

DATE IN 6-22-04	SUSPENSE	ENGINEER Stogner	LOGGED BY 6-23-04	NSL RECEIVED
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

PSEM0417534968
JUN 22 2004

OIL CONSERVATION

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Tony Beilman
Print or Type Name

Tony Beilman
Signature

Engineer
Title

6/19/04
Date

Melrose Operating Company
PO Box 953
Midland, TX 79702

June 19, 2004

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87504

Attn: Michael Stogner

Re: Request for NSL Order for the following wells:

Jalmat Field Yates Sand Unit # 199
Section 13, T-22-S, R-35-E
2546' FNL & 94" FWL
Jalmat Yates Unit
Lea County, New Mexico

Jalmat Field Yates Sand Unit #204
Section 13, T-22-S, R-35-E
2625' FSL & 1310' FWL (L)
Jalmat Yates Unit
Lea County, New Mexico

Cone Field Yates Sand Unit # 200
Section 13, T-22-S, R-35-E
1310' FSL & 10' FWL
Cone Yates Unit
Lea County, New Mexico

Dear Mr. Stogner,

Melrose Operating proposes drilling three lease line wells between the Jalmat Yates Unit and the Cone Jalmat Unit, Lea County, NM; both of these units are operated by Melrose Operating Company.

Melrose has drilled 12 5-spot infill wells in the Jalmat Yates Sand Unit. The prior operator had drilled several wells within the Cone Jalmat Yates Unit. The average reserves for this infill drilling are 59 MBO & 35 MMCF per well. These three lease line wells are therefore expected to recover 177 MBO and 105 MMCF in reserves that otherwise would not be recoverable.

Waterflooding commenced in these units in the mid 1960s on forty-acre well Spacing with a 5-spot pattern. Due to various reservoir rock and fluid properties, poor horizontal sweep efficiency can leave areas between the producing and injecting wells with banked up, unswept, unrecoverable oil. This is physically demonstrated by the positive results of the new 20-acre infill wells.

Melrose has a long-range plan to drill these units on 20 acre spacing and collapse the injection pattern to a 5 spot. They have discussed future plans for these units with the

Hobbs OCD office and provided them with a plan of reactivation. Melrose has already commenced spending money towards the goal of reactivating these waterfloods.

Melrose owns 100% of the working interest in each Unit. The production would be monitored for the lease line wells and the revenue would be allocated equally between the two waterflood units.

Based on the success of recent infill wells in the area, it appears there are oil & gas reserves that will not be drained without tighter well spacing. It is therefore recommended that these lease line wells be approved to prevent waste and recover reserves that would not otherwise be recovered.

Please find attached a listing of the Override and Royalty interest owners of both the Cone and Jalmat Units. A copy of this justification and map has been sent to them. Melrose is the operator of both units therefore no offset operator notification is required.

Melrose Operating respectfully requests that a Non-Standard Location Order be granted to all three wells listed. If you have any additional questions regarding this application please contact Tony Beilman at (214) 762-0830.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Beilman", with a stylized flourish extending from the end.

Anthony J. Beilman
Petroleum Engineer
PO Box 953
Midland, TX 79702
Melrose Operating Company

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 10, 1994
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-	Pool Code 33820	Pool Name Jalmat; T-Y-7R
Property Code 25191	Property Name JALMAT YATES SAND UNIT	Well Number 199
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3578'

Surface Location

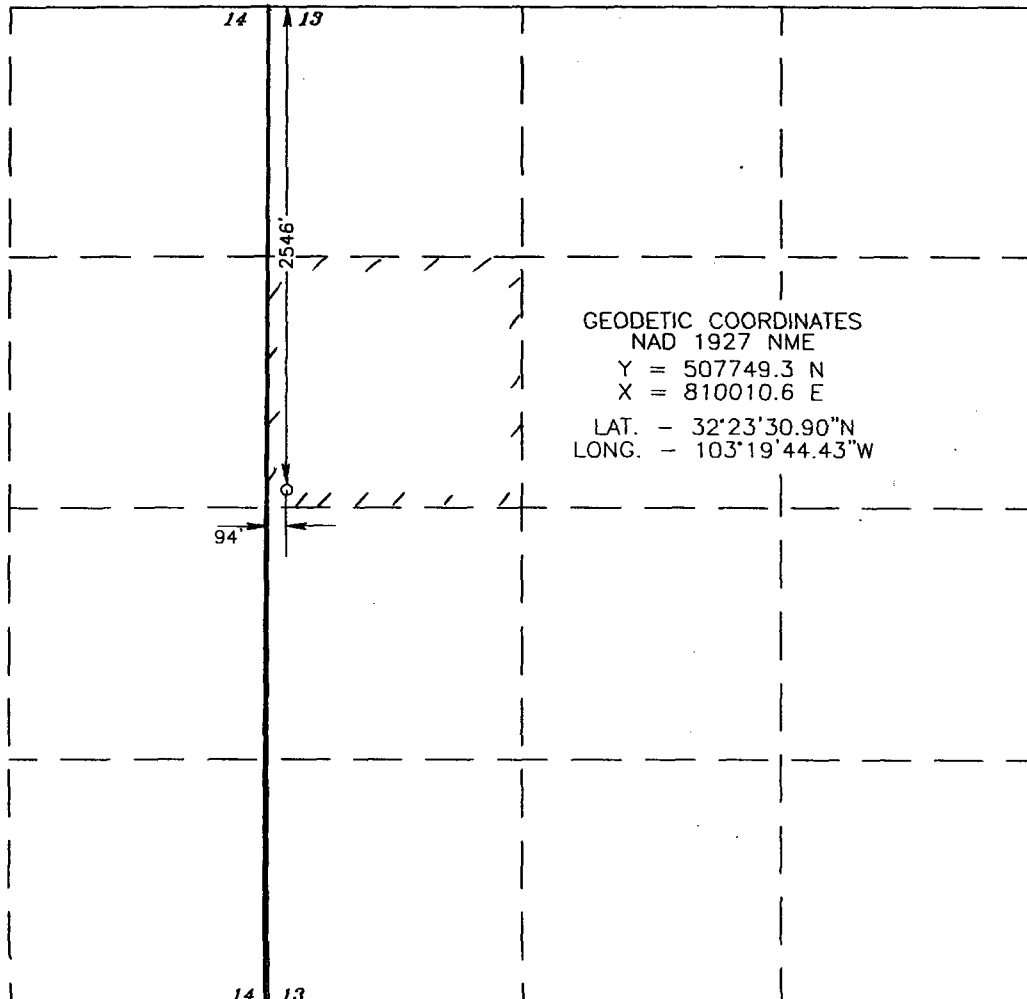
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	13	22-S	35-E		2546	NORTH	94	WEST	LEA

