

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|                                   |   |  |
|-----------------------------------|---|--|
| API Number<br><b>30-015-34702</b> | Pool Code<br><b>03230</b>                         | Pool Name<br><b>Artesia, Queen-Grayburg-SA</b> |
| Property Code<br><b>26081</b>     | Property Name<br><b>ARTESIA UNIT</b>              | Well Number<br><b>105</b>                      |
| OGRID No.<br><b>184860</b>        | Operator Name<br><b>MELROSE OPERATING COMPANY</b> | Elevation<br><b>3651'</b>                      |

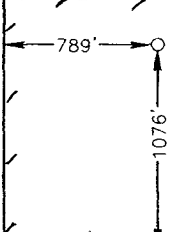
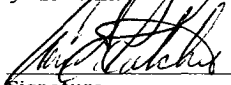
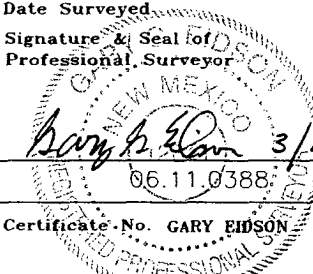
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M             | 3       | 18-S     | 28-E  |         | 1076          | SOUTH            | 789           | WEST           | EDDY   |

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<br><b>40</b> | Joint or Infill | Consolidation Code | Order No.<br><b>Waterflood Unit</b> |         |               |                  |               |                |        |

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 |
| <b>RECEIVED</b><br><b>MAR 23 2006</b><br><b>OIL-ARTESIA</b>  |       |       |       |
| GEODETIC COORDINATES<br>NAD 27 NME<br><br>Y=644751.9 N<br>X=550425.1 E<br><br>LAT.=32°46'20.67" N<br>LONG.=104°10'09.40" W   |       |       |       |
|   |       |       |       |
| <b>OPERATOR CERTIFICATION</b><br><br>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.<br><br> <b>3-17-06</b><br>Signature Date<br><b>Ann E. Ritchie, Agent</b><br>Printed Name |       |       |       |
| <b>SURVEYOR CERTIFICATION</b><br><br>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.<br><br>FEBRUARY 23, 2006<br>Date Surveyed MR<br>Signature & Seal of Professional Surveyor<br><br>Certificate No. <b>GARY EDSON</b> 12641   |       |       |       |

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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-144  
June 1, 2004

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

For drilling and production facilities, submit to  
appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe  
office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Melrose Operating Company Telephone: 432 684-6381 e-mail address: am.ritchie@wtor.net  
Address: c/o Box 953, Midland, TX 79702  
Facility or well name: Artesia Unit, Well #105 API #: 30-015-pending U/L or Qtr/Qtr M Sec 3 T18S R 28E  
County: Eddy Latitude 32.462067 Longitude 104.100940 NAD: 1927 X 1983 ☐  
Surface Owner: Federal ☐ State X Private ☐ Indian ☐

**Pit**

Type: Drilling X Production ☐ Disposal ☐  
Workover ☐ Emergency ☐  
Lined X Unlined ☐  
Liner type: Synthetic X Thickness 12 mil Clay ☐  
Pit Volume 4000 bbl

**Below-grade tank**

Volume:        bbl Type of fluid:         
Construction material:         
Double-walled, with leak detection? Yes ☐ If not, explain why not.

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MAR 23 2006

UUD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

|   |             |
|---|-------------|
| Less than 50 feet                       | (20 points) |
| 50 feet or more, but less than 100 feet | (10 points) |
| 100 feet or more                        | ( 0 points) |

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

|     |             |
|-----|-------------|
| Yes | (20 points) |
| No  | ( 0 points) |

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

|   |             |
|---|-------------|
| Less than 200 feet                        | (20 points) |
| 200 feet or more, but less than 1000 feet | (10 points) |
| 1000 feet or more                         | ( 0 points) |

Ranking Score (Total Points) 0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility       . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface        ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

