

District I
1625 N. French Dr., Hobbs. N.M. 88240
District II
1301 W. Grand Ave., Artesia, N.M. 88210
District III
1000 Rio Brazos Rd., Aztec, N.M. 87410
District IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee lease - 5 Copies

☐ AMENDED REPORT

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

¹ Operator Name and Address Melrose Operating Co. c/o P.O. Box 953 Midland, TX 79702		² OGRID Number 184860
⁴ Property Code 26081		³ API Number 30-0 15 - 33286
⁵ Property Name Artesia Unit		⁶ Well No. 102

RECEIVED
FEB 24 2004
OCD-ARTESIA

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
J	3	18S	28E		2396'	South	2372'	East	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

9. Proposed Pool 1

Artesia, Queen-Grayburg-San Andres (03230)

10. Proposed Pool 2

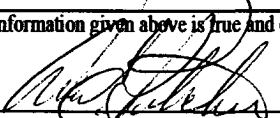
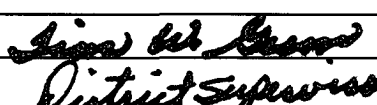
11. Work Type Code N	12. Well Type Code O	13. Cable/Rotary R	14. Lease Type Code S	15. Ground Level Elevation 3660'
16. Multiple no	17. Proposed Depth 3500'	18. Formation San Andres	19. Contractor United Drlg.	20. Spud Date 3-1-04

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#	300'	275 sx	surface
7 7/8"	4 1/2" or 5 1/2"	9.5# or 15.5#	3500'	600 sx	surface
			400 - 450'		

22. Describe the proposed program. If this 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 300', set 8 5/8" casing, cement to surface. RU BOPs. Drill 7 7/8" hole to 3500', set either 4 1/2" or 5 1/2" casing, cement to surface, RD BOPs & drilling rig. Perforate San Andres formation & frac. Place well on test.

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Ann E. Ritchie		Approved by: 	
Title: Regulatory Agent		Title: District Supervisor	
Date: 2-22-04		Approval Date: MAR 09 2004 Expiration Date: MAR 09 2005	
Phone: 432 684-6381		Conditions of Approval: Attached: <input type="checkbox"/>	

DISTRICT I

P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer 80, Artesia, NM 88211-0710

DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 9088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-	Pool Code 03230	Pool Name Artesia, Queen-Grayburg-San Andres
Property Code 26081	Property Name ARTESIA UNIT	Well Number 102
OGRIU No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3660'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	3	18 S	28 E		2396	SOUTH	2372	EAST	EDDY