Bottom Hole Location If Different From Surface

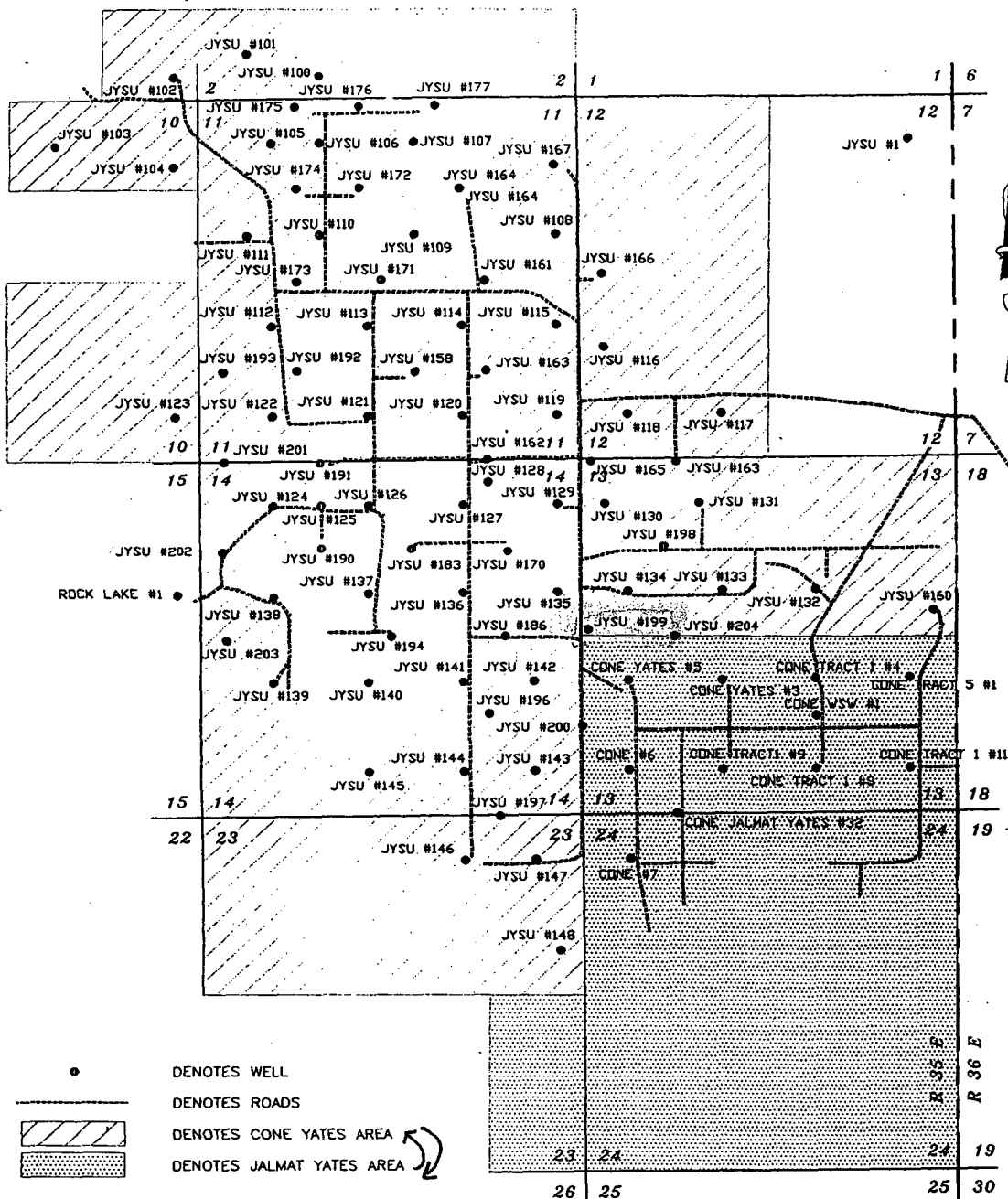
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>[Signature]</i> Signature Ann E. Ritchie Printed Name Regulatory Agent Title 2-9-04 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. JANUARY 28, 2004 Date Surveyed LA Signature & Seal of Professional Surveyor <i>[Signature]</i> 04.11.0091 Certificate No. GARY EIDSON 12641
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SECTIONS 2, 3, 10, 11, 12, 13, 14, 15, 23 & 24,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