Application to drill filed on-line w/pit diagram.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 3-21-06

Printed Name/Title Ann E. Ritchie Signature       

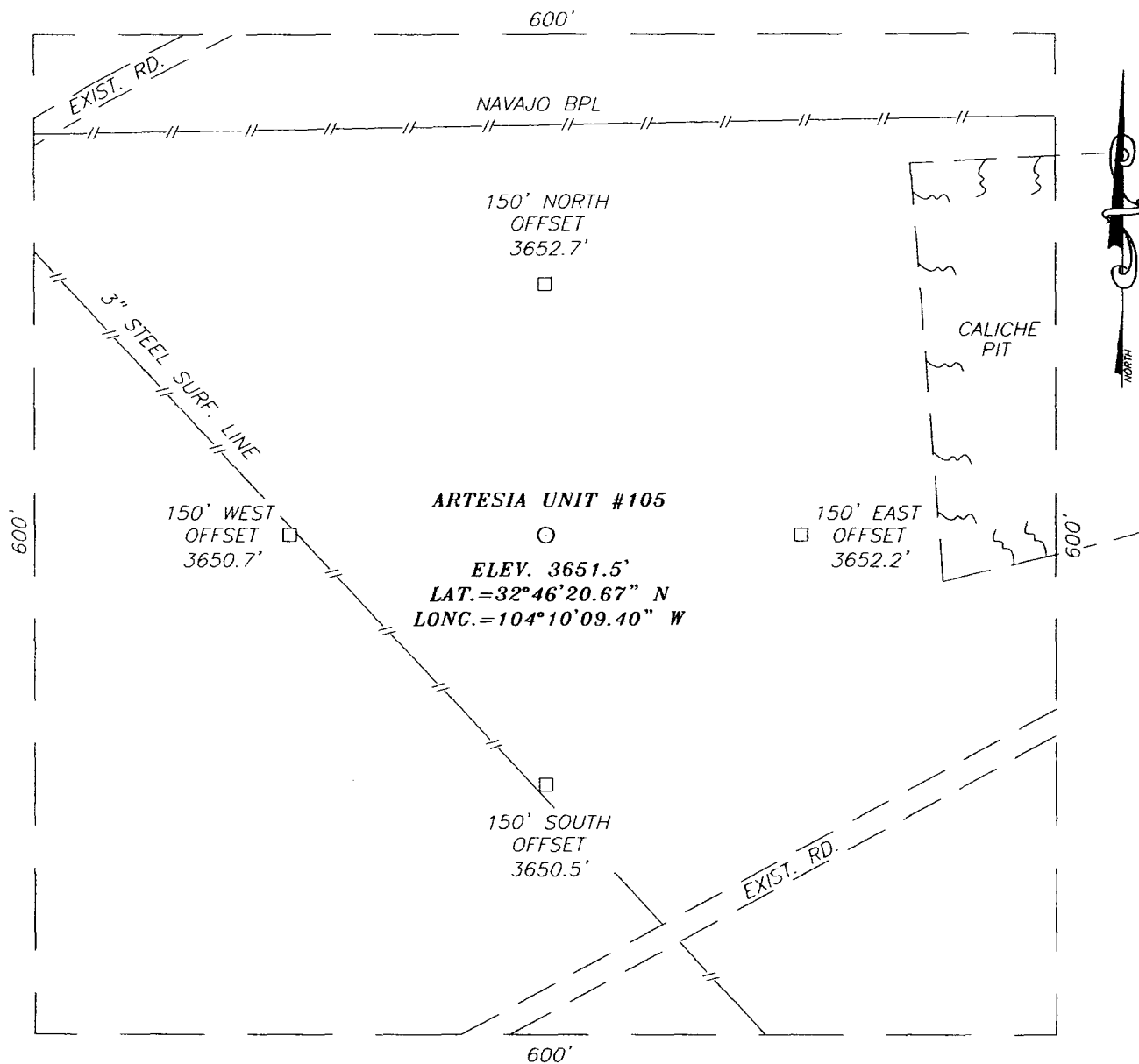
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title        Signature       