Bottom Hole Location If Different From Surface

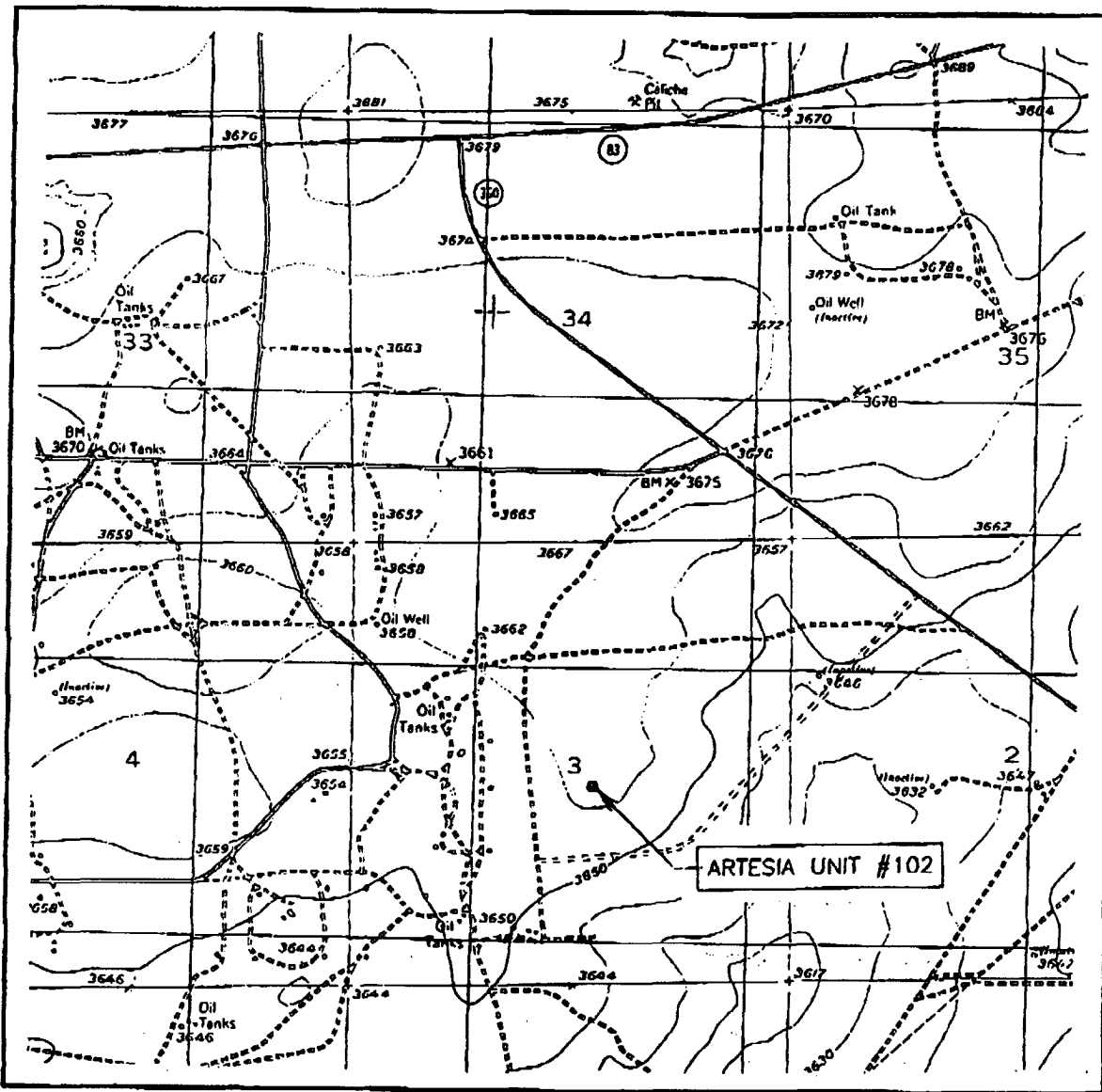
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. waterflood order(s)
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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

LOT 4	LOT 3	LOT 2	LOT 1
<p>NAD 27 NME GEODETIC COORDINATES Y-646111.8-N X-552465.4-E LAT.= 32°46'34.09" N LONG.= 104°09'45.48" W</p>			
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature Ann E. Ritchie Printed Name Regulatory Agent Title 2-23-04 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>FEBRUARY 18, 2004</p> <p>Date Surveyed _____ LMP</p> <p>Signature <i>[Signature]</i> Professional Surveyor</p> <p>NEW MEXICO 04.11.0180 PROFESSIONAL</p> <p>Certificate No. GARY 12841</p>			

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE, N.M. - 20'

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

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2396' FSL & 2372' FEL

ELEVATION 3660'