MELROSE OPERATING COMPANY

JALMAT YATES

SAND UNIT # 199

Survey Date: 1/27/04 Sheet 1 of 1 Sheets

W.O. Number: 04.11.00097 Drawn By: LMP Rev: N/A

Date: 2/5/04 DISK: CD '04 04110097 Scale: 1"=2000'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

DISTRICT I
Box 1980, Hobbs, NM 88241-1980

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994
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-	Pool Code 33820	Pool Name Jalmat; T-Y-7R
Property Code 25191	Property Name CONE YATES SAND UNIT	Well Number 200
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3566'

Surface Location

UL or lot No. M	Section 13	Township 22-S	Range 35-E	Lot Idn	Feet from the 1310	North/South line SOUTH	Feet from the 10	East/West line WEST	County LEA
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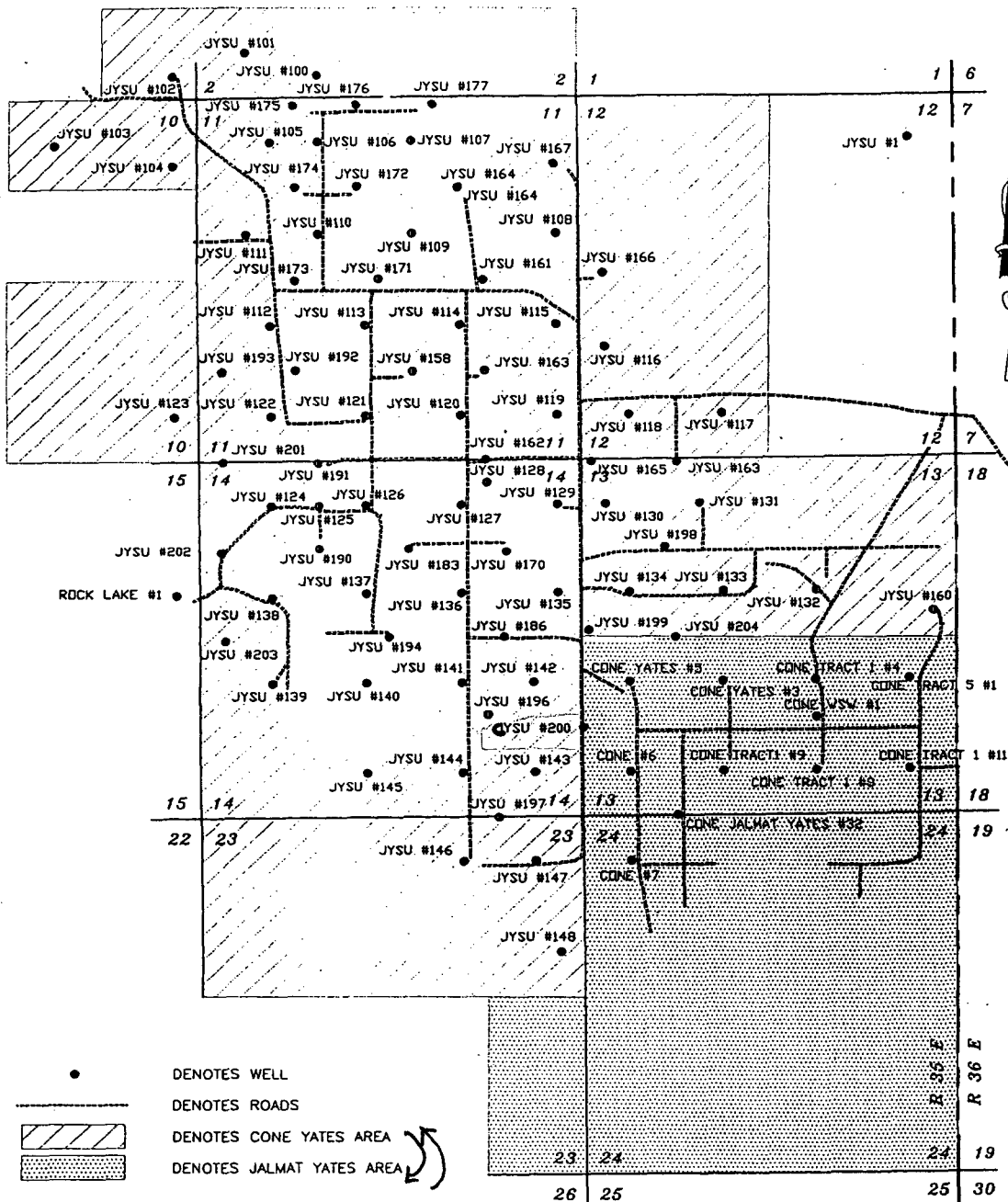
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

