SUSPENSE

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WFX

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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION $^{\hat{1}}$

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-08644 Cont Dalmat PoolUnit #102 AM 9 02 Metrose 184860

ADMINISTRATIVE APPLICATION CHECKLIST

T	HIS CHECKLIST IS MA	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applic	[DHC-Dowr [PC-Po	- Land
[1]	TYPE OF AP	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WEX PMX SWD PMX PPR
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR
	[D]	Other: Specify
[2]	NOTIFICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or □ Does Not Apply □ 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]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION INDICATED ABOVE.
	val is <mark>accurate</mark> a	FION: I hereby certify that the information submitted with this application for administrative and complete to the best of my knowledge. I also understand that no action will be taken on this quired information and notifications are submitted to the Division.
	Note:	Statement must be completed by an individual with managerial and/or supervisory capacity.
	Beilman	Operations Manager 4/16/09 Signature Title Date
rint 0	or Type Name	• •
		E-Mail Address $\mathcal{L} = 2495$ $\mathcal{U} = \chi' 5 122, 180, 2014$ 384

Energy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire, Director

HAND DELIVERED

Re:

Form C-108

Melrose Operating Company

Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106,

108, 127, 128, 130, 146, 201 and 303

Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool

Lea County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) to expand the Cone Jalmat Yates Pool Unit Waterflood Project. Division Order No. R-2495 dated June 11, 1963 approved secondary recovery operations within the Cone Jalmat Yates Pool Unit Area ("Unit Area"). The Unit Area was established by Division Order No. R-2494 dated June 11, 1963. Division Orders No. WFX-180 dated September 22, 1964, WFX-206 dated May 27, 1965 and WFX-324 dated October 24, 1969 permitted additional injection wells within the Unit Area. Please note that secondary recovery operations within the Cone Jalmat Yates Pool Unit have been ongoing since unitization without any cessation of injection operations. Melrose Operating Company proposes to convert the Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 to injection in order to complete an efficient production/injection pattern within the Unit Area. These wells are located in Sections 13 and 24, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

All the required information is enclosed. If additional information is needed, please contact me at (469) 721-2046.

Sincerely.

Mr. Yony Beilman, Operations Manager

Melrose Operating Company

1000 W. Wilshire

Suite 223

Oklahoma City, Oklahoma 73116

Xc: OCD-Hobbs

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-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: X Secondary Recovery Pressure Maintenance Disposal Storage Application qualifies for administrative approval? X Yes No
П.	OPERATOR: Melrose Operating Company
	ADDRESS: 1000 W. Wilshire, Suite 223, Oklahoma City, Oklahoma 73116
	CONTACT PARTY: Mr. Tony Beilman PHONE: (469) 721-2046
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project? X Yes No If yes, give the Division order number authorizing the project: R-2495 dated 6/11/1963 (Also see WFX-180, 206, and 324)
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
*VIII	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME:
	SIGNATURE: DATE: 4/16/09
	E-MAIL ADDRESS:trinityengineering@sbcglobal.net
*	If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: <u>PA well schematic diagrams for some AOR wells were previously</u>

submitted with waterflood expansion application dated 3/18/2009 (Jalmat Field Yates Sand Unit). DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application

Melrose Operating Company Cone Jalmat Yates Pool Unit ("CJYPU") Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 Sections 13 & 24, T-22S, R-35E, NMPM Lea County, New Mexico

- The purpose of the application is to request approval to convert ten (10) wells to injection within the Cone Jalmat Yates Pool Unit Waterflood Project in order to complete an efficient injection/production pattern.
- II. Melrose Operating Company ("Melrose")
 1000 W. Wilshire
 Suite 223
 Oklahoma City, Oklahoma 73116
 Contact Party: Mr. Tony Beilman, Operations Manager (469) 721-2046

I.

- III. Injection well data sheets and wellbore diagrams for each injection well are attached showing the proposed wellbore configurations.
- IV. This is an expansion of the Cone Jalmat Yates Pool Unit Waterflood Project. This project was initially approved by Division Order No. R-2495 dated June 11, 1963. The Cone Jalmat Yates Pool Unit Area ("Unit Area") was approved by Division Order No. R-2494 dated June 11, 1963. Division Orders No. WFX-180 (9/22/1964), WFX-206 (5/27/1965) and WFX-324 (10/24/1969) permitted additional injection wells within the Unit Area. Melrose took over operations of the Unit Area-in-1999. It is Melrose's understanding that prior to that time, continuous injection operations were conducted within the Unit Area. Subsequent to 1999, Melrose has actively conducted secondary recovery operations within the Unit Area.
- V. Enclosed is a map that identifies all wells/leases within a 2-mile radius of the Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303. The ½ mile area of review ("AOR") for the proposed injection wells is also shown on this map.
- VI. AOR well data is attached. Well construction data is included for all existing wells within the AOR. Also included are wellbore diagrams for each PA'd well within the AOR, and proposed well construction details for wells that are currently being drilled or are to be drilled within the AOR. (Note: PA wellbore schematics for certain AOR wells were previously submitted with a Melrose Operating Company waterflood expansion application for the Jalmat Field Yates Sand Unit that was dated March 18, 2009.) An examination of this data indicates that all AOR wells are adequately cased, cemented and/or plugged and abandoned in order to preclude the movement of fluid from the injection zone into other formations or fresh water aquifers.

The only exception appears to be the Cone Jalmat Yates Pool Unit Well No. 9 (API No. 30-025-08609) located 660' FSL & 1980' FWL (Unit N) of Section 13, T-22 South, R-35 East. This well is also within the AOR of certain injection wells contained within the wfx application filed by Melrose in March, 2009. Melrose has had discussions with the Division concerning this well and has agreed to re-enter and re-plug the well.

(Note: In calculating cement tops, a standard yield of 1.32 cu. ft./sack was utilized in addition to a fill factor of 70%).

- The average injection rate is anticipated to be approximately 500 BWPD/Well. The maximum rate will be approximately 1500 BWPD/Well. If the average or maximum rates increase in the future, the Division will be notified.
 - 2. This will be a closed system.
 - 3. Melrose will initially inject water into the proposed injection wells at a surface pressure that is in compliance with the Division's limit of 0.2 psi/ft. Subsequent to obtaining approval for injection, step rate injection tests will be conducted on each of the wells in order to obtain a higher surface injection pressure. It is anticipated that as a result of the step rate tests, the average injection pressure will be approximately 1,132 psi.
 - 4. Produced water from the Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool originating from wells within the Unit Area will be re-injected into the subject injection wells. A formation water analysis obtained from a Melrose producing well within the Unit Area is enclosed. This formation water analysis shows total dissolved solids to be 80,968 mg/L.
 - 5. Injection is to occur into a formation that is oil productive.
- VIII. Geologic data was presented in Case No. 2803. This case, and resulting Order No. R-2495 initially authorized the Cone Jalmat Yates Pool Unit Waterflood Project. The primary injection interval is the Yates-Seven Rivers formation which is Upper Guadalupian in age. Impermeable dolomite beds in between various sand members characterize this interval. The Ogallala aquifer is present in this area, and fresh water can be found at depths from surface to 200°.
- IX. No stimulation is planned.

Melrose Operating Company Form C-108 (Application for Authorization to Inject) Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 Page 3

- X. Logs were filed at the time of drilling, or will be filed at the conclusion of drilling operations.
- XI. According to data obtained from the New Mexico Office of the State Engineer (enclosed), there is one fresh water well located in the NE/4 NE/4 of Section 14, T-22 South, R-35 East, and is reportedly 215' feet deep, with water present at a depth of 185'. A water analysis from this well is also enclosed for your review.
- XII. Affirmative statement is enclosed.
- XIII. Proof of Notice is enclosed.

WELL NAME & NUMBER:_

OPERATOR:

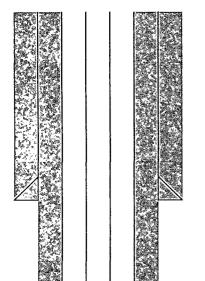
WELL LOCATION:

Melrose Operating Company				
& NUMBER: Cone Jalmat Yates Pool Unit No. 402	402			
TION: 660' FNL & 1980' FWL FOOTAGE LOCATION	CUNIT LETTER	24 SECTION	22 South 3 TOWNSHIP R	35 East RANGE
WELLBORE SCHEMATIC	<u>M</u>	WELL CONSTRUCTION DATA Surface Casing	CTION DATA	
See Attached Wellbore Schematic	Hole Size: 11"		Casing Size: 8 5/8" @ 305'	305
	Cemented with:	200 Sx.	or	ft³
	Top of Cement:	Surface	Method Determined: Circulated	rculated
	Hole Size:	Intermediate Casing Casing	Casing Size:	
	Cemented with:		or	ft³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"	Production Casing	Casing Size: 5 1/2" @ 4,010	4,010,
	Cemented with:	1100 Sx.	01	$^{\mathrm{ft}_3}$
	Top of Cement:	Surface	Method Determined: Circulated	irculated
	Total Depth:	4,010°		

Injection Interval

Perforated Interval - 3,708'-3,920'

Tubii	Tubing Size: 2 3/8"	Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)	PC)
Pack	Packer Setting Depth: 3,608' or within 100' or	3,608' or within 100' of the uppermost injection perforations.
Othe	Other Type of Tubing/Casing Seal (if applicable):	None
	Additional Data	Data
1.	Is this a new well drilled for injection:	Yes X No
	If no, for what purpose was the well originally drilled:	1: Well was drilled as a producing well in April, 1955.
2.	Name of the Injection Formation:Tansill-	Tansill-Yates-Seven Rivers
ю.	Name of Field or Pool (if applicable):	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone(i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None	
۶.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	lerlying or overlying the proposed injection zone
	An examination of OCD records shows that within Section 24, Town oil or gas zones underlying or overlying the proposed injection zone.	An examination of OCD records shows that within Section 24, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 102 API No. 30-025-08647 660' FNL & 1980' FWL (Unit C) Section 24, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: April, 1955

11" Hole; Set 8 5/8" 24# J-55 Csg. @ 305' Cemented w/200 Sx. Class C. Cement circulated to surface.

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,608'

Injection Perforations: 3,708'-3,920'

7 7/8" Hole; Set 5 ½" 15.5# J-55 Csg. @ 4,010' Cemented w/1100 Sx. Cement circulated to Surface

T.D. -4,010'

WELL NAME & NUMBER:

OPERATOR:

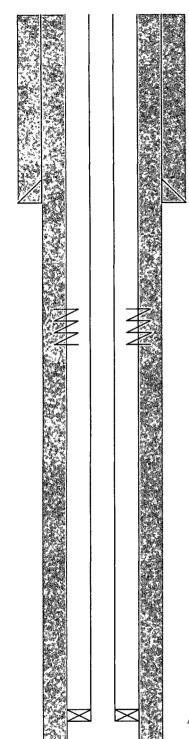
WELL LOCATION:_

Melrose Operating Company				
3 & NUMBER: Cone Jalmat Yates Pool Unit No. 103	03			•
TION: 1980' FSL & 1980' FWL FOOTAGE LOCATION	K UNIT LETTER	13 SECTION	22 South TOWNSHIP	35 East RANGE
			INICHIMOI	TONICAL
WELLBORE SCHEMATIC	WE	WELL CONSTRUCTION DATA Surface Casing	CTION DATA	
See Attached Wellbore Schematic	Hole Size: 12 1/4"		Casing Size: 8 5/8" @ 295'	' @ 295'
	Cemented with:	250 Sx.	or	ft³
	Top of Cement:	Surface	Method Determined: Circulated	Circulated
	Hole Size:	Intermediate Casing	Casing Casing Size:	
	Cemented with:		or	ft ³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"	Production Casing Casin	<u>Casing</u> Casing Size: 5 1/2" (a) 4,027	. @ 4,027 [°]
	Cemented with:	800 Sx.	or	\mathfrak{h}^3
	Top of Cement:	Surface	Method Determined: Calculated	Calculated
	Total Depth:	4,040°		

Injection Interval

Perforated Interval - 3,722'-3,854'

Tubin	Tubing Size: 2 3/8" Lin	Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)	
Packe	Packer Setting Depth: 3,622' or within 100' of the	3,622' or within 100' of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal (if applicable): None	ne
	<u>Additional Data</u>	<u>ata</u>
- :	Is this a new well drilled for injection:	Yes X No
	If no, for what purpose was the well originally drilled:_	Well was drilled as a producing well in May, 1955.
2.	Name of the Injection Formation: Tansill-Ya	Tansill-Yates-Seven Rivers
ĸ.	Name of Field or Pool (if applicable):	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone(s)? i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None	
s,	Give the name and depths of any oil or gas zones under in this area:	f any oil or gas zones underlying or overlying the proposed injection zone
	An examination of OCD records shows that within Section 13, Towroil or gas zones underlying or overlying the proposed injection zone.	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 103 API No. 30-025-08604 1980' FSL & 1980' FWL (Unit K) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: May, 1955

12 ¼" Hole; Set 8 5/8" 24# J-55 Csg. @ 295' Cemented w/250 Sx. Class C. Cement circulated to surface.