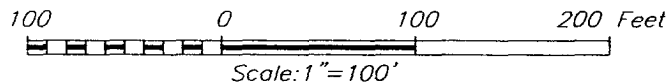
MAR 23 2006

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



**DIRECTIONS TO LOCATION**

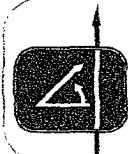
FROM THE INTERSECTION OF ST. HWY. 83 AND ST. HWY. 360, GO SOUTHEAST ON ST. HWY. 360 APPROX. 0.98 MILES. TURN RIGHT AND GO WEST-SOUTHWEST APPROX. 0.1 MILE TO A "Y" INTERSECTION. TURN LEFT AND GO SOUTHWEST APPROX. 0.59 MILES. TURN RIGHT AND GO WEST APPROX. 0.1 MILE. TURN LEFT AND GO SOUTH APPROX. 0.55 MILES. TURN RIGHT AND GO WEST APPROX. 0.16 MILE. THIS LOCATION IS APPROX. 190 FEET NORTHEAST.



**MELROSE OPERATING COMPANY**

ARTESIA UNIT #105  
 LOCATED 1076 FEET FROM THE SOUTH LINE  
 AND 789 FEET FROM THE WEST LINE OF SECTION 3,  
 TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

|                         |                     |
|-------------------------|---------------------|
| Survey Date: 02/23/06   | Sheet 1 of 1 Sheets |
| W.O. Number: 06.11.0388 | Dr By: M.R.         |
| Date: 03/03/06          | Rev 1: N/A          |
| Disk: CD#1              | 06110388            |
|                         | Scale: 1"=100'      |



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

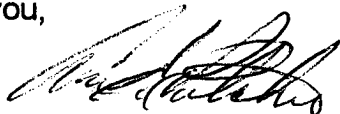
March 21, 2006

Oil Conservation Division  
1301 Grand Ave.  
Artesia, NM 88210

RE: **Melrose Operating Company**, Artesia Unit, Wells #104, 105, 106, 107 &  
#108, Sections 2 & 3, T18S, R38E, Eddy County, NM

It is not anticipated that we will encounter any H<sub>2</sub>S during the drilling or completion of the above referenced wells. There are no dwelling in the area as per the Vicinity Maps submitted to OCD. Closest highway is Hwy 360. We are respectfully requesting an exemption from H<sub>2</sub>S requirements as per NMOC Rule 118. The anticipated TVD is 3500' for these vertical wells. Drilling duration is approximately 5 days.