14 13 GEODETIC COORDINATES NAD 1927 NME Y = 506322.7 N X = 809939.5 E LAT. - 32°23'16.79"N LONG. - 103°19'45.42"W	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 2-9-04 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. JANUARY 29, 2004 Date Surveyed Signature & Seal of Professional Surveyor 04.11.0092 Certificate No. GARY EIDSON 12641
---	---

SECTIONS 2, 3, 10, 11, 12, 13, 14, 15, 23 & 24,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



MELROSE OPERATING COMPANY

CONE YATES
SAND UNIT
200

Survey Date: 1/27/04 Sheet 1 of 1 Sheets

W.O. Number: 04.11.00097 Drawn By: LMP Rev: N/A

Date: 2/5/04 DISK: CD '04 04110097 Scale: 1"=2000'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

ACT I.
1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-	Pool Code 33820	Pool Name Jalmat; T-Y-7R
Property Code 25191	Property Name JALMAT YATES SAND UNIT	Well Number 204
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3576'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	13	22-S	35-E		2625	SOUTH	1310	WEST	LEA

Bottom Hole Location If Different From Surface

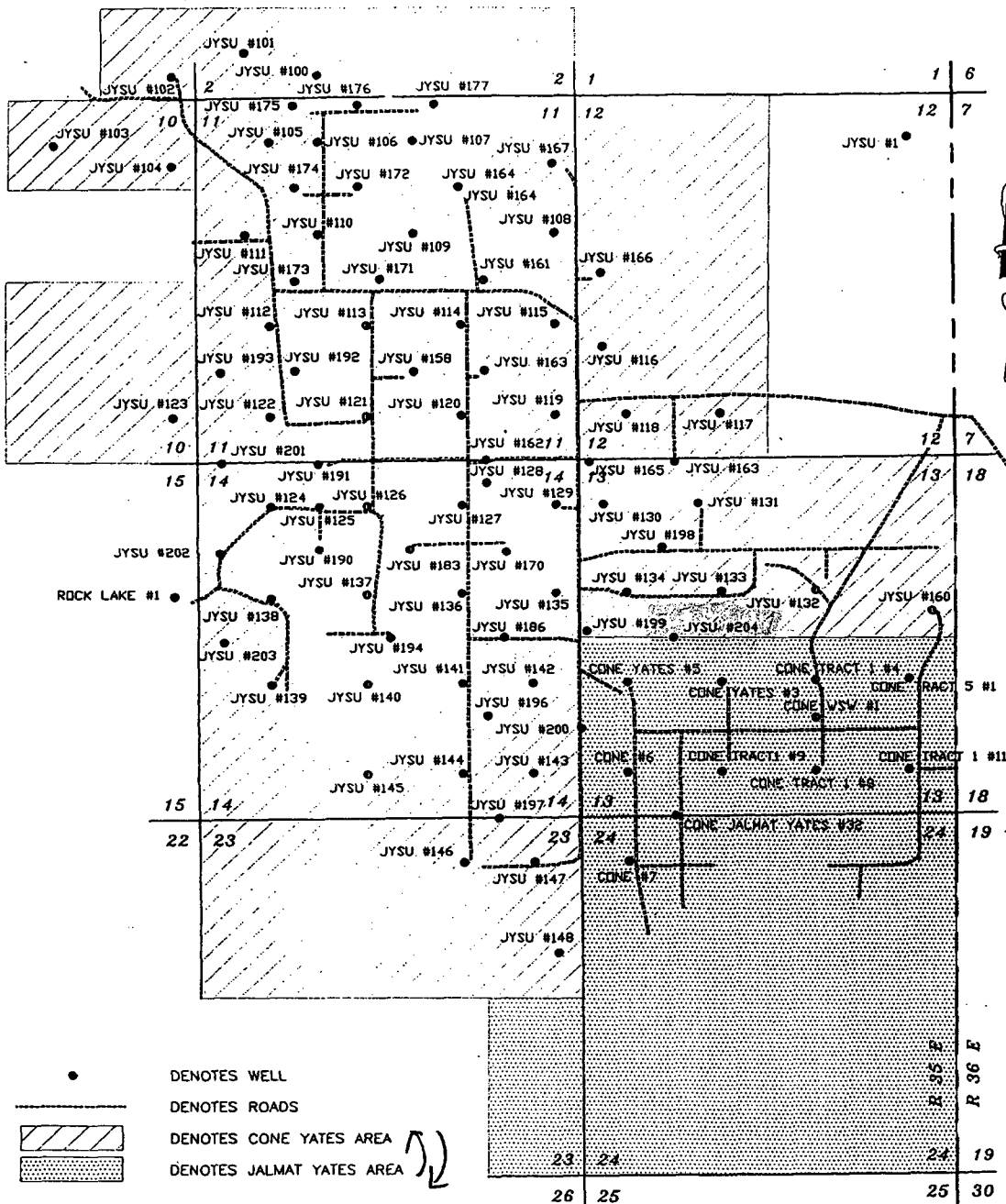
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