July, 1976: Repaired leak in 5 ½" casing 960'-1,200'. Squeezed w/525 Sx. Tested casing to 1,200 psi. Held okay.

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,622'

Injection Perforations: 3,722'-3,854'

7 7/8" Hole; Set 5 ½" 15.5# J-55 Csg. @ 4,027'. Cemented w/800 Sx. Cement did not circulate. TOC @ surface by calculation.

WELL NAME & NUMBER:_

OPERATOR:_

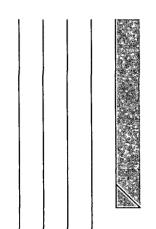
WELL LOCATION:

Melrose Operating Company		
& NUMBER: Cone Jalmat Yates Pool Unit No. 106	No. 106	
TION: 660' FSL & 660' FWL FOOTAGE LOCATION	M 13 UNIT LETTER SECTION	22 South 35 East ION TOWNSHIP RANGE
WELLBORE SCHEMATIC	WELL CONST Surfac	WELL CONSTRUCTION DATA Surface Casing
See Attached Wellbore Schematic	Hole Size: 12 1/4"	Casing Size: 8 5/8" @ 301"
	Cemented with: 150 Sx.	orft³
	Top of Cement:Surface	Method Determined: Circulated
	Intermed Size:	Intermediate Casing Casing Size:
	Cemented with:	orft³
	Top of Cement:	Method Determined:
	Hole Size: 7 7/8"	Production Casing Casing Size: 5 1/2" @ 3,999'
	Cemented with: 500 Sx.	or ft³
	Top of Cement: 1,333'	_ Method Determined: <u>Calculated</u>
	Total Depth: 4,000°	

Injection Interval

Perforated Interval - 3,760'-3,900'

Tubin	Tubing Size: 2 3/8" Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)
Packe	Packer Setting Depth: 3,660° or within 100° of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal (if applicable): None
	Additional Data
	Is this a new well drilled for injection:
	If no, for what purpose was the well originally drilled: Well was drilled as a producing well in June, 1956.
5.	Name of the Injection Formation: Tansill-Yates-Seven Rivers
ω.	Name of Field or Pool (if applicable): Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 106 API No. 30-025-08607 660' FSL & 660' FWL (Unit M) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: June, 1956

12 ¹/₄" Hole; Set 8 5/8" 24# J-55 Csg. @ 301' Cemented w/150 Sx. Class C. Cement circulated to surface.

TOC @ 1,333' by calculation

San Section

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,660'

Injection Perforations: 3,760'-3,900'

7 7/8" Hole; Set 5 ½" 14# J-55 Csg. @ 3,999' Cemented w/500 Sx. TOC @ 1,333' by calculation.

WELL NAME & NUMBER:_

OPERATOR:_

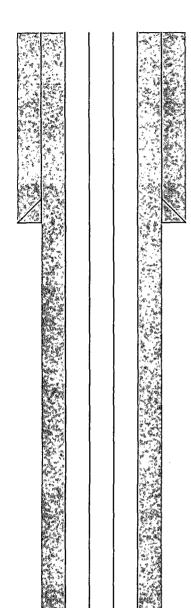
WELL LOCATION:

Melrose Operating Company				
& NUMBER: Cone Jalmat Yates Pool Unit No. 108	8(
TION: 660' FSL & 1980' FEL	0	13	22 South	35 East
FOOTAGE LOCATION	UNII LEI IEK	SECTION	IOWNSHIP	KANGE
WELLBORE SCHEMATIC	<u>W</u>	WELL CONSTRUCTION DATA Surface Casing	CTION DATA	
See Attached Wellbore Schematic	Hole Size: 12 1/4"	,	Casing Size: 8 5/8" @ 278'	" <u>@</u> 278'
	Cemented with:	150 Sx.	01	\mathfrak{f}^3
	Top of Cement:	Surface	Method Determined: Circulated	Circulated
	Hole Size:	Intermediate Casing	Casing Casing Size:	
	Cemented with:		or	ft ³
	Top of Cement:		Method Determined:	
	Hole Size: 7 7/8"	Production Casing " Casin	<u>Casing</u> Casing Size: 5 1/2" @ 3,952.	. <u>@ 3,952'</u>
	Cemented with:	1000 Sx.	or	ft.3
	Top of Cement:	Surface	Method Determined: Calculated	: Calculated
	Total Depth:	4,000°		

Injection Interval

Perforated Interval - 3,708'-3,814'

Tubir	Tubing Size: 2 3/8" Lining Material: Duo-Lined Tubing	
Type	Type of Packer:Baker AD-1 Tension Packer (IPC)	
Packe	Packer Setting Depth: 3,608' or within 100' of the uppermost injection perforations.	
Other	Other Type of Tubing/Casing Seal (if applicable): None	
	Additional Data	
-:	Is this a new well drilled for injection:	
	If no, for what purpose was the well originally drilled: Well was drilled as a producing well in September, 1956.	ber, 1956.
2.	Name of the Injection Formation: Tansill-Yates-Seven Rivers	
ю.	Name of Field or Pool (if applicable): Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)	
4 .	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.	detail,
	None	
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	
	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.	there are no



Cone Jalmat Yates Pool Unit No. 108 API No. 30-025-08608 660' FSL & 1980' FEL (Unit O) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: September, 1956

12 ¹/₄" Hole; Set 8 5/8" 24# J-55 Csg. @ 278' Cemented w/150 Sx. Class C. Cement circulated to surface.

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,608'

Injection Perforations: 3,708'-3,814'

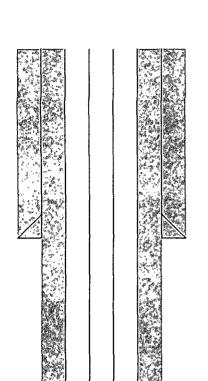
7 7/8" Hole; Set 5 ½" 17# J-55 Csg. @ 3,952' Cemented w/1000 Sx. Cement did not circulate. TOC @ surface by calculation.

OPERATOR: Melrose Operating Company				
WELL NAME & NUMBER: Cone Jalmat Yates Pool Unit No. 127	7			
WELL LOCATION: 1970' FSL & 2062' FEL	J	13	22 South	35 East
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE
WELLBORE SCHEMATIC	WELL O	CONSTRUCTIO Surface Casing	WELL CONSTRUCTION DATA Surface Casing	
See Attached Wellbore Schematic	Hole Size: 12 1/4"		Casing Size: 8 5/8" @ 409'	(a) 409'
	Cemented with: 37	375 Sx.	01	ft ³
	Top of Cement: Su	Surface	Method Determined: Circulated	Circulated
	Hole Size:	Intermediate Casing	Casing Size:	
	Cemented with:		00	ft ³
	Top of Cement:		Method Determined:	
	Hole Size: 7.7/8"	Production Casing Casin	Casing Size: 5 1/2" @ 4,032.	(a, 4,032)
	Cemented with: 700	700 Sx.		\mathfrak{m}^3
	Top of Cement: Surface	ace	Method Determined: Circulated	Circulated
	Total Depth: 4,0	4,040,		

Injection Interval

Perforated Interval - 3,700'-4,200' (Estimated)

Tubin	Tubing Size: 2 3/8"	Lining Material: Duo-Lined Tubing
Type	Type of Packer. Baker AD-1 Tension Packer (IPC)	IPC)
Packe	Packer Setting Depth. 3,600' or within 100'	3,600' or within 100' of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal (if applicable):	None
	Additional Data	1 Data
- :	Is this a new well drilled for injection:	X No
	If no, for what purpose was the well originally drilled:	d: Well was drilled primarily as an injection well. The well may
	be produced briefly to recover any flush production.	
2.	Name of the Injection Formation:Tansil	Tansill-Yates-Seven Rivers
ю.	Name of Field or Pool (if applicable):	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None	
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	derlying or overlying the proposed injection zone
	An examination of OCD records shows that within Section 13, Towroil or gas zones underlying or overlying the proposed injection zone.	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 127 API No. 30-025-38916 1970' FSL & 2062' FEL (Unit J) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: February, 2009

12 ¹/₄" Hole; Set 8 5/8" 24# J-55 Csg. @ 409' Cemented w/375 Sx. Class C. Cement circulated to surface.

Well has not yet been completed. Actual injection perforation data will be provided to NMOCD upon completion of operations.

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,600'

Injection Perforations: 3,700'-4,200' (Estimated)

7 7/8" Hole; Set 5 ½" 15.5# J-55 Csg. @ 4,032' Cemented w/700 Sx. Cement circulated to surface.

T.D. -4,040'

Melrose Operating Company				
JMBER: Cone Jalmat Yates Pool Unit No. 128	28 (Currently Drilling)	Drilling)		
1910' FSL & 725' FEL FOOTAGE LOCATION	I UNIT LETTER	13 SECTION	22 South TOWNSHIP	35 East RANGE
LBORE SCHEMATIC	<u> </u>	WELL CONSTRUCTION DATA Surface Casing	CTION DATA Ising	
ttached Wellbore Schematic	Hole Size: 12 1/4"	7,3	Casing Size: 8 5/8	8 5/8" @ 417'
	Cemented with:	375 Sx.	or	ft ³
	Top of Cement:	Surface	Method Determined: Calculated	: Calculated
	Hole Size:	Intermediate Casing	Casing Casing Size:	
	Cemented with:		or	ft ³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"		Production Casing (Proposed) Casing Size: 51/2	1) 5 1/2" @ 4200'
	Cemented with:	925 Sx.	or	ft ³
	Top of Cement:	Surface	Method Determined: Circulate	l: Circulate
	Total Depth:	4,200,	ı	

See Attached Wellbore Schematic

WELLBORE SCHEMATIC

WELL NAME & NUMBER:_

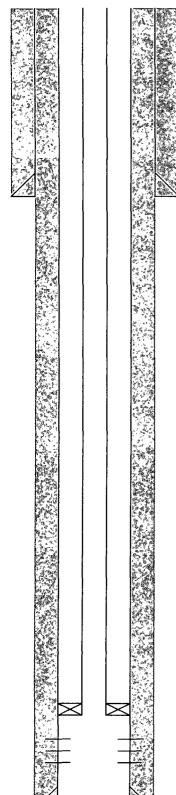
OPERATOR:_

WELL LOCATION:

Injection Interval

Perforated Interval – 3,700'-4,200' (Estimated)

Tubi	Tubing Size: 2.3/8" Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)
Pack	Packer Setting Depth: 3,600° or within 100° of the uppermost injection perforations.
Othe	Other Type of Tubing/Casing Seal (if applicable): None
	Additional Data
 i	Is this a new well drilled for injection:
	If no, for what purpose was the well originally drilled: Well was drilled primarily as an injection well. The well may
	be produced briefly to recover any flush production.
5.	Name of the Injection Formation: Tansill-Yates-Seven Rivers
w.	Name of Field or Pool (if applicable): Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None
δ.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 128 API No. 30-025-38917 1910' FSL & 725' FEL (Unit I) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: Currently Drilling

12 1/4" Hole; Set 8 5/8" 24# J-55 Csg. @ 417' Cemented w/375 Sx. Class C. Cement circulated to surface.

Drilling operations on this well have not yet been completed. Actual production casing & injection perforation data will be provided to NMOCD upon completion of operations.