Thank you,



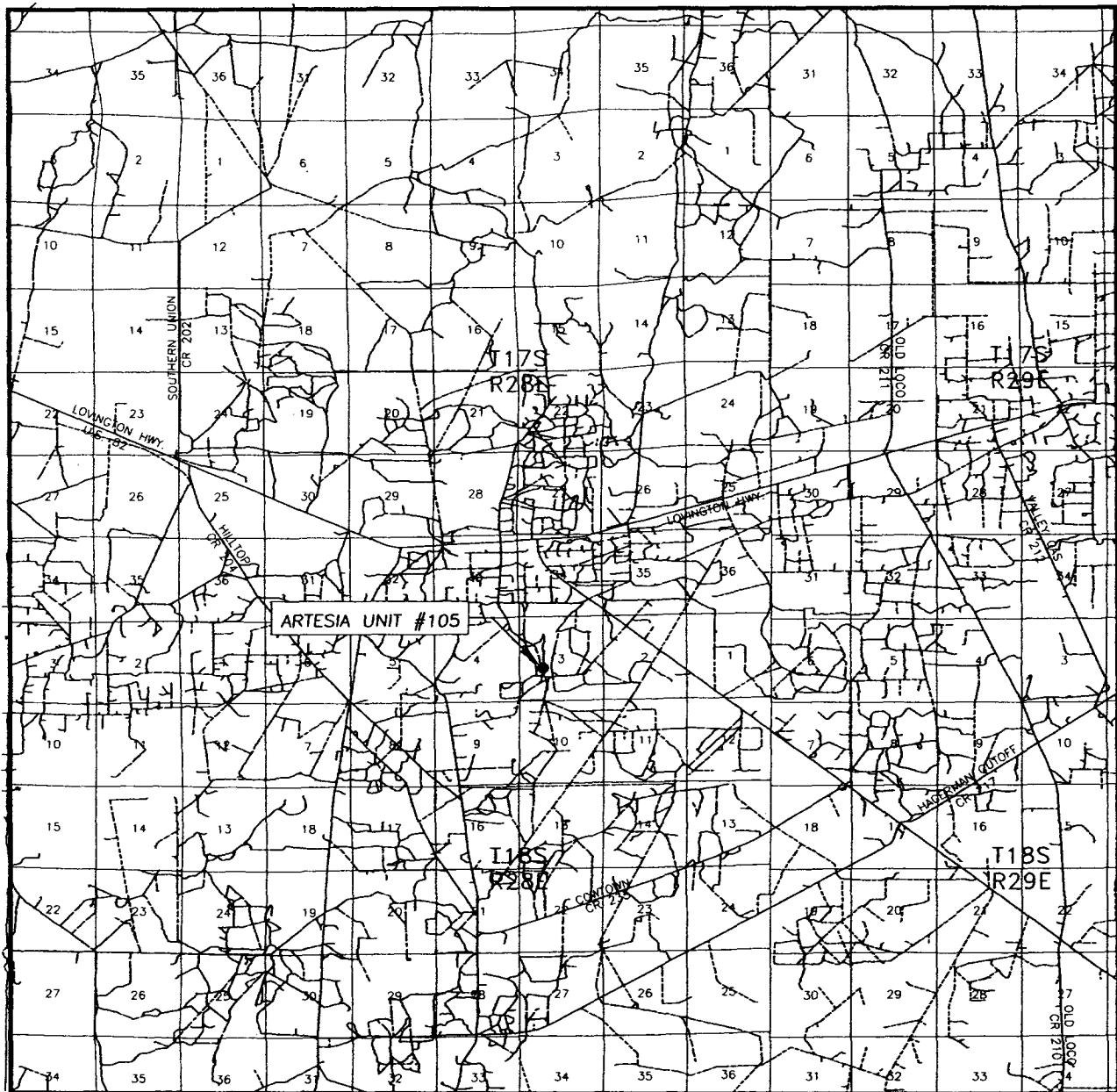
Ann E. Ritchie, Regulatory Agent  
**Melrose Operating Company**  
c/o P.O. Box 953  
Midland, TX 79702  
432 684-6381/682-1458-fax  
ann.ritchie@wtor.net