1310 2625 GEODETIC COORDINATES NAD 1927 NME Y = 507655.5 N X = 811226.5 E LAT. - 32°23'29.86"N LONG. - 103°19'30.26"W	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>[Signature]</i> Signature Ann E. Ritchie Printed Name Regulatory Agent Title 2-9-04 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. JANUARY 29, 2004 Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> 2/3/04 04.11.0096 Certificate No. GARY EIDSON 12641
--	--

SECTIONS 2, 3, 10, 11, 12, 13, 14, 15, 23 & 24,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



MELROSE OPERATING COMPANY

JALMAT YATES

SE

SAND UNIT # 204

Survey Date: 1/27/04 Sheet 1 of 1 Sheets

W.O. Number: 04.11.00097 Drawn By: LMP Rev: N/A

Date: 2/5/04 DISK: CD '04 04110097 Scale: 1"=2000'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

Melrose Operating
Non-Standard Location Application
Jalmat Field Yates Sand Unit Wells # 199 & 204
Cone Jalmat Unit Well # 200
Section 13, T-22-S, R-35-E
Lea County, NM

Please see attached Exhibits A & B listing owners and addresses
of all Override and Royalty Interest Owners. A copy of the non-standard
location application has been sent to all listed on this the 19 day of June, 2004.

A handwritten signature in black ink, appearing to read "Ann E. Ritchie", written over a horizontal line.

Ann E. Ritchie – Regulatory Agent

DATE: Wed May 19, 2004
TIME: 13:17:29

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 1 of 4

Lease: 00014505 Sub: Name: JALMAT FIELD YATES SAND UNIT
G/L Comp: 84 Division: 48 Period: 01/2004
Operator: 035173 Name: MELROSE OPERATING COMPANY
Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Type	Tax ID #	Type ID
000001	COMMISSIONER OF PUBLIC LANDS	Interest	RI	856000565	E

P O BOX 1148
SANTA FE, NM 87504-1148

000664	CONOCOPHILLIPS COMPANY	0.00197442	OR	730400345	E
P O BOX 7500					
BARTLESVILLE, OK 74005					

000785	BLACK FAMILY PARTNERSHIP	0.01000000	OR	752506922	E
PO BOX 50820					
MIDLAND, TX 79710-0820					

006740	WARREN F REYNOLDS	0.00009935	OR	017208303	S
1825 N ROJO					
HOBBS, NM 88240					

006831	MELROSE ENERGY COMPANY	0.77000000	WI	731246920	E
ATTN MICHAEL CORDAY					
5813 NW GRAND BLVD STE B					
OKLAHOMA CITY, OK 73118					

007475	PITCH ENERGY CORP	0.00059611	OR	850381470	E
PO BOX 304					
ARTESIA, NM 88211-0304					

011460	PROVIDENCE OIL & GAS CORP	0.00022352	OR	731260843	E
P O BOX 701828					
TULSA, OK 74170-1828					

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Melrose
Exhibit A

DATE: Wed May 19, 2004
TIME: 13:17:29

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 2 of 4

Lease: 00014505 Sub: Name: JALMAT FIELD YATES SAND UNIT
G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Type	Tax ID #	Type ID
015208	DENNA MIZEL INDV & EXECUTRIX SAM MIZEL ESTATE P O BOX 52553 TULSA, OK 74152-0553	0.00022356	OR	444360761	S
015208	DENNA MIZEL INDV & EXECUTRIX SAM MIZEL ESTATE P O BOX 52553 TULSA, OK 74152-0553	0.00022355	OR	444360761	S
017878	KAY SHUMAN PO BOX 277 MERMENTAU, LA 70556-0277	0.00029806	OR	585223948	S
017879	PATRICK FRANCOEUR C/O LEA COUNTY COURTHOUSE P O BOX 4433 SEBRING, FL 33871-4433	0.00004968	OR	510345152	S
017880	SHARON CATHARINE FRITZ * 2898 E 51ST ST #6 TULSA, OK 74105-1781	0.00004968	OR	525984058	S
017881	W GILBERT BRYAN 3320 NORTH DAL PASO #5D HOBBS, NM 88240	0.00009935	OR	525807117	S
017883	MARRS & SMITH PARTNERSHIP PO BOX 863 KERMIT, TX 79745-0863	0.05404937	OR	752754761	E

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Lease: 00014505 Sub: Name: JALMAT FIELD VATES SAND UNIT
 G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
 Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Type	Tax ID #	Type ID
017884	MERCHANT LIVESTOCK PO BOX 1166 CARLSBAD, NM 88220-1166	0.00631394	RI	850081965	E
017885	TROY LEE BOSSEMAN 317 SMOKYHILL AVE OAKLEY, KS 67748-1839	0.00152578	RI	509780861	S
017886	DONALD JOHN BOSSEMAN 710 WINK AVE OAKLEY, KS 67748-1352	0.00152578	RI	585669172	S
019288	MARY JANE HUMPHREY 530 BRIARCLIFF DR GARLAND, TX 75043-5602	0.00029806	OR	161201336	S
019300	MARILYN SMITH PO BOX 481 KERMIT, TX 79745	0.02014453	OR	466909666	S
019612	JOHN POOL PO BOX 5441 MIDLAND, TX 79704-5441	0.00022352	OR	459062717	S
021065	MAYHILL OIL CORPORATION PO BOX 5334 MIDLAND, TX 79704-5334	0.00333333	OR	752397319	E