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,600'

Injection Perforations: 3,700'-4,200' (Estimated)

7 7/8" Hole; Set 5 ½" 15.5# J-55 Csg. @ 4,200' Cement w/925 Sx. Circulate cement to surface. (Proposed)

T.D. -4,200'

WELL NAME & NUMBER:

OPERATOR:

WELL LOCATION:

Melrose Operating Company				
& NUMBER: Cone Jalmat Yates Pool Unit No. 130	30 (Not Yet Drilled)	Drilled)		
TION: 610' FSL & 2015' FWL FOOTAGE LOCATION	N UNIT LETTER	13 SECTION	22 South TOWNSHIP	35 East RANGE
WELLBORE SCHEMATIC	21	YELL CONSTRUCTIO Surface Casing	WELL CONSTRUCTION DATA (PROPOSED) Surface Casing	POSED)
See Attached Wellbore Schematic	Hole Size: 12 1/4"	/4"	Casing Size: <u>8 5/8" (a) 350</u>	" (a) 350°
	Cement with: 375 Sx.	Sx.	or	ft ³
	Top of Cement:	Surface	Method Determined: Circulate	: Circulate
	Hole Size:	Intermediate Casing Casing	Casing Casing Size:	
	Cement with:		or	ft ³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"	Production Casing 8" Cas	<u>sing</u> Casing Size: 5 1/2" (<u>a</u> 4,200'	" <u>@ 4,200</u> "
	Cement with:	925 Sx.	or	ft ³
	Top of Cement:	Surface	Method Determined: Circulate	: Circulate
	Total Depth:	4,200°	ı	

Injection Interval

Perforated Interval – 3,700°-4,200° (ESTIMATED)

Tubir	Tubing Size:	2 3/8"	Lining Material: Duo-Lined Tubing
Type	Type of Packer:	Baker AD-1 Tension Packer (IPC)	Packer (IPC)
Packe	Packer Setting Depth.		3,600' or within 100' of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal	g/Casing Seal (if applicable):_	None
		A	Additional Data
_	Is this a new	Is this a new well drilled for injection:	X Yes No
	If no, for whe	If no, for what purpose was the well originally drilled:	Ily drilled: Well will be drilled primarily as an injection well. The well
	may be produ	may be produced briefly to recover any flush production.	h production.
5.	Name of the	Name of the Injection Formation:	Tansill-Yates-Seven Rivers
33.	Name of Fiel	Name of Field or Pool (if applicable):	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well i.e. sacks of c	Has the well ever been perforated in any ot i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None		
δ.	Give the nam in this area:	e and depths of any oil or gas	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	An examinat oil or gas zon	An examination of OCD records shows that oil or gas zones underlying or overlying the	An examination of OCD records shows that within Section 13, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.

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

Date: 5-6-08

State of New Mexico **Energy Minerals and Natural**

Submit to appropriate District Office

Form C-101 May 27, 2004

Oil Conservation Division

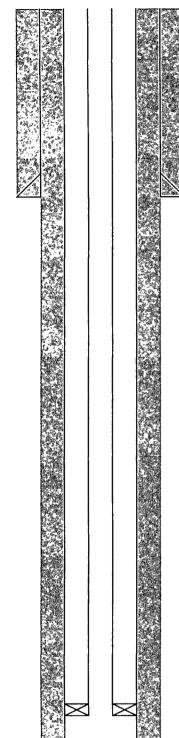
1220 South St. Francis Dr. MAY 1 3 2008

☐ AMENDED REPORT

District IV Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DI **IDD A ZONE** 184860-Operator Name and Address: OGRID Number: Melrose Operating Co., c/o Box 953, Midland, TX 79702 30 - 025Property Name Property Code Cone Jalmat Yates Pool Unit 25203 10 Proposed Pool 2 9 Proposed Pool 1: Jalmat, Tansill-Yates-7 Rvrs Surface Location Feet from the East/West hEast UL or lot no Section Township Range Lot Idn Feet from the North/South line County 2015 West Lea 35-E 610 South 13 22-S N 8 Proposed Bottom Hole Location If Different From Surface North/South line East/West line Lat Ida Feet from the Feet from the County UL or lot no. Section Township Additional Well Information 13 Ground Level Elevation 13 Cable/Rotary Work Type Code ¹² Well Type Code Lease Type Code R State 35713 N 16 Multiple Proposed Depth Formation Contractor 20 Spud Date 5-20-08 4200 Yates TBA No Distance from nearest surface water: none Depth to Groundwater: 120° Distance from nearest fresh water well: Liner. Synthetic: X 12 mils thick Clay Pit Volume: 3000 bbls Drilling Method: Fresh Water X Brine X Diesel/Oil-based Gas/Air Closed-Loop System ²¹ Proposed Casing and Cement Program Sacks of Cement Casing weight/foot Estimated TOC Hole Size Casing Size Setting Depth 12 1/4" 8 5/8" 24# 350 375 sxSurface 7.7/8" 5.1/2" 15.5# 4200' 925.sxSurface 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 12 l/4" hole to 350', set 8 5/8" casing @ 350', cementing with 375 sx Cl C, slurry wt of 14.8 ppg, yield of 1.34 cf/sx, type Cl C with 2% CaCl2. Drill 7 7/8" hole to 4200', run open hole logs, set production casing string to approximately 4200', cementing with lead slurry of 600 sx, 50:50 poz Cl C w/10% bentonite + Sodium Chloride + 0.2% FL, slurry weight - 11.80 ppg, yield - 2.45 cf/sx; tail w/ 325 sx, 50:50 poz Cl C + 10% bentonite + Sodium Chloride + 0.2% FL, slurry weight - 14.2 ppg, yield -1.3 cf/sx Will perforate, stimulate & test well. We do not anticipate encountering any H2S intervals during the drilling of this well, based on wells drilled offsetting this location and producing wells in the unit. ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION 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 Approved by: Printed name: Ann E. Ritchie TILLOC DESTRICT SUPERVISOR/CENERAL MANAGES Approval Date: MAY 2 1 2008 Title: Regulatory Agent **Expiration Date:** E-mail Address: ann.ritchie@wtor.net

Phone: 432 684-6381/214-762-0830

Conditions of Approval Attached



Cone Jalmat Yates Pool Unit No. 130 API No. 30-025-38918 610' FSL & 2015' FWL (Unit N) Section 13, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: Not Yet Drilled

12 ¼" Hole; Set 8 5/8" 24# J-55 Csg. @ 350' Cement w/ 375 Sx. Class C. Circulate cement to surface.

Proposed Wellbore Configuration

(Actual drilling and completion data will be provided to the NMOCD upon completion.)

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,600'

Injection Perforations: 3,700'-4,200'

7 7/8" Hole; Set 5 $\frac{1}{2}$ " 15.5# J-55 Csg. @ 4,200' Cement w/ 925 Sx. Class C. Circulate cement to surface.

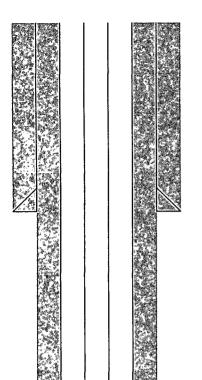
T.D. - 4,200'

OPERATOR: Melrose Operating Company		
WELL NAME & NUMBER: Cone Jalmat Yates Pool Unit No. 146	(Not Yet Drilled)	
WELL LOCATION: Not Yet Staked	E 24	22 South 35 East
FOOTAGE LOCATION	UNIT LETTER SECTION	TOWNSHIP
WELLBORE SCHEMATIC	WELL CONSTRUCTIO Surface Casing	WELL CONSTRUCTION DATA (PROPOSED) Surface Casing
See Attached Wellbore Schematic	Hole Size: 12 1/4"	Casing Size: 8 5/8" @ 350'
	Cement with: 375 Sx.	orft³
	Top of Cement: Surface	Method Determined: Circulate
	Intermediate Casing Hole Size: Casing	Casing Size:
	Cement with:	orft³
	Top of Cement:	Method Determined:
	Production Casing Hole Size: 7.7/8" Cas	<u>asing</u> Casing Size: 5 1/2" @ 4,200
	Cement with: 925 Sx.	orft³
	Top of Cement:Surface	Method Determined: Circulate
	Total Depth: 4,200'	I

Injection Interval

Perforated Interval – 3,700°-4,200° (ESTIMATED)

Tubin	Tubing Size: 2 3/8"	Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)	(IPC)
Packe	Packer Setting Depth: 3,600' or within 100'	3,600' or within 100' of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal (if applicable):	None
	Additional Data	ıl Data
	Is this a new well drilled for injection:	X Yes No
	If no, for what purpose was the well originally drilled:	ed: Well will be drilled primarily as an injection well. The well
	may be produced briefly to recover any flush production.	ction.
5.	Name of the Injection Formation:Tansil	Tansill-Yates-Seven Rivers
ς;	Name of Field or Pool (if applicable)Jalma	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4.	Has the well ever been perforated in any other zone i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None	
5.	Give the name and depths of any oil or gas zones u in this area:	of any oil or gas zones underlying or overlying the proposed injection zone
	An examination of OCD records shows that within Section 24, Town oil or gas zones underlying or overlying the proposed injection zone.	An examination of OCD records shows that within Section 24, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 146 API No. N/A

Well Location: Well has not yet been staked, but will be located in Unit E of Section 24, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: Not Yet Drilled

12 ¹/₄" Hole; Set 8 5/8" 24# J-55 Csg. @ 350' Cement w/ 375 Sx. Class C. Circulate cement to surface.

Proposed Wellbore Configuration

(Actual drilling and completion data will be provided to the NMOCD upon completion.)

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,600'

Injection Perforations: 3,700'-4,200'

7 7/8" Hole; Set 5 $\frac{1}{2}$ " 15.5# J-55 Csg. @ 4,200' Cement w/ 925 Sx. Class C. Circulate cement to surface.

T.D. - 4,200'

Melrose Operating Company				
MBER: Cone Jalmat Yates Pool Unit No. 201	11			
660' FNL & 660' FEL	A	24		35 East
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE
BORE SCHEMATIC	WE	WELL CONSTRUCTION DATA Surface Casing	CTION DATA tsing	
tached Wellbore Schematic	Hole Size: 11"		Casing Size: 8 5/8"	8 5/8" @ 302"
	Cemented with:	225 Sx.	or	ft3
	Top of Cement:	Surface	Method Determined: Calculated	Calculated
	Hole Size:	Intermediate Casing	Casing Casing Size:	
	Cemented with:		or	ft³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"	Production Casing Casing	Casing Casing Size: 5 1/2" @ 3,910'	<u>@3,910'</u>
	Cemented with:	600 Sx.	0r	f
	Top of Cement:	712,	Method Determined: Calculated	Calculated
	Total Depth:	3,910°		

See Attached Wellbore Schematic

WELLBORE SCHEMATIC

WELL NAME & NUMBER:

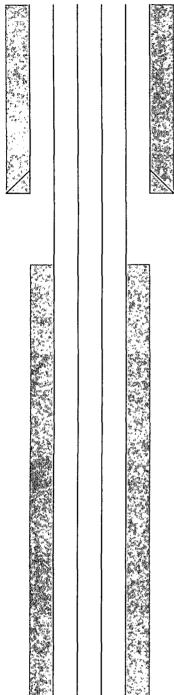
OPERATOR:_

WELL LOCATION:_

Injection Interval

Perforated Interval - 3,622'-3,820'

Tubin	Tubing Size: 2 3/8" Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)
Packe	Packer Setting Depth: 3,522' or within 100' of the uppermost injection perforations.
Other	Other Type of Tubing/Casing Seal (if applicable): None
	Additional Data
<u></u>	Is this a new well drilled for injection:
	If no, for what purpose was the well originally drilled: Well was drilled as a producing well in December, 1954.
2.	Name of the Injection Formation: Tansill-Yates-Seven Rivers
æ.	Name of Field or Pool (if applicable): Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4 .	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
	An examination of OCD records shows that within Section 24, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Melrose Operating Company Cone Jalmat Yates Pool Unit No. 201

API No. 30-025-08643 660' FNL & 660' FEL (Unit A) Section 24, T-22 South, R-35 East, NMPM Lea County, New Mexico

Date Drilled: December, 1954

11" Hole; Set 8 5/8" 24# J-55 Csg. @ 302' Cemented w/225 Sx. Class C. TOC @ surface by calculation.