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UUU-ARTESIA

# VICINITY MAP

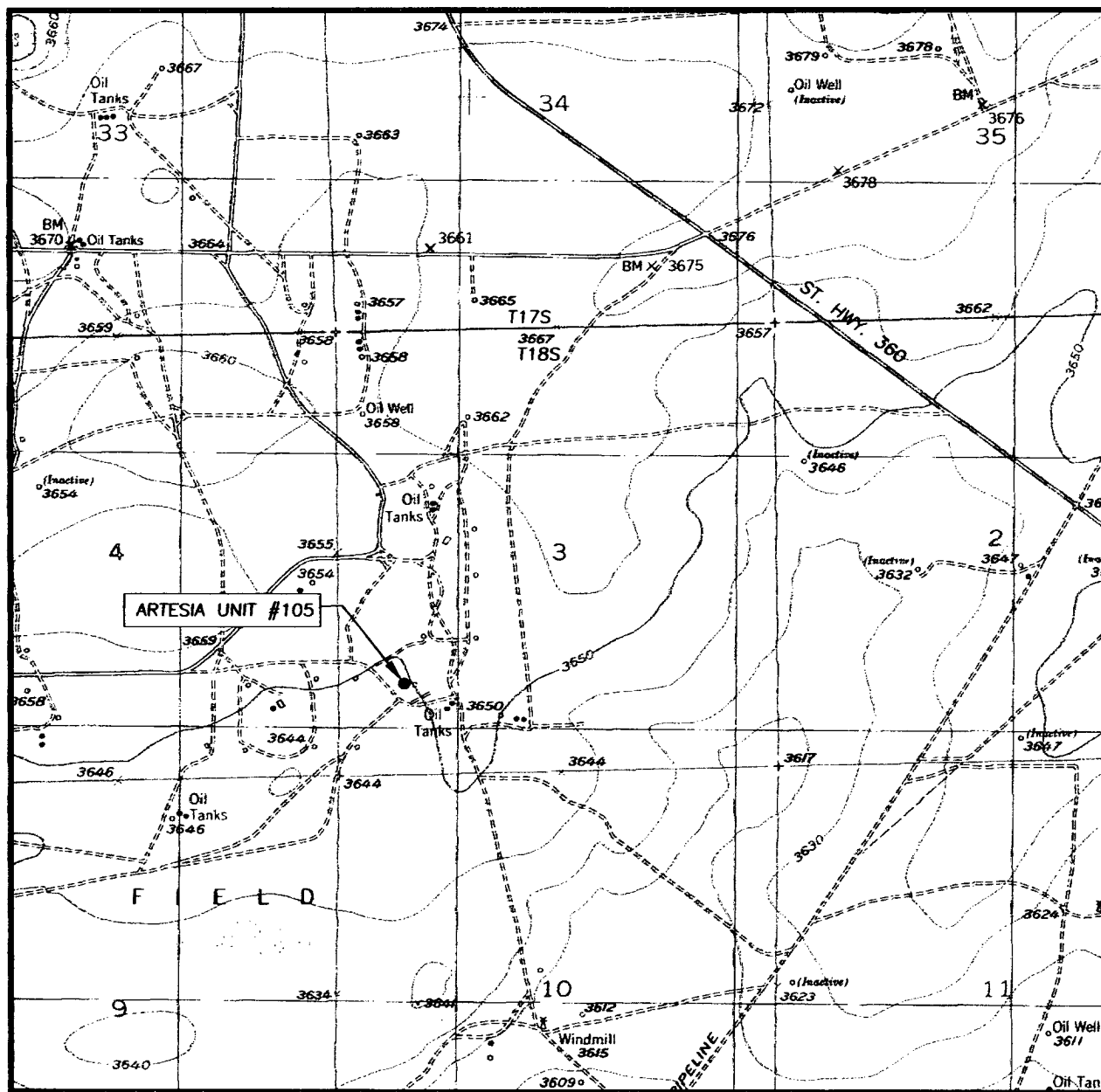


SCALE: 1" = 2 MILES

SEC. 3 TWP. 18-S RGE. 28-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 1076' FSL & 789' FWL  
 ELEVATION 3651'  
 OPERATOR MELROSE OPERATING COMPANY  
 LEASE ARTESIA UNIT

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE, N.M. - 10'

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

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

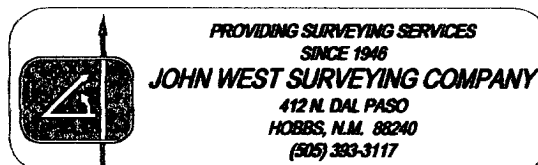
DESCRIPTION 1076' FSL & 789' FWL

ELEVATION 3651'