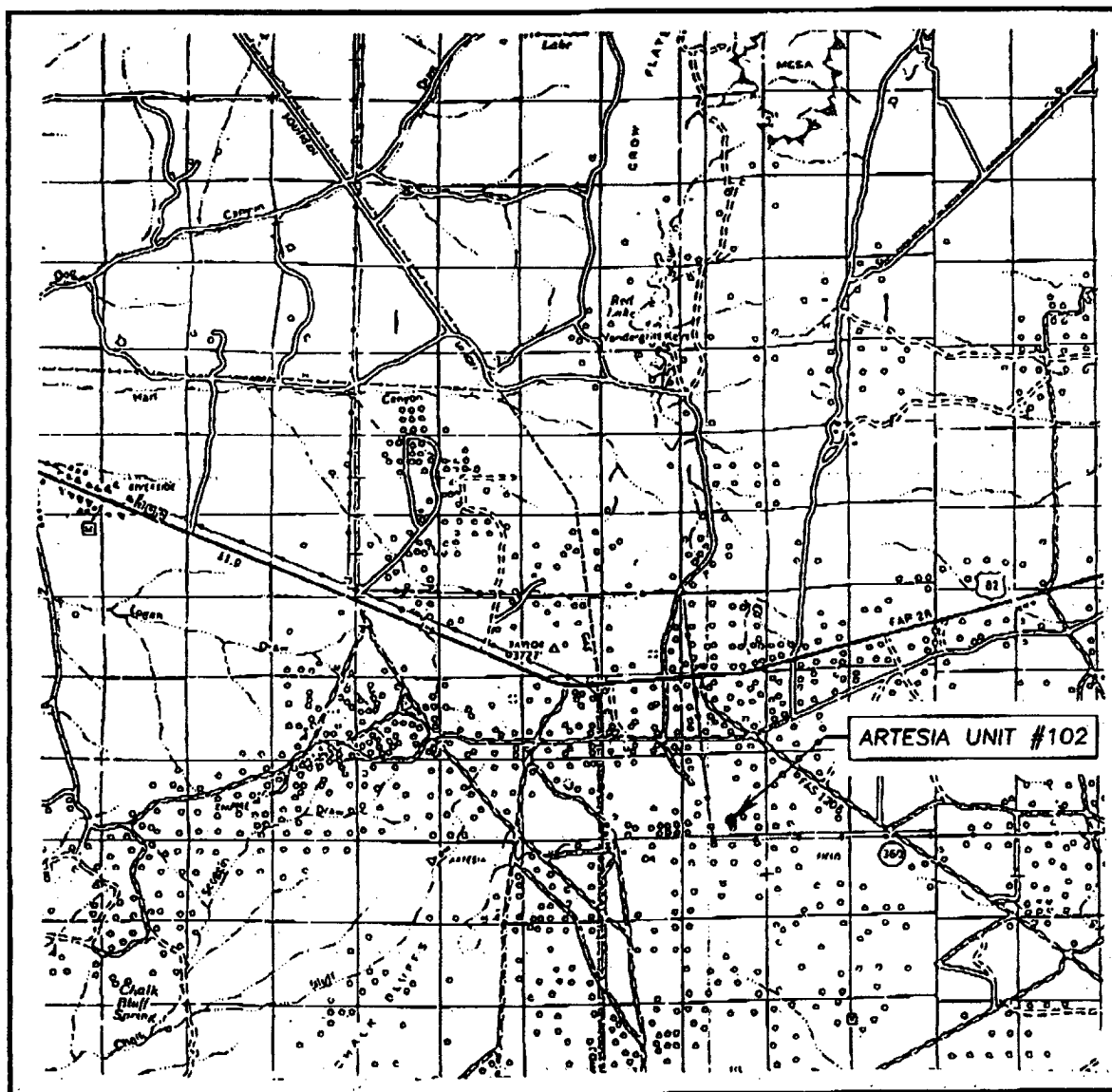
OPERATOR MELROSE
OPERATING COMPANY

LEASE ARTESIA UNIT

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

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2396' FSL & 2372' FEL

ELEVATION 3660'