TOC @ 712' by calculation

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,522'

Injection Perforations: 3,622'-3,820'

7 7/8" Hole; Set 5 ½" 14# J-55 Csg. @ 3,910' Cemented w/600 Sx. TOC @ 712' by calculation

OPERATOR: Melrose Operating Company				
WELL NAME & NUMBER: Cone Jalmat Yates Pool Unit No. 303	03			
WELL LOCATION: 1980' FNL & 1980' FEL	G	24	22 South	35 East
FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE
WELLBORE SCHEMATIC	M	WELL CONSTRUCTION DATA Surface Casing	CTION DATA asing	
See Attached Wellbore Schematic	Hole Size: 11"		Casing Size: <u>8 5/8" @ 292</u>	" @ 292°
	Cemented with:	225 Sx.	or	ft ³
	Top of Cement:	Surface	Method Determined: Circulated	Circulated
	Hole Size:	Intermediate Casing Casing	Casing Casing Size:	
	Cemented with:		or	ft³
	Top of Cement:		Method Determined:	
	Hole Size: 77/8"	Production Casing	Casing Casing Size: 5 1/2" (a) 3,849*	<u>(a) 3,849′</u>
	Cemented with:	600 Sx.	or	ft ³
	Top of Cement:	651'	Method Determined: Calculated	Calculated
	Total Depth:	3,854	,	

Injection Interval

Perforated Interval - 3,696'-3,803'

INJECTION WELL DATA SHEET

Tubii	Tubing Size: 2 3/8"	Lining Material: Duo-Lined Tubing
Type	Type of Packer: Baker AD-1 Tension Packer (IPC)	IPC)
Pack	Packer Setting Depth: 3,596' or within 100'	3,596' or within 100' of the uppermost injection perforations.
Othe	Other Type of Tubing/Casing Seal (if applicable):	None
	Additional Data	<u>I Data</u>
_;	Is this a new well drilled for injection:	Yes X No
	If no, for what purpose was the well originally drilled:	d: Well was drilled as a producing well in September, 1956.
2	Name of the Injection FormationTansil	Tansill-Yates-Seven Rivers
ю.	Name of Field or Pool (if applicable):	Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool (33820)
4 .	Has the well ever been perforated in any other zone i.e. sacks of cement or plug(s) used.	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
	None	
5.	Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	derlying or overlying the proposed injection zone
	An examination of OCD records shows that within Section 24, Towroil or gas zones underlying or overlying the proposed injection zone.	An examination of OCD records shows that within Section 24, Township 22 South, Range 35 East, NMPM, there are no oil or gas zones underlying or overlying the proposed injection zone.



Cone Jalmat Yates Pool Unit No. 303 API No. 30-025-08645 1980' FNL & 1980' FEL (Unit G) Section 24, T-22 South, R-35 East, NMPM Lea County, New Mexico

> **Date Drilled:** September, 1956

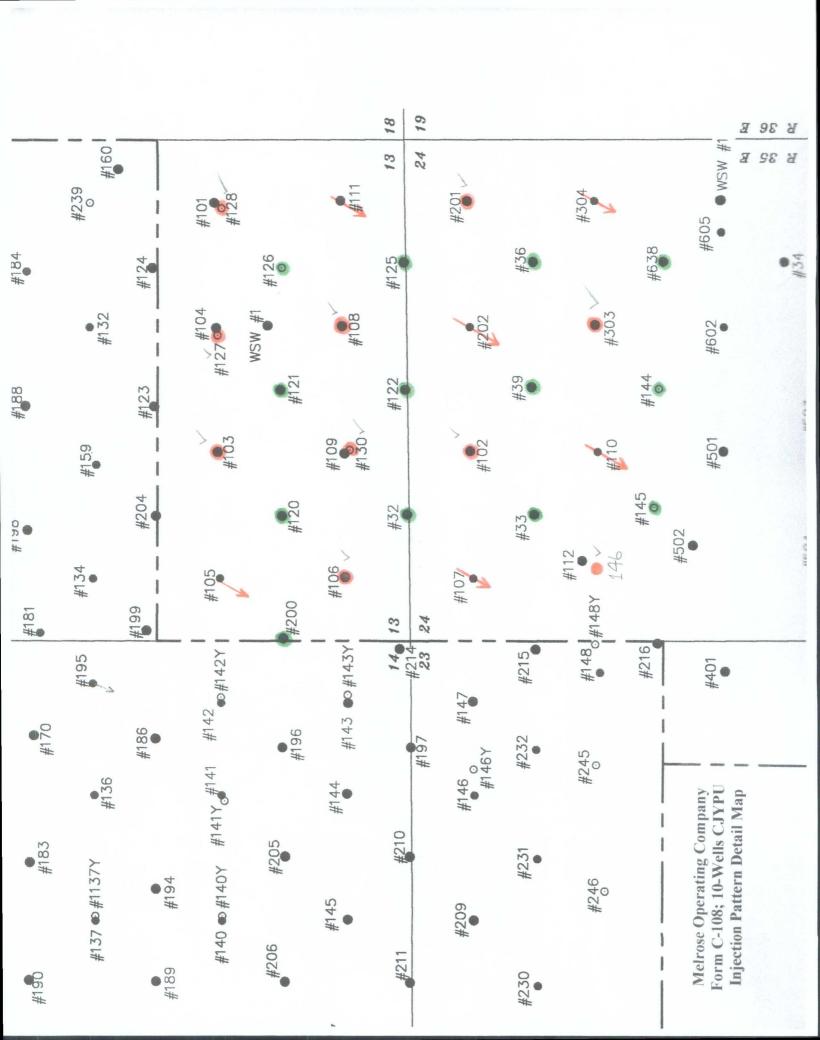
303 Songter 11" Hole; Set 8 5/8" 28# J-55 Csg. @ 292' Cemented w/225 Sx. Class C. Cement circulated to surface.

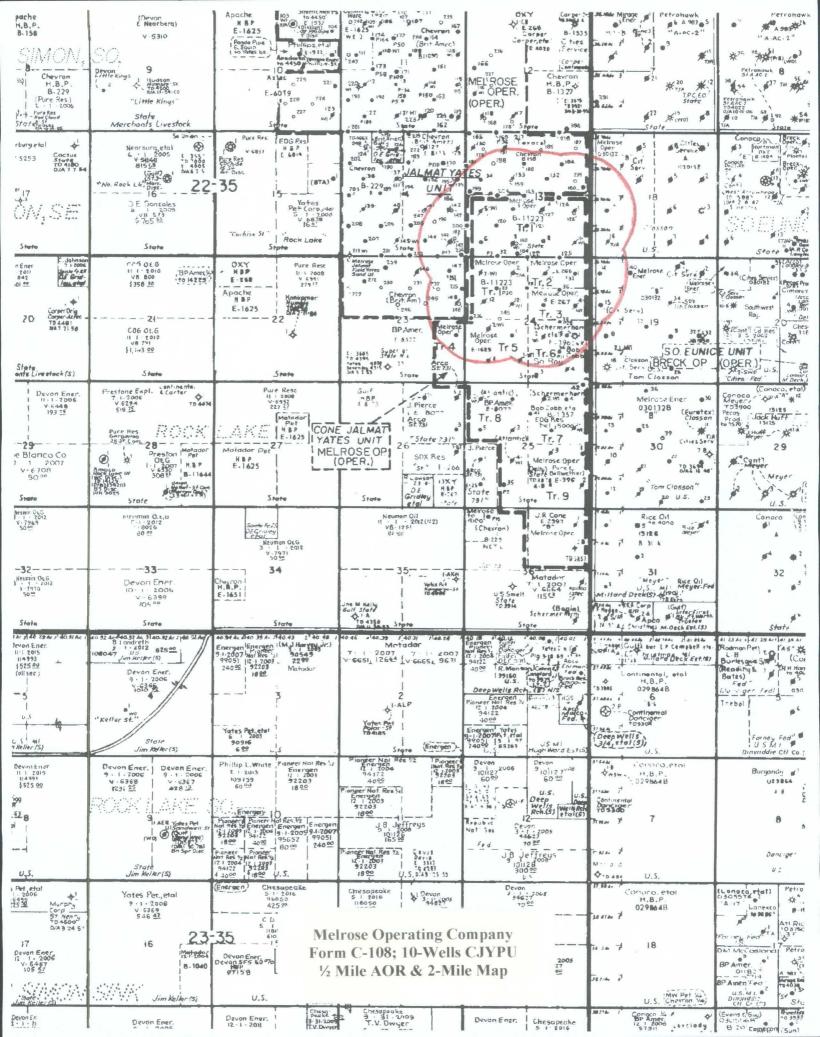
TOC @ 651' by calculation

2 3/8" Duo-lined tubing set in a Baker AD-1 (IPC) Tension Packer @ 3,596'

Injection Perforations: 3,696'-3,803'

7 7/8" Hole; Set 5 ½" 15.5# J-55 Csg. @ 3,849' Cemented w/600 Sx. TOC @ 651' by calculation.





MELROSE OPERATING COMPANY AREA OF REVIEW WELL DATA 10 WELLS-CONE JALMAT YATES POOL UNIT

APD Cancelled					-	\parallel									36E	9 228	C 19	€	1980'	860 N	ON ON ON	+	27 N/A	Closson "B" 27	30-025-26465 Martindale Petroleum	30-025-26465
Proposed Casing Design		Surface	JUS CZE	4,200 9,	51/2	/ //8		Sunace	3/5	350	8 5/8	12 1/4	4,200		S	4 225	G 24	п	2627	2630' N	NYU 26	+	4	144 144	30-025-38919 Mellose Operating Co.	30-025-38919
				Ш		+				4		+			-	╁	╁┤	\vdash			\perp	H	$\dagger \dagger$			
			_				\int				1				1		į	-]		-	-	-			
TOC calc. based on 1st stage only.																										
Well file does not show depth of DV tool.																										
2 Stage Cmt. Job. 1st-200 Sx. 2nd. 800 Sx.	Calc. 3,621'-3,896'		200 3,023		5 1/2"	7 7/8"	Circ.	Surface Circ.	쎯	1,270	8 5/8"	12 1/4"	4,090	Jun-94	35E	4 228	P 24	E	1310	1310' S	Active 13		34 P	CJYPU 634	30-025-32524 Melrose Operating Co.	30-025-32524
	Circ.	Surface (0-3,885' 3	4" Liner																					
Csg. Leak 1,053'-1,149' repaired 1985.		2,322 C	_	3,840' 25	5 1/2"		Circ.	Surface	150	293'	9 5/8"	12 1/4"	3,840'	Jun-56	35E	4 22S	N 24		2310	S .066	Active 90	Ą	ස _	CJYPU 503	30-025-08641 Melrose Operating Co.	30-025-08641
Schematic Attached	Calc. 3,766'-3,826'	-	⊢	3,841' 29	7	8 3/4"	Circ.	Surface	150	304'	9 5/8"	12 1/4"	3,841	-	35E	4 22S	M 24	H	990'	990' S	PA 96			CJYPU Track 5 4	L	30-025-08642
Plugged Back. See Schematic	Calc. 900'-1,040'	-	-	3,594' 29	51/2"		Calc.	1,721 1,000 Surface	1,000		8 5/8"	1	-	Apr-55	35E	4 22S	24	т	660'	1980' S	Active 19	П	1 Supply	CJYPU 1	Melrose Operating Co.	30-025-08650
DV Tool @ 1,640. 1st-300 Sx. 2nd-150 Sx.	Calc. 3,614-3,800			3,844' 3(51/2"	-	Circ.	Surface	g	321	8 5/8"	11"	1	┰	35E	H	1 24	Ш	990'	1980' S	Active 19	<u> </u>	95 P	CJYPU 605	30-025-08654 Melrose Operating Co.	30-025-08654
	Calc. 3,644-3,752	982' C		<u> </u>	H		Circ.	Surface	မ္တ		_	12 1/4"	3,915'	Feb-96	35E	4 22S	24	т	1310	2575' S	Active 25	_	38 P	CJYPU 638	30-025-33058 Melrose Operating Co.	30-025-33058
150 Sx. Csg. Leak 540'-571' Repaired 1985.		1		0-3,856' 30	4	L											L					-				
DV Tool @ 1,682' Stage 1-300 Sx. Stage 2	Calc. 3,670'-3,786'			3,900' 30	5 1/2"				300	302'	8 5/8"	11"	3		35E		J 24	m	1980	1980' S		Ą	ਨ ਨ	CJYPU 602	Melrose Operating Co.	30-025-08651
5 1/2" Annulus Cemented from 336'-Surface	Calc. 3,820'-3,856'	2,617' C	├	3,950' 25	5 1/2"	7 7/8"	Circ.	Surface	150	315	8 5/8"	12 1/4"	3,950'	Mar-56	35E	4 22S	K 24	₹	1980'	1980' S	Active 19	L	9 P	CJYPU 501	Melrose Operating Co.	30-025-08639
		Surface (-	Ŀ	4" Liner	_												<u> </u>								
	Calc. 3,758-3,830'	2,617 C	_	3,950' 25	5 1/2"	7 7/8"	Circ.	Surface	150	296'	9 5/8"	12 1/4"	ဒ	May-56	35E	4 22S	L 24	8	990'	2310' S	Active 23	Ą	_ ਨ	CJYPU 502	Melrose Operating Co.	30-025-08640
	Calc. 3,593'-3,782'	626' C	600		5 1/2"	7 7/8"	Circ.	Surface	225	296'	8 5/8"	11,	3,823	Nov-56	35E	4 22S	H 24	m	660 0	1980' N	Active 19	Ac	<u>ئے</u> ۔	CJYPU 304	Melrose Operating Co.	30-025-08646
DV Tool @ 3,380'.					-		Ç					_	1,000	, un-	-				Č		- Toure			000	rections operating oo.	00-020-00
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	4	-	+	1	51/2	_			-	+	- 1	-+	4	+	-	+	+	7	140	+	4	4	†		Melrose Operating Co	
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	Calc. 3,622'-3,702'	┥	T		51/2"				225	302			ယ	\dashv		_	A 24	Е,	660'	660 Z	_		91 P		_	
			Н		5 1/2"			-	850	1,613		-	ပ		_	L	E 19	٧	330'	1980' N	Active 19		5 P			
		ě	-		4 1/2"	-	_		725	1,539	8 5/8"		3	Feb-01		9 22S	C 19	₩ (1650'	60' N	Active 660'		БР	Closson "B" Fed 40		
					5 1/2"		_		900	1,622	8 5/8"		3		┝	├	D 19	٧	330'	60' N	Active 66	_	14 P	ă	L	
		666"	600	3,863 6	51/2"	7 7/8"	_		900	,	8 5/8"	12 1/4"	3,872	Н	36E	Н	M 18	>	660'	660' S	Active 66	_	16 P	Δį	_	
	_			L	5 1/2"	-		Surface		400'	8 5/8"		4		\vdash	3 22S	P 13	E	1310	10' S	Active 1	L	25 P	CJYPU 12	Melrose Operating Co.	30-025-37137
	Circ. 3,642'-3,748'	Surface (950 Sur	Ц	5 1/2"	\blacksquare	Circ.	Surface	300		8 5/8"		4	Jan-06	35E	Н	N 13	٧	2630'	10' S	Active 1	L	22 P	CJYPU 122	Melrose Operating Co.	30-025-37136
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REMARKS	MTD. COMPLETION		X C			P.	MTD. HOLE	CMT.	SX.	13S	-	HOLE	TOTAL	E/W UNIT SEC. TSHP RNG. DATE	RNG.	C. TSH	VIT SEC	E/W UP	FTG.	G N/S	WELL WELL STATUS FTG. N/S FTG.	LL STA	LL WE	LEASE WE	OPERATOR	API NUMBER