OPERATOR MELROSE OPERATING COMPANY

LEASE ARTESIA UNIT

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

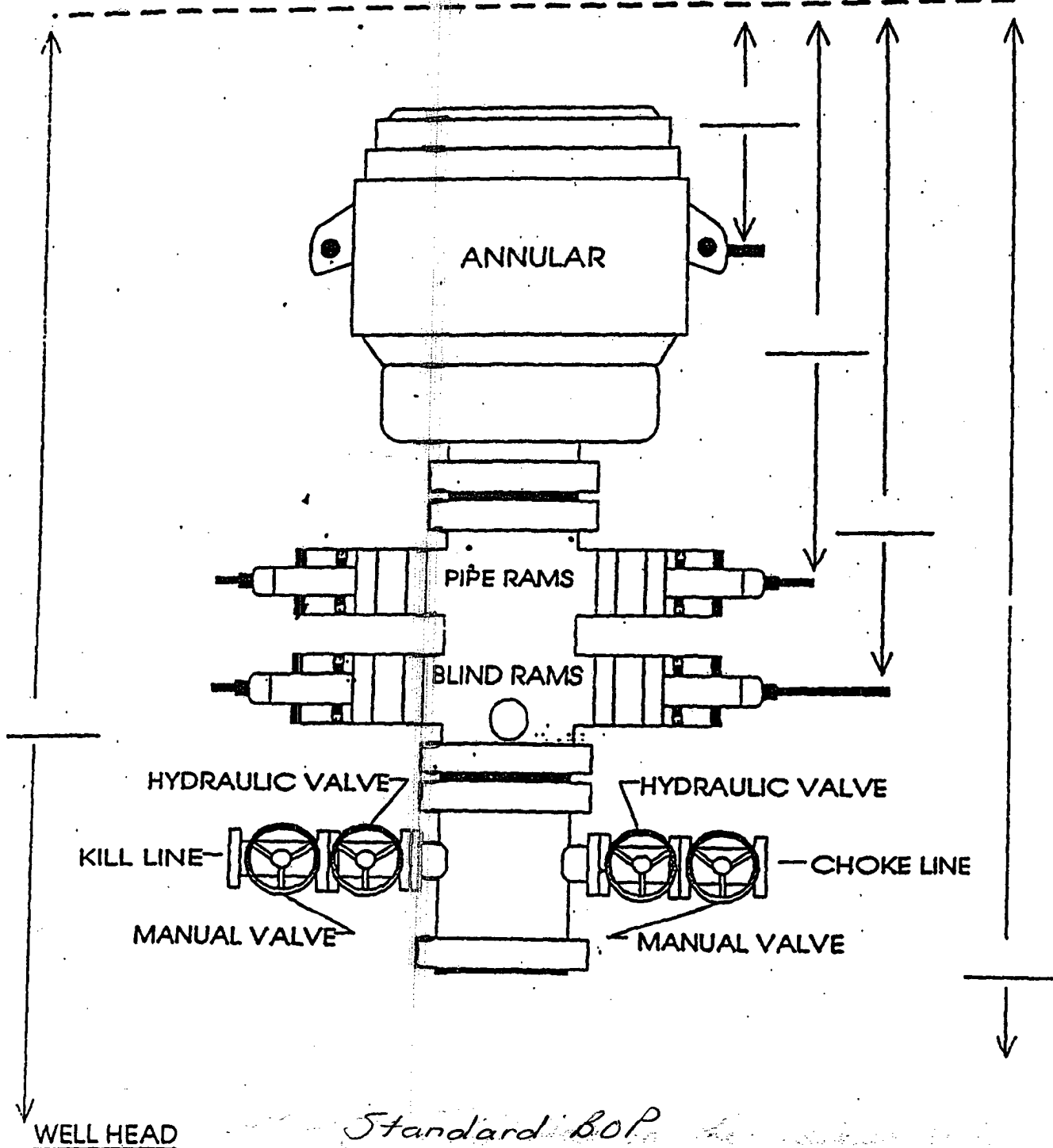


# EXHIBIT A

B.O.P. STACK SPACING

SIZE: 3000#

TOP OF ROTARY



*Standard BOP  
Melrose operating Co. - United Drllg.*

March 21, 2006

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MAR 23 2006

OCD-ARTESIA