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DATE: Wed May 19, 2004
TIME: 13:17:30

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 4 of 4

Lease: 00014505 Sub: Name: JALMAY FIELD YATES SAND UNIT
G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Type	Tax ID #	Type ID
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021110	TAY-MOR ENTERPRISES INC	0.00333333	OR	752419960	E
PO BOX 4723					
MIDLAND, TX 79707-4723					

026251	DEBRA J HAMILTON	0.00333334	OR	452969866	S
PO BOX 5198					
MIDLAND, TX 79710					

029027	BOLING ENTERPRISES LTD	0.00028614	OR	850451806	E
ROBERT MICHAEL BOLING MANAGER					
PO BOX 2563					
ROSWELL, NM 88202					

030795	KATHERINE A JOHNSON-BARGER	0.00059611	OR	585384540	S
866 EMERALD HILLS CIR					
FAIRFIELD, CA 94533-9706					

038666	RANDEL MARITAL TRUST	0.00059611	OR	756587704	E
U/W/O RALPH M RANDEL					
CLIFFORD M RANDEL TRUSTEE					
P O BOX 821011					
NORTH RICHLAND HILLS, TX 76182-1011					

052697	ML BOLING DEVELOPMENT LLC	0.00028614	OR	550830390	E
P O BOX 1514					
ROSWELL, NM 88202					

Interest Total: 1.00000000

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DATE: Wed May 19, 2004
TIME: 13:17:41

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 1 of 7

Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
G/L Comp: 84 Division: 48 Period: 04/2004
Operator: 035173 Name: MELROSE OPERATING COMPANY Username: randi

Owner	Name	Division of Interest	Type	Tax ID #	Type ID
000001	COMMISSIONER OF PUBLIC LANDS P O BOX 1148 SANTA FE, NM 87504-1148	0.12500000	RI	856000565	E
000785	BLACK FAMILY PARTNERSHIP PO BOX 50820 MIDLAND, TX 79710-0820	0.01000000	OR	752506922	E
004279	JAMES E HALL PO BOX 10666 MIDLAND, TX 79702-7666	0.00068928	OR	525629562	S
004280	CHARLES L HALL PO BOX 10666 MIDLAND, TX 79702-7666	0.00068928	OR	451622734	S
006740	WARREN F REYNOLDS 1825 N ROTO HOBBS, NM 88240	0.00020495	OR	017208303	S
006831	MELROSE ENERGY COMPANY ATTN MICHAEL CORJAY 5813 NW GRAND BLVD STE B OKLAHOMA CITY, OK 73118	0.77000000	WI	731246920	E
007274	MARK P GODSEY REVOCABLE TR U/T/A 12/22/94 7928 S HUDSON PLACE TULSA, OK 74136	0.00000865	OR	509481548	S

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Melrose
Exhibit B

DATE: Wed May 19, 2004
TIME: 13:17:41

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 2 of 7

Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Interest	Type	Tax ID #	Type ID
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007475 PITCH ENERGY CORP
PO BOX 304
ARTESIA, NM 88211-0304

007585	KATHRYN RAE BRANDENBURG 4243 TERRACE ST OAKLAND, CA 94611-5127	0.00051696	OR	585488186	S
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011460	PROVIDENCE OIL & GAS CORP P O BOX 701828 TULSA, OK 74170-1828	0.00023057	OR	731260843	E
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014624	FORTSON OIL CO AGENT & NOTARY P O BOX 99084 FORT WORTH, TX 76199	0.01979653	NP	752129916	E
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015208	DENNA MIZEL INDV & EXECUTRIX SAM MIZEL ESTATE P O BOX 52553 TULSA, OK 74152-0553	0.00046114	OR	444360761	S
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015208	DENNA MIZEL INDV & EXECUTRIX SAM MIZEL ESTATE P O BOX 52553 TULSA, OK 74152-0553	0.00046113	OR	444360761	S
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017845	LILLIE M YATES ESTATE S P YATES, FRANK YATES, JR. AND B W HARPER CO PERS REPS PO BOX 840 ARTESIA, NM 88211-0840	0.00223240	OR	856103685	E
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Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
 G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
 Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Interest	Type	Tax ID #	Type ID
017878	KAY SHUMAN PO BOX 277 MERMENEAU, LA 70556-0277	0.00061485	OR		585223948	S
017879	PATRICK FRANCOEUR C/O LEA COUNTY COURTHOUSE P O BOX 4433 SEBRING, FL 33871-4433	0.00010248	OR		510345152	S
017880	SHARON CATHARINE FRITZ * 2898 E 51ST ST #6 TULSA, OK 74105-1781	0.00010248	OR		525984058	S
017881	W GILBERT BRYAN 3320 NORTH DAL PASO #5D HOBBS, NM 88240	0.00020495	OR		525807117	S
017883	MARRS & SMITH PARTNERSHIP PO BOX 863 KERMIT, TX 79745-0863	0.01162495	OR		752754761	E
017887	RICHARD A HALL TRUST #4422 FROST NATL BK TRUSTEE PO DRAWER 1600 SAN ANTONIO, TX 78296-1600	0.00068928	OR		746302147	E
017888	ABELL HANGAR FOUNDATION PO BOX 430 MIDLAND, TX 79702-0430	0.00086160	OR		756020781	E