Melrose Operating Company Form C-108; 10-Wells CJYPU AOR Well Data-Page 1 Entered Duly 12, 1963

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 2803 Order No. R-2495

APPLICATION OF J. R. CONE FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>llth</u> day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the Cone Jalmat Yates Pool Unit Agreement has been approved by the Commission by Order No. R-2494; that the Cone Jalmat Yates Pool Unit Area comprises 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.
- (3) That the applicant, J.R. Cone, seeks permission to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through four wells located within said unit area.
- $\mbox{(4)}$ That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

10 P. C.

-2-CASE No. 2803 Order No. R-2495

- (6) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.
- (7) That all water injection should be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

IT IS THEREFORE ORDERED:

- (1) That the applicant, J. R. Cone, is hereby authorized to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through the following-described four wells in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

 - J. R. Cone Nix State Well No. 4, Unit J, Section 13 J. R. Cone Nix State Well No. 5, Unit L, Section 13 J. R. Cone Nix State Well No. 9, Unit N, Section 13
 - J. R. Cone Nix State Well No. 7, Unit D, Section 24
- (2) That all water injection shall be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.
- (3) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.
- (4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-CASE No. 2803 Order No. R-2495

 $\ensuremath{\mathtt{DONE}}$ at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

TACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

APPLICATION OF NEWMONT OIL
COMPANY TO EXPAND ITS LOCO
HILLS GRAYBURG WATER FLOOD
PROJECT IN THE LOCO HILLS
POOL IN EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER WFX NO. 122

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701, Newmont Oil Company, has made application to the Commission on November 26, 1962, for permission to expand its Loco Hills Grayburg Water Flood Project in the Loco Hills Pool, Eddy County, New Mexico.

NOW, on this 11th day of December, 1962, the Secretary-Director finds:

- 1. That application has been filed in due form.
- 2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
- 3. That no objection has been received within the waiting period as prescribed by Rule 701.
- 4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
- 5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
 - 6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Newmont Oil Company, be and the same is hereby authorized to inject water into the Grayburg formation through the following described well for purposes of secondary recovery, to wit:

Yates "A" Well No. 14 located in the SE/4 NE/4 of Section 6, Township 18 South, Range 30 East, NMPM,

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,

Secretary-Director

APPLICATION OF J. R. CONE TO EXPAND ITS CONE JALMAT YATES POOL UNIT WATER FLOOD PROJECT IN THE JALMAT POOL IN LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER WFX NO. 180

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701, J. R. Cone has made application to the Commission on August 27, 1964, for permission to expand its Cone Jalmat Yates Pool Unit Water Flood Project in the Jalmat Pool, Lea County, New Mexico.

NOW, on this 22nd day of September, 1964, the Secretary-Director finds:

- 1. That application has been filed in due form.
- 2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
- 3. That no objection has been received within the waiting period as prescribed by Rule 701.
- 4. That the proposed injection wells are eligible for conversion to water injection under the terms of Rule 701.
- 5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
 - 6. That the application should be approved.

IT IS THEREFORE ORDERED: That the applicant, J. R. Cone, be and the same is hereby authorized to inject water into the Yates formation through the following described wells for purposes of secondary recovery, to wit:

Unit Well No. 1-11 located in the SE/4 SE/4 of Section 13, Unit Well No. 1-10 located in the SE/4 NW/4 of Section 24, Unit Well No. 2-2 located in the NW/4 NE/4 of Section 24, and Unit Well No. 3-4 located in the SE/4 NE/4 of Section 24, all in Township 22 South, Range 35 East, NMPM,

PROVIDED HOWEVER. That applicant shall inject water through tubing with packers set well below the top of the cement surrounding production casing in the above-described wells.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,

Secretary-Director

APPLICATION OF J. R. CONE TO EXPAND ITS CONE JALMAT YATES POOL UNIT WATER FLOOD PROJECT IN THE JALMAT POOL IN LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER WFX NO. 206

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701, J. R. Cone has made application to the Commission on May 3, 1965, for permission to expand its Cone Jalmat Yates Pool Unit Water Flood Project in the Jalmat Pool, Lea County, New Mexico.

NOW, on this 27th day of May, 1965, the Secretary-Director finds:

- 1. That application has been filed in due form.
- 2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
- 3. That no objection has been received within the waiting period as prescribed by Rule 701.
- 4. That the proposed injection wells are eligible for conversion to water injection under the terms of Rule 701.
- 5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
 - 6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, J. R. Cone, be and the same is hereby authorized to inject water into the Yates formation through the following described wells for purposes of secondary recovery, to wit:

Unit Well 7-2 located in the NW/4 NE/4 of Section 25, Unit Well 8-2 located in the NW/4 NW/4 of Section 25, Unit Well 5-2 located in the NW/4 SW/4 of Section 24, Unit Well 5-3 located in the SE/4 SW/4 of Section 24, Unit Well 6-2 located in the NW/4 SE/4 of Section 24 and Unit Well 6-4 located in the SE/4 SE/4 of Section 24, all in Township 22 South, Range 35 East, NMPM.

PROVIDED HOWEVER, That applicant shall inject water through tubing with packers set well below the top of the cement surrounding the production casing in all above wells.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO L CONSERVATION COMMISSION

A. L. PORTER, Jr.,

Secretary-Director

APPLICATION OF J. R. CONE TO EXPAND HIS CONE-JALMAT-YATES-POOL UNIT WATER FLOOD PROJECT IN THE JALMAT POOL IN LEA COUNTY, NEW MEXICO.

Administrative Order WFX No. 324

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 701, J. R. Cone made application to the Commission on October 9, 1969, for permission to expand his Cone-Jalmat-Yates-Pool Unit Water Flood Project in the Jalmat Pool, Lea County, New Mexico.

NOW, on this 24th day of October, 1969, the Secretary-Director finds:

- 1. That application has been filed in due form.
- 2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
- 3. That no objection has been received within the waiting period as prescribed by Rule 701.
- 4. That the proposed injection wells are eligible for conversion to water injection under the terms of Rule 701.
- 5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
 - 6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, J. R. Cone, be and the same is hereby authorized to inject water into the Yates formation through the following-described wells for purposes of secondary recovery, to wit:

Tract 5 Well No. 4 located in Unit M of Section 24, Tract 8 Well No. 4 located in Unit K of Section 25, and Tract 10 Well No. 1 located in Unit A of Section 36, all in Township 22 South, Range 35 East, NMPM.

PROVIDED HOWEVER, That the applicant shall inject water through tubing with packers set in the production strings as shown in the application dated October 6, 1969.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

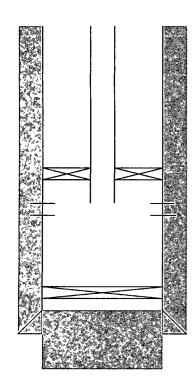
STATE OF NEW MEXICO
OCCUSERVACION COMMISSION

