

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1501 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

RECEIVED
Submit to appropriate District Office
APR 26 2006 ☐ AMENDED REPORT

OCD-ARTESIA

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

¹ Operator Name and Address Melrose Operating Company c/o P.O. Box 953, Midland, TX 79702		² OGRID Number: 184860	
³ Property Code 26081	⁴ Property Name Artesia Unit	⁵ API Number 30-015-3482	⁶ Well No. 108
⁹ Proposed Pool 1: Artesia; Queen-Grayburg-San Andres		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
D	2	18S	28E	4	965	North	339	West	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

Additional Well Information

¹¹ Work Type Code New well	¹² Well Type Code Oil	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3655'
¹⁶ Multiple No	¹⁷ Proposed Depth 3500'	¹⁸ Formation San Andres Formation	¹⁹ Contractor United Drilling	²⁰ Spud Date 5-10-06
Depth to Groundwater: 400-450'		Distance from nearest fresh water well: over 1/4 mile		Distance from nearest surface water: none
²¹ Pit: Liner: Synthetic X 12 mils thick Clay <input type="checkbox"/> Pit Volume: 4000 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#	450'	300 sx	Surface
7 7/8"	5 1/2"	15 5#	3500'	600 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 to 12 1/4" hole to 450'. Run & cement surface casing.
Drill 7 7/8" hole to approximately 3500', cement approximately w/600 sx Premium cement to circulate to surface. Drill out.
Wait on completion.

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: 4-21-06

Phone: 432 684-6381

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title:

DISTRICT II GEOLOGIST

Approval Date:

APR 27 2006

Expiration Date:

APR 27 2007

Conditions of Approval Attached ☐

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 30-015-	Pool Code 3230	Pool Name Artesia; Queen-Grayburg- San Andres
Property Code 26081	Property Name ARTESIA UNIT	Well Number 108
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3655'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	2	18-S	28-E		965	NORTH	330	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 40	Joint or Infill	Consolidation Code	Order No. WaterFlood Unit
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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 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.</p> <p><i>[Signature]</i> 3-21-06 Signature Date</p> <p>Ann E. Ritchie, Agent Printed Name</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=648099.7 N X=555166.6 E</p> <p>LAT.=32°46'53.72" N LONG.=104°09'13.80" W</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>FEBRUARY 27, 2006</p> <p>Date Surveyed MR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>[Signature]</i> 3/10/06 06-110391</p> <p>Certificate No. GARY EIDSON 12641</p>

April 21, 2006

Oil Conservation Division
Attn: Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: Melrose Operating Company, Artesia Unit, Well #108,
Sec 2, T18S, R28E (Lot 4), Eddy County, NM

It is not anticipated that we will encounter any H2S during the drilling or completion of the above referenced well.
We are respectfully requesting an exemption from H2S requirements as per NMOCD Rule 118. The anticipated total depth is 3500'.

Thank you,

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

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

Drilling Rig Pad Schematic
United Drig-Standard
County, New Mexico
Wellbore is 40' North of the pit