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DATE: Wed May 19, 2004
TIME: 13:17:41

HOLLY CORPORATION & SUBSIDIARIES
Division of Interest - Exhibit

REPORT: DC3
PAGE: 4 of 7

Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division of Interest	Type	Tax ID #	Type ID
017889	DANIEL L VEIRS DBA VEIRS PRODUCTION COMPANY 1209 W CUTHBERT AVE MIDLAND, TX 79701-4121	0.00180765	OR	34406804	S
017893	LOUISE COEN ESTATE* 2720 PITTSBURG HOUSTON, TX 77005-3948	0.00027212	OR	225108939	S
017894	VIRGINIA ANN COOGAN PO BOX 1785 FAVETTEVILLE, AR 72702-1785	0.00108848	OR	459688078	S
017896	LOUIS A MAZZA 5029 COUNTY RD 476A FREEPORT, TX 77541	0.00054424	OR	088099940	S
017897	CHARLES D MEHR 3616 FAR WEST BLVD STATION 101-114 AUSTIN, TX 78731-3042	0.00054424	OR	454183092	S
017898	SA-SAN F A PUTNAM PO BOX 14811 READING, PA 19612-4811	0.00027212	OR	465405234	S
017899	ST JOHN THE DIVINE EPISCOPAL CHURCH MEMORIAL ENDOWMENT FUND 2450 RIVER OAKS BLVD HOUSTON, TX 77019-5898	0.00054424	OR	760272028	E

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Owner	Name	Division Of	Interest	Type	Tax ID #	Type ID
017900	J HIRAM MOORE P O BOX 910833 DALLAS, TX 75391-0833	0.00255771	OR		460160248	S
017901	MARY M PEARSON 8638 S 74TH E AVE TULSA, OK 74133-6615	0.00027212	OR		494148682	S
019288	MARY JANE HUMPHREY 530 BRIARCLIFF DR GARLAND, TX 75043-5602	0.00061485	OR		161201336	S
019612	JOHN POOL PO BOX 5441 MIDLAND, TX 79704-5441	0.00046113	OR		459062717	S
021043	WADI PETROLEUM INC 14405 WALTERS RD STE 400 HOUSTON, TX 77014	0.00022192	OR		760096964	E
021065	MAYHILL OIL CORPORATION PO BOX 5334 MIDLAND, TX 79704-5334	0.00333333	OR		752397319	E
021110	TAY-MOR ENTERPRISES INC PO BOX 4723 MIDLAND, TX 79707-4723	0.00333333	OR		752419960	E

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PAGE: 6 of 7

Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
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Owner	Name	Division Of Interest	Type	Tax ID #	Type ID
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026251 DEBRA J HAMILTON
PO BOX 51988
MIDLAND, TX 79710

0.00333334	OR	452969866	S
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026262 MAYO MARRS
PO BOX 613
KERMIT, TX 79745-0613

0.01162494	OR	453244889	S
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026300 SHARRO OIL LTD CO
P O BOX 840
ARTESIA, NM 88211-0840

0.00223230	OR	850427080	E
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029027 BOLING ENTERPRISES LTD
ROBERT MICHAEL BOLING MANAGER
PO BOX 2563
ROSWELL, NM 88202

0.00059025	OR	850451806	E
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030795 KATHERINE A JOHNSON-BARGER
866 EMERALD HILLS CIR
FAIRFIELD, CA 94533-9706

0.00122970	OR	585384540	S
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034402 JAMES HARVEY & NANCY B YATES REV TRUST
DATED 5/22/97
906 S ST FRANCIS DRIVE SUITE C
SANTA FE, NM 87505

0.00446465	OR	525625270	S
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034403 COLLEEN MICHELLE YATES *
P O BOX 514
DENMARK WEST AUSTRALIA,