A. L. PORTER, Jr. Secretary-Director

REMARKS										No cement data.	the state of	ממווווווווווווווווווווווווווווווווווווו			Circulated		See schematic		paired 8/1978			aired 10/03-02/04		ent inh		be Re-plugged			hmitted	50			ubmitted			PA'd in 1952 &	9.		Ft. Diacel "D"	+ 200 Sx. Neat		
REM									1004	4 1/2" Liner set in 1965. No cement data	Potternation Deposite of the Control	Scrienianc Fleviously St			Currently Drilling	Saliniy Cilling	* 2-stage cement job. S		Csg. Leak 925-1170' Repaired 8/1978			Csg Leak 466'-520' Repaired 10/03-02/04		51/2" Csn 2 Stade cement inh		Problem Well. Well will be Re-plugged			Schematic Previously Submitted	in a second			Schematic Previously Submitted			PBTD-4,078. Well was PA'd in 1952 &	Re-entered in May, 1956	Not Yet Completed	305 Sx. Cmt. + 462 Cu. Ft. Diacel "D"	1500 Cu. Ft. 50/50 Poz + 200 Sx. Neat		
COMPLETION				3.610'-3.700'	3,662'-3,904'	3,730-3,978	3,750'-3,938'	3,786'-3,944'	0 0 10 10	3//3-3,8/5	3,834-4,030	3,610-3,702	3 638'-3,852'		3,748~3,878	3.589'-3.669'	3.600'-3,740'	3,630'-3,734'	3,663'-3,926'	3,718'-3,940'	3,754'-3,928'	3,766'-3,906'	3,794-3,960	3,768-3,983	3,706'-3,980'	3,700'-3,862'	3,672'-3,862'	3,830'-4,002'	3,612-3,900	3,818-3,992	3,818'-4,044'	3,816'-3,986	3,806-3,886	3 690'-3 834'	3,822'-4,096'	3,816'-3,956'	3.816-3.972	1100	3,810'-3,928'	3,818'-3,932'	3,708'-3,920'	
MTD.				Circ	Circ	Circ.	Circ.	Circ.	Calc	¥ S	2 2		Sign	Calc.	2	Calc		Circ.	Calc.	Circ.	Circ.	CBL	CIG.	Calc	Calc.	Calc.	Calc.	Circ	بر ا	Circ.	Circ.	Circ.	ığ υ ⊢	Sec	Calc	Circ.		Sec	T.S.	Circ.	Circ.	
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TOR			OR Well Data Was Previously Submitted With WFX	ing Co.	fing Co.	fing Co.	ting Co.	ting Co.	ting Co.	ر من المناطقة	ation	ing Co	ing Co.	ting Co.	00 500	ing Co.		ting Co.	Inc.	ting Co.	ting Co.	ting Co.	ing Co.	fing Co.	ting Co.	s, Inc.	ting Co.	fing Co.	ation	ting Co.	ting Co.	ting Co.	ing Co		-	ting Co.	ing Co.	ing Co.	ation	ing Co.	ing Co.	
OPERATOR				Aeirose Operat	Melrose Operating Co.	Melrose Operat	Melrose Operat	Melrose Operat	Melrose Operat	Aetroco Oporat	Gulf Oil Corporation	Aelrose Operat	Aelrose Operat	Welrose Operal	Melrose Onerat	Melrose Operating Co.	J.R. Cone	Melrose Operating Co.	Smith & Marrs, Inc	Welrose Opera	Welrose Opera	Welrose Opera	Melrose Operating Co.	Melrose Operating Co.	Aelrose Operat	SDX Resource	Melrose Operating Co.	Melrose Operating Co.	Aulf Oil Corpor	Aelrose Operat	Melrose Operating Co.	Melrose Operating Co	Melrose Operating C	Aelrose Operat	Melrose Operating Co.	Melrose Operating Co.	Aelrose Operat	Aelrose Operat	Gulf Oil Corporation	Melrose Operating Co.	Aelrose Operat	
API NUMBER			The Following A	30-025-38873 Meirose Operating Co.	30-025-38872 A	30-025-37580 Melrose Operating Co.	30-025-36574 Melrose Operating Co.	30-025-37719 Melrose Operating Co.	30-025-08613 Melrose Operating Co.	30-025 36864 Melroco Oscardina Co	30-023-38664 III	30-025-38868 Melrose Operating Co.	10-025-37682 N	30-025-08611 Melrose Operating Co.	30-025-38931 Melrose Operating Co.	30-025-33087 N		30-025-37226 N	30-025-08605	30-025-37225 Melrose Operating Co.	30-025-36863 Melrose Operating Co.			30-025-37132 N 30-025-32522 N	30-025-37133 Melrose Operating Co.		30-025-08610 N	30-025-36153 N	30-025-08617 Gulf Oil Corporation	30-025-38937 Melrose Operating Co.	30-025-38938 N	30-025-37269 N	30-025-08620 Melrose Operating Co	30-025-08954 Melrose Operating Co.	30-025-36561 N	30-025-08637 N	30-025-37275 Melrose Operating Co	30-025-38711 Melrose Operating Co.	30-025-08635 C	30-025-08634 N	30-025-08647 Melrose Operating Co.	. 000 000

Melrose Operating Company Form C-108; 10-Wells CJYPU AOR Well Data-Page 2

tat Was Previously Submitted With WEX Application Dated 31/82/009 (JFYSL) Double of the Color o	Marke No. Type No. E.W E.W Marke No. Type No. No. Type No	API NUMBER	OPERATOR	LEASE		VELL S	TATUS	WELL STATUS FTG. N/S	1	i. E/W	JNIT	C TS	E/W UNIT SEC. TSHP, RNG.		TOTAL		<u> </u>	SET	-		MTD. HOLE	_	-1	SET S	SX. CMT.	,	MTD. COMPLETION	APLETION	REMARKS	
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JFYSU 185B N/A ND 692 N 2089 E B 13 22S 35E C	JFYSU 185B NA ND 692 N 2089 E B 13 22S 35E CUYPU CUYPU 159B NA ND 1310 R 2310 E B 13 22S 35E R <td>6154 M</td> <td>Nelrose Operating Co.</td> <td>JFYSU</td> <td></td> <td>N/A</td> <td>Ð</td> <td>-</td> <td>⊢</td> <td>┡</td> <td>┝</td> <td>┝</td> <td>₩</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>L</td> <td></td> <td></td> <td>_</td> <td></td> <td></td> <td></td> <td>APD Cancelled May, 2004</td> <td></td>	6154 M	Nelrose Operating Co.	JFYSU		N/A	Ð	-	⊢	┡	┝	┝	₩									L			_				APD Cancelled May, 2004	
JFYSU 159B N/A ND 990° N 2310° E B 13 228 35E 96 96 N 2310° E B 13 228 35E 96 N 2310° N 2344° M C 13 228 35E 96 N 2464° M N C 13 228 35E 96 N C 13 228 35E 96 N 2464° M N C 13 228 35E 96 N C 13 228 35E 96 96 N C 13 228 35E 96 96 N 96 N 96 N 96 N 96 N 96 N 96 96 N 96	JFYSU 159B N/A ND 990' N 2310' E B 13 228 35E C	7693 M	Nelrose Operating Co.	JFYSU	┖	N/A	9	⊢	_	┖	-	├-	┞—			L					_	<u> </u>		<u></u>	L			'	APD Cancelled July, 2006	
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JFYSU 188 NA ND 1317 N 2464 W C 13 225 35E 9	JFYSU 188 NA ND 1317 N 2464 W C 13 225 35E C	3031 S	DX Resources, Inc.	JFYSU	L	A/N	Ð	⊢	_			-																,	APD Cancelled January, 2000	
JFYSU 188 N/A ND 1310° N 2464 W C 13 225 35E C <td>JFYSU 188 NA ND 1310° N 2464 W C 13 225 35E C</td> <td>5433 M</td> <td>Aelrose Operating Co.</td> <td>JFYSU</td> <td>├_</td> <td>N/A</td> <td>2</td> <td>Ь</td> <td></td> <td>ļ</td> <td>_</td> <td>⊢</td> <td>├</td> <td></td> <td>1</td> <td>APD Cancelled June, 2002</td> <td></td>	JFYSU 188 NA ND 1310° N 2464 W C 13 225 35E C	5433 M	Aelrose Operating Co.	JFYSU	├_	N/A	2	Ь		ļ	_	⊢	├															1	APD Cancelled June, 2002	
JFYSU 159F N/A ND 2026' N 13860 W F 13 225 35E P </td <td>JFYSU 158F NA ND 2026' N 1386' W F 13 225 35E C<</td> <td>6155 M</td> <td>felrose Operating Co.</td> <td>JFYSU</td> <td>⊢</td> <td>N/A</td> <td>1</td> <td>_</td> <td></td> <td>ł</td> <td> -</td> <td>⊢</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>ļ</td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> <td>'</td> <td>APD Cancelled May, 2004</td> <td></td>	JFYSU 158F NA ND 2026' N 1386' W F 13 225 35E C<	6155 M	felrose Operating Co.	JFYSU	⊢	N/A	1	_		ł	-	⊢									ļ					_		'	APD Cancelled May, 2004	
JFYSU 168 N/A ND 1650' N 330' E H 13 225 35E 9 </td <td>JFYSU 168 NA ND 1650' N 330' E H 13 225 35E C<</td> <td>7688 M</td> <td>Aelrose Operating Co.</td> <td>JFYSU</td> <td>╙</td> <td>N/A</td> <td>Г</td> <td></td> <td></td> <td>ł</td> <td>-</td> <td>⊢</td> <td>├</td> <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>_</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td>APD Cancelled July, 2006</td> <td></td>	JFYSU 168 NA ND 1650' N 330' E H 13 225 35E C<	7688 M	Aelrose Operating Co.	JFYSU	╙	N/A	Г			ł	-	⊢	├		_						_							1	APD Cancelled July, 2006	
JFYSU 168H NA ND 165G N 330 E H 13 223 35E 9	Operating Co. JFYSU 168H N/A ND 1650 N 330' E H 13 225 35E P	3680 S	DX Resources, Inc.	JFYSU	_	N/A	Г			┡	-	⊢							<u> </u>		-								APD Cancelled January, 2000	
CJYPU 37 N/A ND 2595' S 1395 E J 13 22S 35E	CJYPU 37 N/A ND 2596'S 1395 E J 13 22S 35E	5220 M	lelrose Operating Co.	JFYSU	╙	Ϋ́	Г		ł	┡	-	⊢			_				_		<u> </u>								APD Cancelled June, 2002	,
CJYPU 40 N/A ND 2830' S 1330 W K 13 22S 35E	CJYPU 40 N/A ND 2630 S 1330 W K 13 22S 35E	3153 S	DX Resources, Inc.	CJYPU	L	A/N	<u> </u>		⊢	L	5	⊢							_	-	_								APD Cancelled January, 2000	
JFYSU 186 N/A ND 2630' N 1165' E H 14 225 35E R<	JFYSU 186 N/A ND 2630' N 1056' E H 14 225 35E Secondary	3154 S		CJYPU	⊢	ΑN		<u> —</u>	H		×	⊢	├							-			<u>.</u>	-	-				APD Cancelled January, 2000	
JFYSU 232A NA ND 1310° N 1155° E A 23 22S 35E B<	JFYSU 232A NA ND 1310* N 1155* E A 23 22S 35E A A A B<	5428 M	Aelrose Operating Co.	JFYSU	L	A/N		<u>. </u>	1	┖	H	⊢	├						_			_		_	_				APD Cancelled June, 2002	
		7506 M	Melrose Operating Co.	JFYSU		N/A				Ш	H	\vdash	⊢										L					,	APD Cancelled January 11, 2000	
	Drillod								_									_												



Cement Plug- 60' to surface

Melrose Operating Company Cone Jalmat Yates Pool Unit No. 1 API No. 30-025-08650 1980' FSL & 660' FEL, Unit I Section 24, T-22S, R-35E

2 7/8" EUG Tbg.

Santa Rosa Perfs: 900'-1,040'

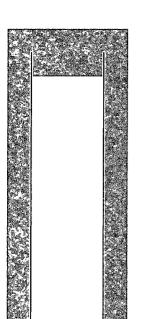
Drilled: 4/55

Plugged Back: 1965

CIBP @ 1,680'

11" Hole; 8 5/8" Csg. Set @ 1,721'. Cemented w/1000 Sx. TOC @ surface by Calc.

25 Sx. @ 1,730'



TOC @ 2,261' by Calc.

Cut & pulled 2,525' of 5 ½" csg. Spot 25 Sx. Cmt. @ csg. Stub.

7 7/8" Hole; 5 ½" Csg. Set @ 3,594' Cemented w/ 250 Sx. TOC @ 2,261' by Calc.

Open Hole producing interval 3,594'-3,710'. Set 30 Sx. Cmt. Plug.



