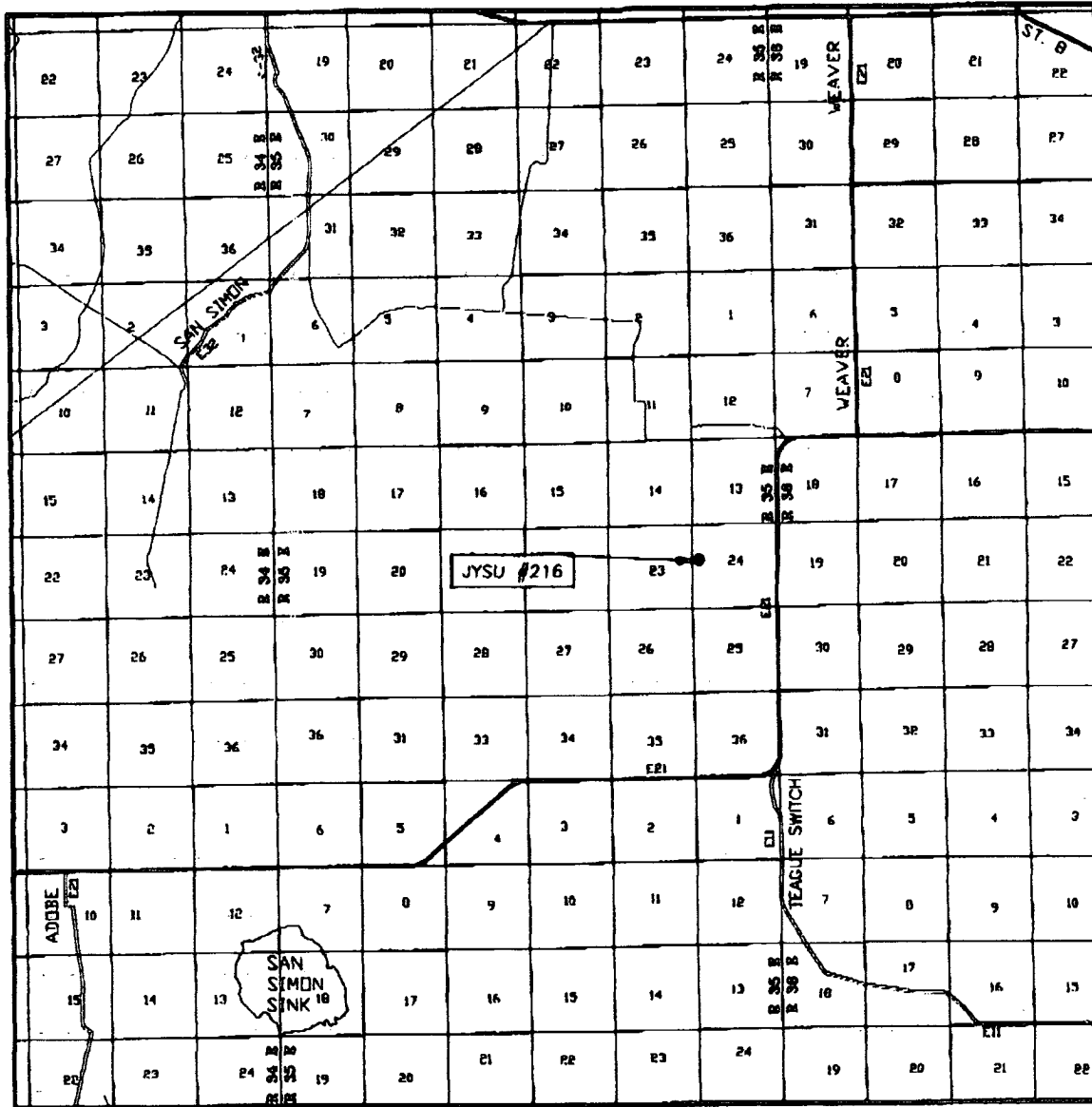
OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

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

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PARD
HOERS, N.M. 88040
(505) 388-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 24 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