0.00148821	OR	563238263	S
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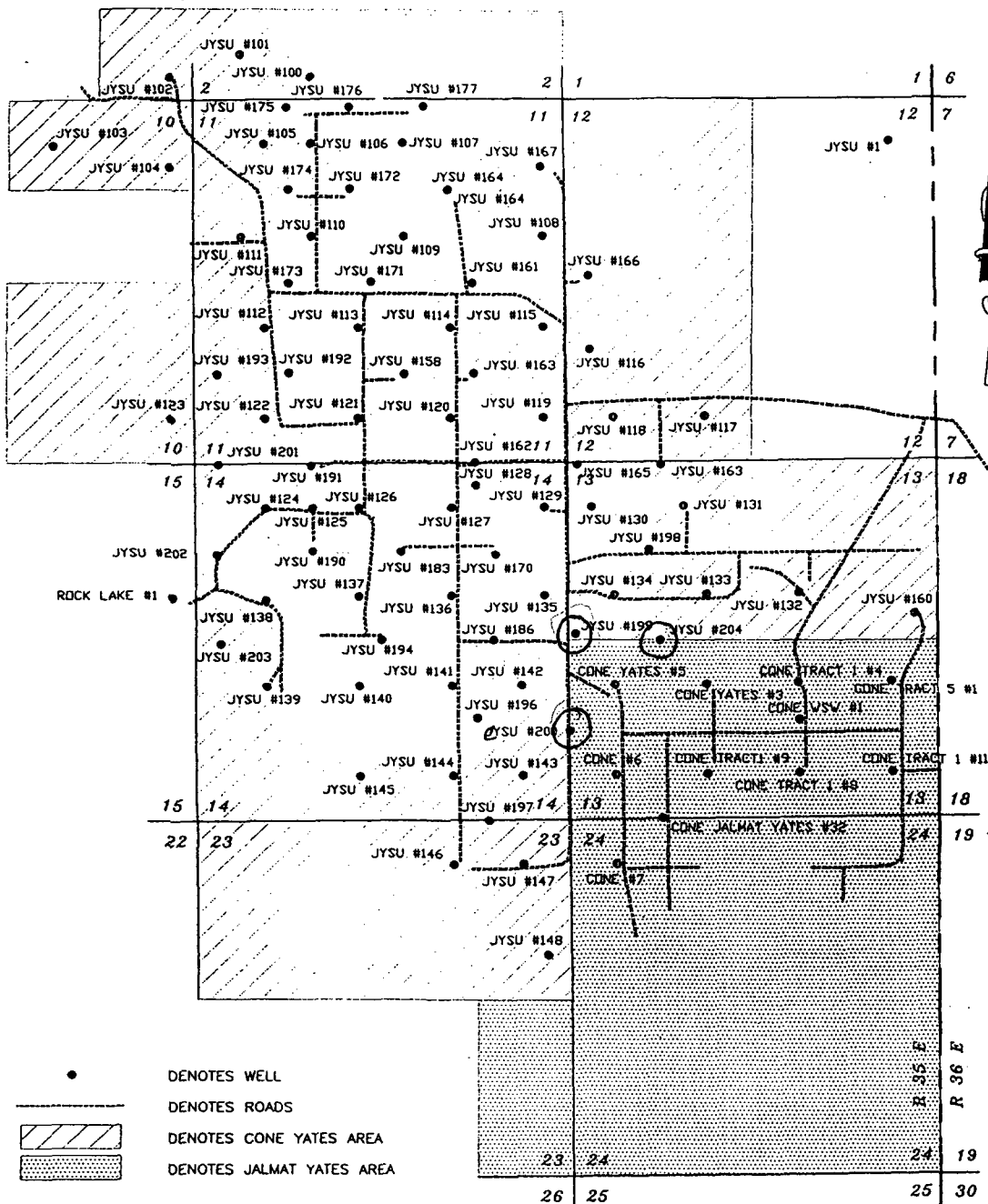
Lease: 00014506 Sub: Name: CONE JALMAT YATES POOL
 G/L Comp: 84 Division: 48 Period: 04-2004 Username: randi
 Operator: 035173 Name: MELROSE OPERATING COMPANY

Owner	Name	Division Of	Type	Tax ID #	Type ID
034404	KELLY SAMANTHA LONGLEY REV TRUST KELLY LONGLEY & LUCIEN J LONGLEY TRUSTEE C/O MEYMER'S & CO ATTN: RETA JONES 500 MARQUETTE NW SUITE 400 ALBUQUERQUE, NM 87102	0.00148822	OR	563239597	S
034405	SHANNAN LYNN UNSER PO BOX 1427 CORRALES, NM 87048-1427	0.00148822	OR	563236954	S
034677	CAL FARLEY BOYS RANCH P O BOX 1890 AMARILLO, TX 79174-0001	0.00054424	OR	750808768	E
038666	RANDEL MARITL TRUST U/W/O RALPH M RANDEL CLIFFORD M RANDEL TRUSTEE P O BOX 821011 NORTH RICHLAND HILLS, TX 76182-1011	0.00122968	OR	756587704	E
049427	MAPOC-NET AN OKLAHOMA GENERAL PARTNERSHIP C/O MINERAL ACQUISITION PARTNERS INC 100 PARK AVENUE STE 1008 OKLAHOMA CITY, OK 73102	0.00364270	OR	752889370	E
052697	ML BOLING DEVELOPMENT LLC P O BOX 1514 ROSWELL, NM 88202	0.00059025	OR	550830390	E

Interest Total: 1.00000000

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• SECTIONS 2, 3, 10, 11, 12, 13, 14, 15, 23 & 24,
TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



MELROSE OPERATING COMPANY

NSL APPLICATION

FOR MELROSE NEW DRILLS
JALMAT # 204, 199 CONE # 200

Survey Date: 1/27/04 Sheet 1 of 1 Sheets

W.O. Number: 04.11.00097 Drawn By: LMP Rev: N/A

Date: 2/5/04 DISK: CD '04 04110097 Scale: 1"=2000'

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117