Melrose Operating Company Form C-108; 10-Wells CJYPU Plug Back Schematic CJYPU Well No. 1

y	30-025-08650
NO. OF COPIES RECEIVED	Form C-103
DISTRIBUTION	Supersedes Old C-102 and C-103
SANTA FE NEW MEXICO OIL CONSERVATION COMMISSION . C.	Effective 1-1-65
U.S.G.S. 1EB 1 3 27 PM '67	5a. Indicate Type of Lease
LAND OFFICE	State X Fee
OPERATOR	5. State Oil & Gas Lease No.
	E 396-1
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROFOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)	
1	7. Unit Agreement Name Cone
OIL GAS WELL OTHER. Water Supply Well	Jalmat Yates Pool Unit
2. Name of Operator	8. Farm or Lease Name
J. R. CONE 3. Address of Operator	9. Well No.
Box 871, Lubbock, Texas 79408	WSW No. # (
4. Location of Well	10. Field and Pool, or Wildcat
UNIT LETTER I 1980 FEET FROM THE South LINE AND 660 FEET FRO	Jalmat Oil
East 24 22_S 35_E	
East LINE, SECTION 24 TOWNSHIP 22-5 RANGE 35-E NMPN	
15, Elevation (Show whether DF, RT, GR, etc.)	12. County
3584 Gr	Lea
Check Appropriate Box To Indicate Nature of Notice, Report or O	ther Data
NOTICE OF INTENTION TO: SUBSEQUEN	IT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK TEMPORARILY ABANDON COMMENCE DRILLING OPNS.	ALTERING CASING PLUG AND ABANDONMENT
PULL OR ALTER CASING CHANGE PLANS CASING TEST AND CEMENT JOB	
OTHER Conversion to k	later Supply X
OTHER	
17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including	g estimated date of starting any proposed
This well originally drilled as Schermerhorn Amerada-State Well N from Yates open hole interval 3594 to 37101. Casing program: 8-	5/8" comented at
1721' with 1000 sacks; 5-1/2" cemented at 3594' with 250 sacks. Top Analydrite 1627', Top Yates 3601'.	By Schemerhorn,
Well and a second	
Yates production abandoned in 1964 and 5-1/2" casing pulled. Bri 8-5/8" casing at 1680". 8-5/8" casing perforated opposite Santa	dge plug placed in
with 2 JSPF 900-978 and 998-1040. January 27, 1965, Santa Rosa with 15,000 gallons water and 15,000 pounds 10/20 sand.	perforations fracid
May 7 9 4045. Day Day 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	
May 7-8, 1965: Ran Byron-Jackson type 32-K-70 centrifugal pump o to 889' ground level. Placed well in service May 11, 1965 as Wat	n 2-7/8" EUE tubing
for the Cone Jalmat Yates Pool Unit water flood.	er outbir merr No. 2
CANA	
18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.	-
Signed / Storm Engineer	Poh 4h 40/p
SIGNED / W Y L A A - H. V. DEDIM TITLE EMETIMEEL	Feb. 14, 1967
APPROVED BY	DATE
CONDITIONS OF APPROVAL, IF ANY:	

J. R. Cone Cone Jalmat Yates Pool Unit Track 5 No. 4 API No. 30-025-08642 990' FSL & 990' FWL, Unit M Section 24, T-22S, R-35E

10 Sx. Surface plug

12 1/4" Hole; 9 5/8" Csg. Set @ 304'. Cemented w/150 Sx. Cement circulated to surface.

Cement circulated to surface.

Perf. 4 Holes @ 354'. Set 7" pkr. @

Plugged: 8/86

250'. Pump 50 Sx. Cmt. Tag plug @ 314'.

25 Sx. Cmt. Plug 1,609'-1,709'

Calculated TOC @ 2,303'

Mud placed between plugs.

Set 25 Sx. Cmt. Plug 3,500'-3,618'. Tagged @ 3,500'

Perforations: 3,766'-3,826'

8 3/4" Hole; 7" Csg. Set @ 3841'. Cemented w/ 250 Sx. Calculated TOC @ 2,303'.

T.D. 3,841'

Melrose Operating Company Form C-108; 10-Wells CJYPU PA Schematic CJYPU Track 5 No. 4

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

. wa. er corice account		
DISTRIBUTION		
BANTA FE		
7 (LE		
U.\$.G.\$.		
LAND OFFICE		
OPERATOR	7	1

CIL CONSERVATION DIVISION

DISTRIBUTION SANTA FE	P. O. BOX SANTA FE, NEW	•	Form C-103 Revised 10-1-78
FILE U.S.G.S. LAND OFFICE			State Off & Gas Lease No.
OPERATOR			5. State Off & Gas Lease No.
SUNDRY (DO NOT USE THIS FORM FOR PROPERTION	NOTICES AND REPORTS ON DEALS TO DESIGN OF PLUG B	WELLS ACK TO A DIFFERENT RESERVOIR. H PROPOSALS.)	
I. OIL X GAB WELL X	OTHER. IN WEST CO		7. Unit Agreement Name
2. Name of Operator			Cone Jalmat Yates Pool W
J. R. Cone 3. Address of Operator			9. Well No.
P.O. Box 871, Lubb	ock, Tx 79408		Tract 5 No. 4
!	FEET FROM THE South	LINE AND 990 PEET	Jalmat Yates
THE West LINE, SECTION	24 TOWNSHIP 22S	**************************************	MPM.
	15. Elevation (Show whether 3608 GR	DF, RT, GR, etc.)	12. County Lea
Check A	ppropriate Box To Indicate N	Nature of Notice, Report o	
NOTICE OF INT	ENTION TO:	SUBSEQI	JENT REPORT OF:
PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING	PLUG AND ABANDON	REMEDIAL WORK COMMENCE DRILLING OPNS. CASING TEST AND CEMENT JQB	ALTERING CASING PLUG AND ABANDONMENT
отнея		OTHER	
17. Describe Proposed or Completed Oper work) SEE RULE 1103.	rations (Clearly state all pertinent deta	Lails, and give pertinent dates, incl	uding estimated date of starting any proposed
1. 25 SX Plug 361	8 to 3518 Tag plug @ 350	00'	
2. Load & Circula	te 7" CSG w/10# Brine &	Salt Jel Mud	
3. 25 SX Plug 170	9 to 1609 .		
4. Perf 4½ Hole	s @354		
5. Run & Set 7° P . Tag plug @ 314	KR @ 250'. Mix & Pump 9	50 ŞX Class "C". Dis	place to 300'.
6. 10 SX @ Surf.	Install D.H. Marker.		
•			
18. I hereby certify that the information at	ove is true and complete to the best o	of my knowledge and belief.	

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 22S	Range: 35E	Sections:	11,12,13,14,23,24,25,26	
NAD27 X:	Y:	Zone:	Search Radius:	
County:	Basin:		· Number:	Suffix:
Owner Name: (First)	(La	st) ③ All	© Non-Domestic	① Domestic
POD / S	Surface Data Report Wate	r Column Re		

AVERAGE DEPTH OF WATER REPORT 04/07/2009

(Depth Water in Feet)

 Bsn
 Tws
 Rng
 Sec
 Zone
 X
 Y
 Wells
 Min
 Max
 Avg

 CP
 22S
 35E
 14
 185
 185
 185

Record Count: 1

Melrose Operating Company Form C-108; 10-Wells CJYPU State Engineer-Fresh Water Data

New Mexico Office of the State Engineer POD Reports and Downloads

To	wnship: $\frac{1}{22}$	Range: 36E	Sections:	7,18,19,30	
NAD2	7 X:	Y:	Zone:	Search Radius:	
County:		· Basin:		· Number:	Suffix:
Owner Name:	(First)	(I)	ast) ⊚ All	○ Non-Domestic	O Domestic
[POD	/ Surface Data Repo	ater Column Re	Avg Depth to Water Report	
		Clear Form	iWATERS		

AVERAGE DEPTH OF WATER REPORT 04/07/2009

(Depth Water in Feet)
Bsn Tws Rng Sec Zone X Y Wells Min Max Avg

No Records found, try again

Melrose Operating Company Form C-108; 10-Wells CJYPU State Engineer-Fresh Water Data .O.BOX 2187 -HOBBS, N.M. 88240



Report for: John Pool

ce: Chuck Morgan

cc: Cam Robbins

cc:

Company: SDX Resoures , Inc.

Address:

Service Engineer: John Cornwell

Date sampled: 02/23/95 Date reported: 03/01/95

Lease or well # : JalMat #113

County: State:

Formation:

Depth:

Submitted by: John Cornwell

CHEMICAL COMPOSITION :	mg/L	meg/L
Chloride (Cl)	4000	113
Iron (Fe) (total)	1.0	
Total hardness	1500	
Calcium (Ca)	320	16
Magnesium (Mg)	170	14
Bicarbonates (HCO3)	414	7
Carbonates (CO3)	O	
Sulfates (SO4)	540	11
Hydrogen sulfide (H2S)	. О	
Carbon dioxide (CO2)	0	
Sodium (Na)	2327	101
Total dissolved solids	7773	
Barium (Ba)	n/a	
Strontium (Sr)	n/a	
Specific Gravity	1.005	

Specific Gravity 1.005
Density (#/gal.) 8.375
pH 7.080
IONIC STRENGTH 0.15

Stiff-Davis (CaCO3) Stability Index:

SI = pH - pCa - pAlk - K

SI 686 F = +0.20104 F = +0.42

122 F = +0.66

140 F = +0.91

158 F = +1.18

This water is 2406 mg/l (-79.35%) under ITS CALCULATED CaSO4 saturation value at 82 F.
SATURATION= 3032 mg/L PRESENT= 626 mg/L

REPORTED BY JOY DUNCAN

Melrose Operating Company Form C-108; 10-Wells CJYPU Fresh Water Analysis

LAB TECHNICIAN



Li Balchen Chessical Services

UNICHEM Representative: Hanson, Levell

MELROSE OPERATING

COMPANY

Production Water Analysis

Listed below please find water analysis report from: Jelmat 5 and Unit, IPD

Leb Test No:

2003144500

Bampie Date:

11/03/2003

Specific Gravity: 1.054

MOS:

90968

p41:

7.50

Cations:	mg/L	85:	
Calcium	2860	(Ca [*])	
Magnesium	30\$6	(Mg T	
Sodium	27413	(Na)	
hou	\$.00	(Fe ⁻)	
Berium	2.40	(Ba)	
Strontium	68.30	(Sr)	
Manganese	1.04	(Mn)	
Anions:	mg/L	98:	
Bicarbonate	708	(HCO,)	
Suhate	1650	(5 0_)	
Chloride	45200	(CI)	
Gases:		(,	
Carbon Dloxide	60	(co³)	
Hydrogen Sulfide	68	(H,S)	

Form C-108 Affirmative Statement Melrose Operating Company Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 Sections 13 & 24, T-22 South, R-35 East, NMPM, Lea County, New Mexico

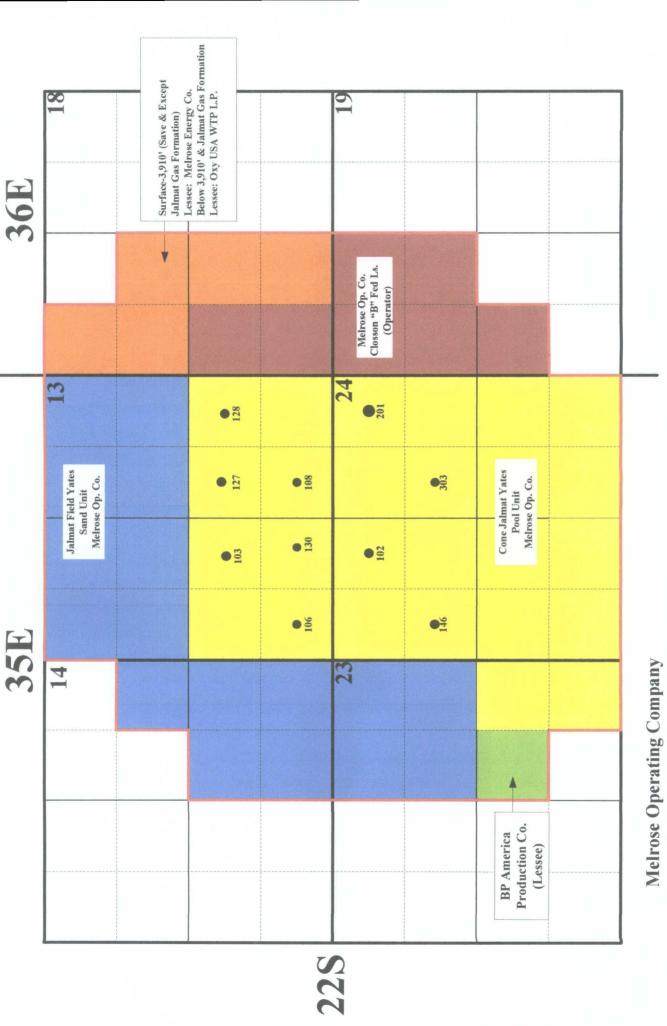
Available geologic and engineering data has been examined and no evidence of open faults or hydrological connection between the injection zone and any underground sources of drinking water has been found.

