

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**

<sup>1</sup> Operator Name and Address Melrose Operating Co., c/o Box 953, Midland, TX 79702		<sup>2</sup> OGRID Number: 184860
<sup>3</sup> Property Code 25191	<sup>4</sup> Property Name Jalmat Field Sand Yates Unit	<sup>5</sup> API Number 30 - 025 - 37174
<sup>9</sup> Proposed Pool 1: Jalmat (T-Y-7R)		<sup>10</sup> Proposed Pool 2

~~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	11	22S	35E		1885	South	765	West	Lea

<sup>8</sup> 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

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3600'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4200'	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor United Drlg.	<sup>20</sup> Spud Date 10-5-05
Depth to Groundwater: 300-350'		Distance from nearest fresh water well: over 1/4 mile		Distance from nearest surface water: none
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/>		Pit Volume: 3000_bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>		

<sup>21</sup> 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

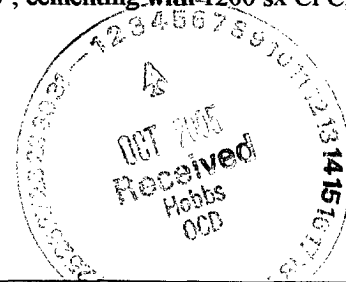
<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill 12 1/4" hole to 350', set 8 5/8" casing to 350', cement w/250 sx CI C - circulating cement to surface. WOC. Drill 7 7/8" hole to 4200', run open hole logs, set production casing string to approximately 4200', cementing with 1200 sx CI C, circulating cement to surface.

Will perforate, stimulate & test well.

We do not anticipate encountering any H2S intervals during the drilling of this well.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway



<sup>23</sup> 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: 9-29-05

Phone: 432 684-6381

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: PETROLEUM ENGINEER Registration Date:

OCT 07 2005

Conditions of Approval Attached

State of New Mexico

Energy, Minerals and Natural Resources Department

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

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 <i>30-025-37174</i>	Pool Code <i>33820</i>	Pool Name <i>Jalmat (T-Y-7R)</i>
Property Code <i>25191</i>	Property Name <b>JYSU</b>	Well Number <b>220</b>
OGRID No. <i>184860</i>	Operator Name <b>MELROSE OPERATING COMPANY</b>	Elevation <b>3600'</b>

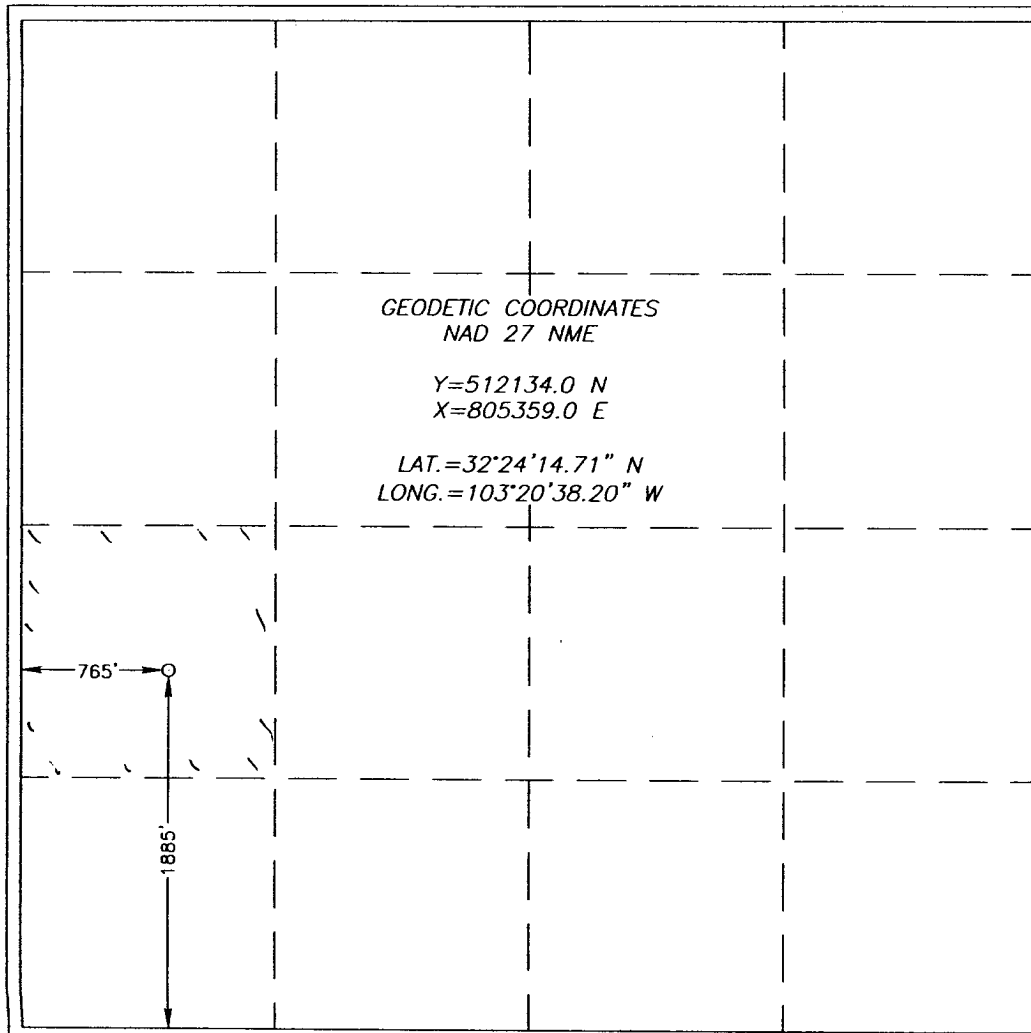
~~\*~~ Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>11</b>	<b>22-S</b>	<b>35-E</b>		<b>1885</b>	<b>SOUTH</b>	<b>765</b>	<b>WEST</b>	<b>LEA</b>

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 <i>40</i>	Joint or Infill	Consolidation Code	Order No. <i>waterflood</i>						

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.

*[Signature]*  
Signature  
**Ann E. Ritchie**  
Printed Name  
**Regulatory Agent**  
Title  
**9-29-05**  
Date

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**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.

SEPTEMBER 8, 2005

Date Surveyed  
Signature & Seal of Professional Surveyor  
*[Signature]*  
Professional Surveyor  
NEW MEXICO  
05.11.1346  
Certificate No. **GARY EIDSON** 12641