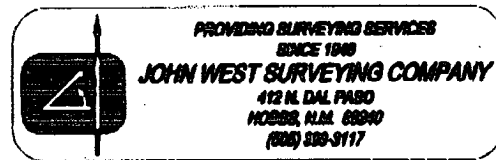
COUNTY LEA

DESCRIPTION 2540' FNL & 140' FWL

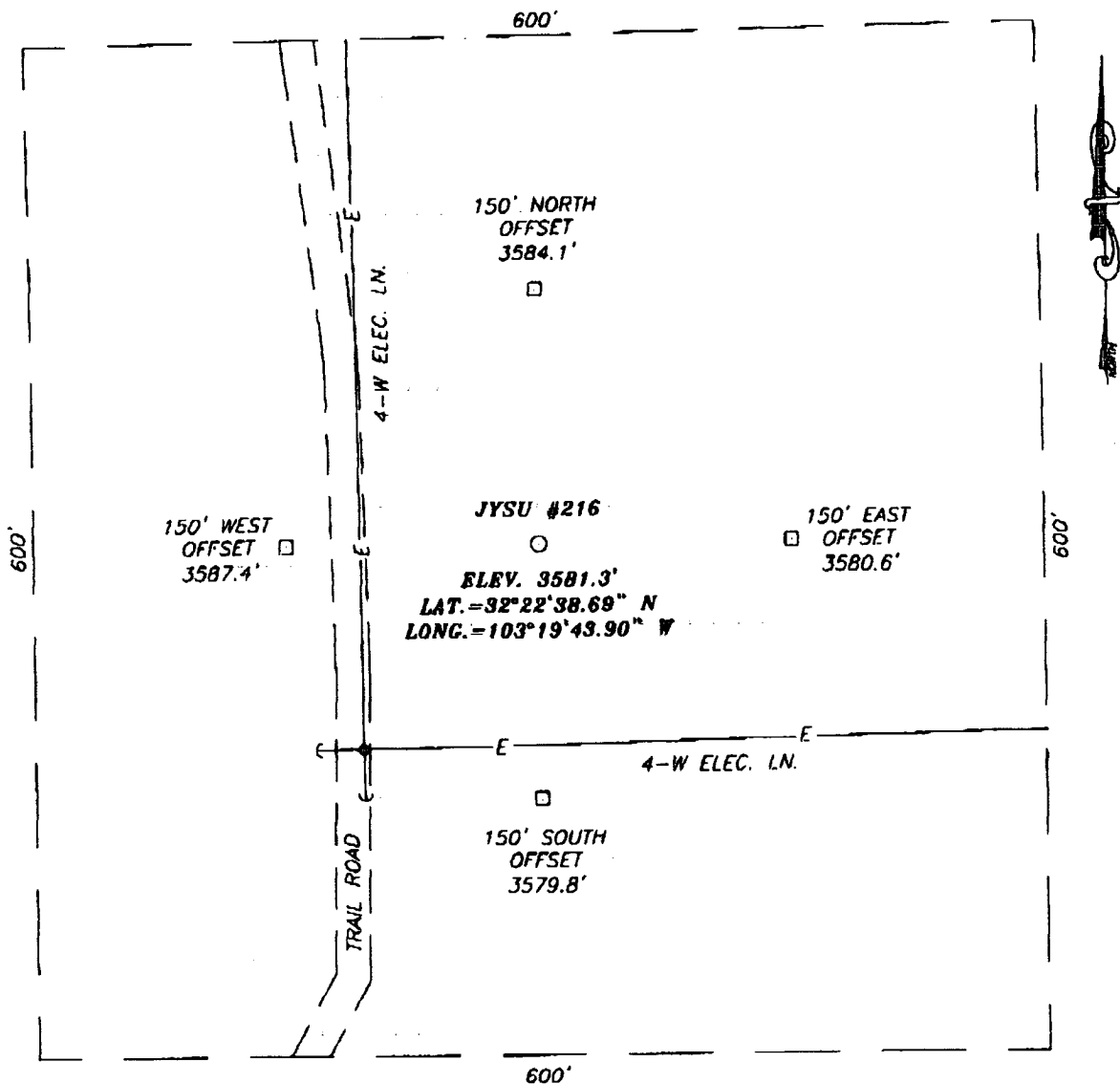
ELEVATION 3581'

OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

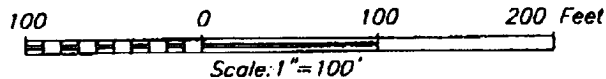


SECTION 24, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #21 (DELAWARE BASIN, RD.) AND WEAVER RD., GO WEST CO. RD. #21 FOR APPROX. 0.9 MILES TO WHERE THE ROAD BENDS SOUTH. TURN RIGHT (NW) AND GO APPROX. 0.2 MILES. THEN WEST APPROX. 0.2 MILES. TURN LEFT (SOUTH) AND GO APPROX. 1.7 MILES. PROPOSED LOCATION IS APPROX. 200' EAST.



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBBS, N.M. 88349
 (505) 583-5117

MELROSE OPERATING COMPANY

JYSU #216 WELL
 LOCATED 2540 FEET FROM THE NORTH LINE
 AND 140 FEET FROM THE WEST LINE OF SECTION 24,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 1/28/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.0134	Dr By: J.R. Rev 1:N/A
Date: 2/1/05	Disk: CD#5 05110134 Scale: 1"=100'