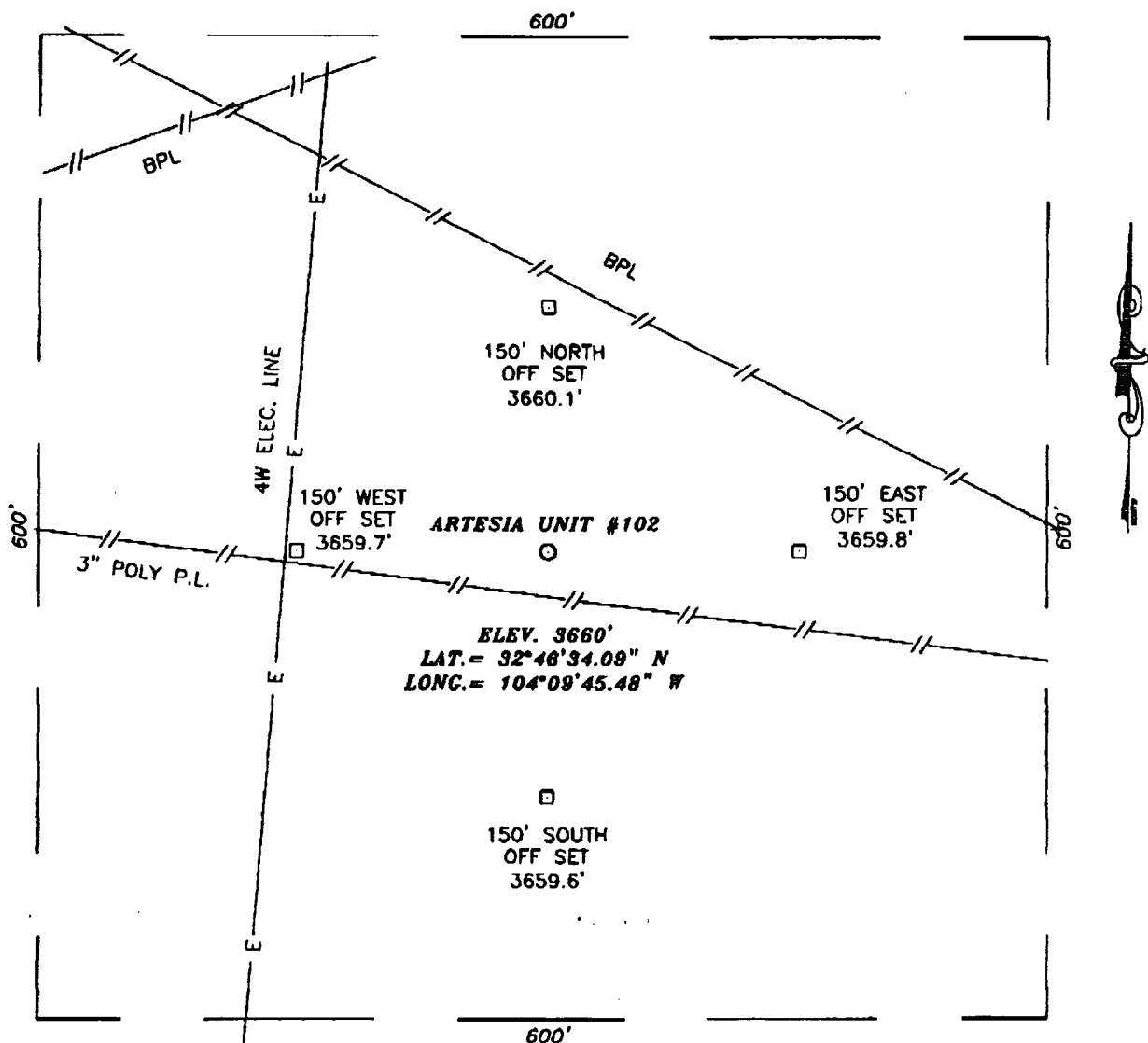
MELROSE

OPERATOR OPERATING COMPANY

LEASE ARTESIA UNIT

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

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



DRIVING DIRECTIONS:

FROM THE INTERSECTION OF US HWY 82 AND US HWY 360, GO SOUTHEAST 1.6 MILES ALONG US HWY 360 TO AN INTERSECTION. TURN RIGHT AND GO SOUTHWEST 0.8 MILES. TURN RIGHT AND GO WEST 0.2 MILES. TURN RIGHT AND GO NORTH ALONG PIPELINE ROAD 0.2 MILES TO LOCATION.



MELROSE OPERATING COMPANY

ARTESIA UNIT #102
 LOCATED 2372 FEET FROM THE EAST LINE
 AND 2398 FEET FROM THE SOUTH LINE OF SECTION 3,
 TOWNSHIP 18 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 2/18/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0180	DRAWN BY: L. PERALES
Date: 2/19/04	DISK: CD '04
04110180	Scale: 1"=100'

JOHN WEST SURVEYING COMPANY

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

February 26, 2004

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

RE: Melrose Operating Co., Artesia Unit, Well #102, Artesia, Qn-Grayburg-
SA(03230),
Eddy County, New Mexico – Rule 118

Dear Bryan,

Concerning the above referenced well, I contacted the field engineer and he stated that there is "no H2S or it is at least below the 100 ppm in a 3000' radius" benchmark for filing a contingency plan.

Please let me know if you need any further information or documentation in order to issue a permit to drill on this well. Thank you.

Yours truly,



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

cc: Melrose Operating Co., - Tony Beilman