Tony Beilman

Operations Manager

Melrose Operating Company

<u>4/16/09</u> Date



- C-108 Notice Area

Form C-108; 10 Wells; CJYPU
Offset Owner/Leasehold
Owner Identification

Melrose Operating Company Form C-108; Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 Sections 13 and 24, T-22S, R-35 East, NMPM, Lea County, New Mexico

Offset Operator/Leasehold Owner Notification List

Lots 1 & 2, SE/4 NW/4, E/2 SW/4 of Section 18, T-22S, R-36E Federal Lease No. LC-030132

Surface-3,910' (Save & except Jalmat Gas Formation) Melrose Energy Company (Leasehold owner) 1000 W. Wilshire, Suite 223 Oklahoma City, Oklahoma 73116

Below 3,910' & Jalmat Gas Formation Oxy USA WTP L.P. (Leasehold owner) P.O. Box 4294 Houston, Texas 77210-4294

W/2 SW/4 of Section 18 & NW/4 & NW/4 SW/4 of Section 19, T-22S, R-36E Closson "B" Federal Lease

Melrose Operating Company (Operator) 1000 W. Wilshire, Suite 223 Oklahoma City, Oklahoma 73116

NW/4 SE/4 of Section 23, T-22S, R-35E State Lease No. E-8322-1 BP America Production Company (Leasehold Owner) P.O. Box 22048 Tulsa, Oklahoma 74121

Surface Owner

Merchants Livestock Company P.O. Box 1166 Carlsbad, New Mexico 88220

Additional Notice

Oil Conservation Divison (Hobbs Office) 1625 N. French Drive Hobbs, New Mexico 88240

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSET LEASEHOLD OPERATORS & SURFACE OWNER

Re: Melrose Operating Company

Form C-108 (Application for Authorization to Inject)

Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128,

130, 146, 201 and 303

Cone Jalmat Yates Pool Unit Waterflood Project Sections 13 & 24, T-22 South, R-35 East, NMPM,

Lea County, New Mexico

Ladies & Gentlemen:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Melrose Operating Company Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303 located in Sections 13 and 24, T-22 South, R-35 East, NMPM. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. The proposed expansion of the Cone Jalmat Yates Pool Unit Waterflood Project will allow the completion of an efficient injection/production pattern within the Unit Area.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (469) 721-2046.

Sincerely,

Tony Beilman

Operations Manager

Melrose Operating Company

1000 W. Wilshire

Suite 223

Oklahoma City, Oklahoma 73116

Enclosure

Form C-108

Melrose Operating Company
Cone Jalmat Yates Pool Unit Wells No. 102, 103, 106, 108, 127, 128, 130, 146, 201 and 303
Sections 13 & 24, T-22 South, R-35 East, NMPM,
Lea County, New Mexico

Legal notice will be published on in the:

Hobbs News Sun 201 N. Thorp Hobbs, New Mexico 88240

Melrose Operating Company, 1000 W. Wilshire, Suite 223, Oklahoma City, Oklahoma 73116 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to waterflood injection wells within the Cone Jalmat Yates Pool Unit Waterflood Project, Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool, Lea County, New Mexico:

CJYPU Well No. 102	660' FNL & 1980' FWL (Unit C) Section 24, T-22S, R-35E
	Injection Interval: 3,708'-3,920' Tansill-Yates-Seven Rivers
CJYPU Well No. 103	1980' FSL & 1980' FWL (Unit K) Section 13, T-22S, R-35E
	Injection Interval: 3,722'-3,854' Tansill-Yates-Seven Rivers
CJYPU Well No. 106	660' FSL & 660' FWL (Unit M) Section 13, T-22S, R-35E
	Injection Interval: 3,760'-3,900' Tansill-Yates-Seven Rivers
CJYPU Well No. 108	660' FSL & 1980' FEL (Unit O) Section 13, T-22S, R-35E
	Injection Interval: 3,708'-3,814' Tansill-Yates-Seven Rivers
CJYPU Well No. 127	1970' FSL & 2,062' FEL (Unit J) Section 13, T-22S, R-35E
	Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers
CJYPU Well No. 128	1910' FSL & 725' FEL (Unit I) Section 13, T-22S, R-35E
	Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers
CJYPU Well No. 130	610' FSL & 2015' FWL (Unit N) Section 13, T-22S, R-35E
	Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers
CJYPU Well No. 146	(Not Yet Staked) (Unit E) Section 24, T-22S, R-35E
	Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers
CJYPU Well No. 201	660' FNL & 660' FEL (Unit A) Section 24, T-22S, R-35E
	Injection Interval: 3,622'-3,820' Tansill-Yates-Seven Rivers
CJYPU Well No. 303	1980' FNL & 1980' FEL (Unit G) Section 24, T-22S, R-35E
	Injection Interval: 3,696'-3,803' Tansill-Yates-Seven Rivers

Produced water from the Jalmat Oil & Gas Pool and source water from the Santa Rosa formation will be injected into the wells at average and maximum rates of 500 and 1,500 barrels of water per day, respectively. The average and maximum surface injection pressure for each well is anticipated to be 1,132 psi and 2,000 psi, respectively.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. Tony Beilman, Operations Manager, Melrose Operating Company, at (469) 721-2046.

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2009 APR 28 PM 1 43

Energy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Attention: Mr. Terry Warnell

Dear Mr. Warnell:

Enclosed is the publication notice for Melrose Operating Company's ("Melrose") application to expand its waterflood project in the Cone Jalmat Yates Pool Unit. This application was filed with the Oil Conservation Division on April 20, 2009.

If additional information is required, please contact me at (505) 690-9453.

Sincerely,

David Catanach

Regulatory Consultant

Affidavit of Publication

State of New Mexico, County of Lea.

I. KATHI BEARDEN **PUBLISHER**

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s). Beginning with the issue dated April 21, 2009 and ending with the issue dated April 21, 2009

PUBLISHER

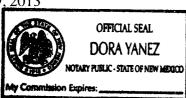
Sworn and subscribed to before me this 21st day of

April, 2009

Notary Public

My commission expires February 09, 2013

(Seal)



This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL APRIL 21, 2009

Melrose Operating Company, 1000 W. Wilshire, Suite 223, Oklahoma City, Oklahoma 73116 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert the following-described wells to waterflood injection wells within the Cone Jalmat Yates Pool Unit Waterflood Project, Jalmat (Tansill-Yates-Seven Rivers) Oil & Gas Pool, Lea County,

CJYPU Well No. 102

CJYPU Well No. 103

CJYPU Well No. 106

CJYPU Well No. 108

CJYPU. Well No. 127

CJYPU Well No. 128

CJYPU Well No. 130

CJYPU Well No. 146

CJYPU Well No. 201

CJYPU Well No. 303

660' FNL & 1980' FWL (Unit C) Section 24, T-22S, R-35E Injection Interval: 3,708'-3,920' Tansill-Yates-Seven Rivers 1980' FSL & 1980' FWL (Unit K) Section 13, T-22S, R-35E Injection Interval: 3,722'-3,854' Tansill-Yates-Seven Rivers 660' FSL & 660' FWL (Unit M) Section 13, T-22S, R-35E Injection Interval: 3,760'-3,900' Tansill-Yates-Seven Rivers 660' FSL & 1980' FEL (Unit O) Section 13, T-22S, R-35E Injection Interval: 3,708'-3,814' Tansill-Yates-Seven Rivers 1970' FSL & 2,062' FEL (Unit J) Section 13, T-22S, R-35E Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers 1910' FSL & 725' FEL (Unit I) Section 13, T-22S, R-35E Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers

610' FSL & 2015' FWL (Unit N) Section 13, T-22S, R-35E Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers (Not Yet Staked) (Unit E) Section 24, T-22S, R-35E Injection Interval: 3,700'-4,200' Tansill-Yates-Seven Rivers 660' FNL & 660' FEL (Unit A) Section 24, T-22S, R-35E Injection Interval: 3,622'-3,820' Tansill-Yates-Seven Rivers 1980' FNL & 1980' FEL (Unit G) Section 24, T-22S, R-35E

Injection Interval: 3,696'-3,803' Tansill-Yates-Seven Rivers

Produced water from the Jalmat Oil & Gas Pool and source water from the Santa Rosa formation will be injected into the wells at average and maximum rates of 500 and 1,500 barrels of water per day, respectively. The average and maximum surface injection pressure for each well is anticipated to be 1,132 psi and 2,000 psi, respec-

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. Tony Beilman, Operations Manager, Melrose Operating Company, at (469) 721-2046. #24906

02108664

00029587

DAVID CATANACH REGULATORY CONSULTANT 1142 VUELTA DE LAS ACEQUIAS **SANTA FE, NM 87507**

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order WFX-852

April 13, 2009

Tony Beilman Melrose Operating Company 1000 W. Wilshire, Suite 223 Oklahoma City, OK 73116

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-2243, Melrose Operating Company has made application to the Division for permission to add five water injection wells to its Jalmat Field Yates Sand Unit Waterflood Project located within the Jalmat; Tansill-Yates-Seven Rivers Oil Pool (33820) in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 26.8C.(2). The proposed injection wells are eligible for conversion to injection under the terms of Rule 26.8. The operator is in compliance with Rule 5.9.

The proposed expansion of the above-referenced waterflood project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED THAT:

Melrose Operating Company (OGRID No. 184860) is hereby authorized to inject water into the unitized interval, through plastic-lined tubing set in packers located within 100 feet of the top of the injection intervals in the following-described wells within the Jalmat Field Yates Sand Unit Waterflood Project for purposes of secondary recovery:



API	Well Num	Unit.	Sec_	Tsp -	Rge	Top Perf	Bot Perf	Tubing	Pressure	Comments
30-025-08611	132.	Ġ	13	22S	35E	3748	3878	2-3/8	750	
30-025-08613	134	Е	13	22S.	35E	3773	3915	2-3/8	754	
30-025-08622	136	G	14	22S	35E	3833	3951	2-3/8	764	
30-025-38935	137	F	14 .	228	35E	3700	4200	2-3/8	740	Est Perf's
30-025-08627	138	E	14	22S	35E	3857	4048	2-3/8	771_	
30-025-08629	139	L	14	22 S	35E	3883	4040	2-3/8	777	
30-025-38936	140	K	14	225	35E	3866	4036	2-3/8	773	
30-025-38937	142	l	14	22S	35E_	3818	3992	2-3/8	764	
30-025-38938	143	P	14	22S.	35E	3814	4044	2-3/8	763	
30-025-08620	144	0	14	22S	35E	3852	3960	2-3/8	· 770	
30-025-38939	146	В	23	22S	35E	3828	4018	2-3/8	766	
30-025-08637	147	Α	23_	22S	35E	3816	3928	2-3/8	763	
30-025-38940	148	Н	23	: 22S .	35E	3700	4200	2-3/8	740	Est Perf's
30-025-38868	159	F	13	22S	35E	3768	3952	2-3/8	754	
30-025-38871	182	Α	14	-22S	35E	3804	3962	2-3/8	761	
30-025-38873	187	A	13	22S	35E	3610	3700	2-3/8	722	
30-025-36972	207	М	14	22S	-35E_	3964	4074	2-3/8	793	
30-025-36974	209	С	23	228	35E	3898	4040	2-3/8	780	
30-025-36977	212	D	23	22S	35E	3962	4028	2-3/8	792	
30-025-38931	239	Н	13	22S	35E	3700	4200	2-3/8	740	Est Perf's
30-025-38942	245	G	23	228	35E	3700	4200	2-3/8	740	Est Perf's
30-025-38943	246	F	23	22S	35E	3700	4200	2-3/8	740	Est Perf's
30-025-38944	247	J	14	228	35E	3815	4040	2-3/8	759	

Prior to commencing injection operations into any wells listed above, the applicant shall plug and abandon the CJYPU Well No. 9-N (API No. 30-025-08609) located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 13, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, in a manner that is acceptable to the supervisor of the Division's Hobbs District Office.

Subsequent to the completion of plugging operations on the CJYPU Well No. 9-N, the applicant shall submit documentation to the Santa Fe Office of the Division verifying that this work has been completed. This documentation shall be in the form of a cover letter addressed to the Engineering Bureau complete with all applicable Form C-103's (Sundry Notices). Failure to comply with this directive may result in the cancellation of injection authority.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into these wells, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection wells or injection system shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressure described above.

The Director of the Division may authorize increases in injection pressure upon a proper showing by the operator that higher pressure will not result in migration of the injected fluid from the permitted injection interval or harmful formation fracturing. Such proper showing shall consist of valid step-rate tests and possibly injection profiles or pressure transient testing run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the District Office of the date and time of the installation of injection equipment and of all mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the District Office of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-2243, and Rules 26.9 through 26.13 not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into at least one of the subject wells, provided however, the Division, upon written request by the operator received prior to the one year deadline, may grant an extension thereof for good cause shown.

MARK E. FESMIRE, P.E.

Director

MEF/tw

cc: Oil Conservation Division – Hobbs