

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-101

Revised February 10, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee lease - 5 Copies

☐ AMENDED REPORT

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

| | | |
|---|---|---|
| ¹ Operator Name and Address Melrose Operating Co. c/o P.O. Box 953 Midland, TX 79702 | | ² OGRID Number 184860 |
| | | ³ AIT Number 30-0 25-36977 |
| ⁴ Property Code 25191 | ⁵ Property Name Jalmat Field Sand Yates Unit | ⁶ Well No. 212 |

7 Surface Location

| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 23 | 22S | 35E | | 990' | North | 990' | West | Lea |

8. Proposed Bottom Hole Location If Different From Surface

| UL or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 Jalmat (T-Y-7R) | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|--|--|---|---|--|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3575' |
| ¹⁶ Multiple no | ¹⁷ Proposed Depth 4200' | ¹⁸ Formation Yates | ¹⁹ Contractor United Drlg. | ²⁰ Spud Date 12-17-04 |

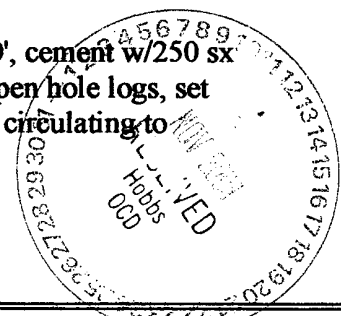
21. Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4" | 8 5/8" | 24# | 350' | 250 sx | surface |
| 7 7/8" | 5 1/2" | 15.5# | 4200' | 1200 sx | surface |
| | | | | | |
| | | | | | |
| | | | | | |

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

Propose to drill 12 1/4" hole to 350', set 8 5/8" casing to 350', cement w/250 sx Cl C circulating to surface. Drill 7 7/8" hole to 4200', run open hole logs, set production string casing to TD, cementing w/1200 sx Cl C, circulating to surface. Will perforate and stimulate and test.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway



| | | | |
|--|--|-------------------------------------|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: | | OIL CONSERVATION DIVISION | |
| Printed Name: Ann E. Ritchie | | Approved by: | |
| Title: Regulatory Agent | | Title: PETROLEUM ENGINEER | |
| Date: 11-8-04 | | Approval Date: NOV 29 2004 | |
| Phone: 432 684-6381 | | Expiration Date: NOV 29 2005 | |
| Conditions of Approval: Attached: <input type="checkbox"/> | | | |

DISTRICT I

1625 N. FRANKLIN DR., BOBBS, NM 88040

DISTRICT II

1301 W. GRAND AVENUE, ALBUQUERQUE, NM 87102

DISTRICT III

1600 Rio Arriba Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|--|--|
| API Number 30-025-36977 | Pool Code 33820 | Pool Name Jalmat (Tansil, Yates, Seven Rivers) |
| Property Co. 25191 | Property Name JALMAT FIELD YATES SAND UNIT | Well Number 212 |
| OCRID No. 184860 | Operator Name MELROSE OPERATING COMPANY | Elevation 3575' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 23 | 22-S | 35-E | | 990 | NORTH | 990 | WEST | LEA |

Bottom Hole Location if Different From Surface

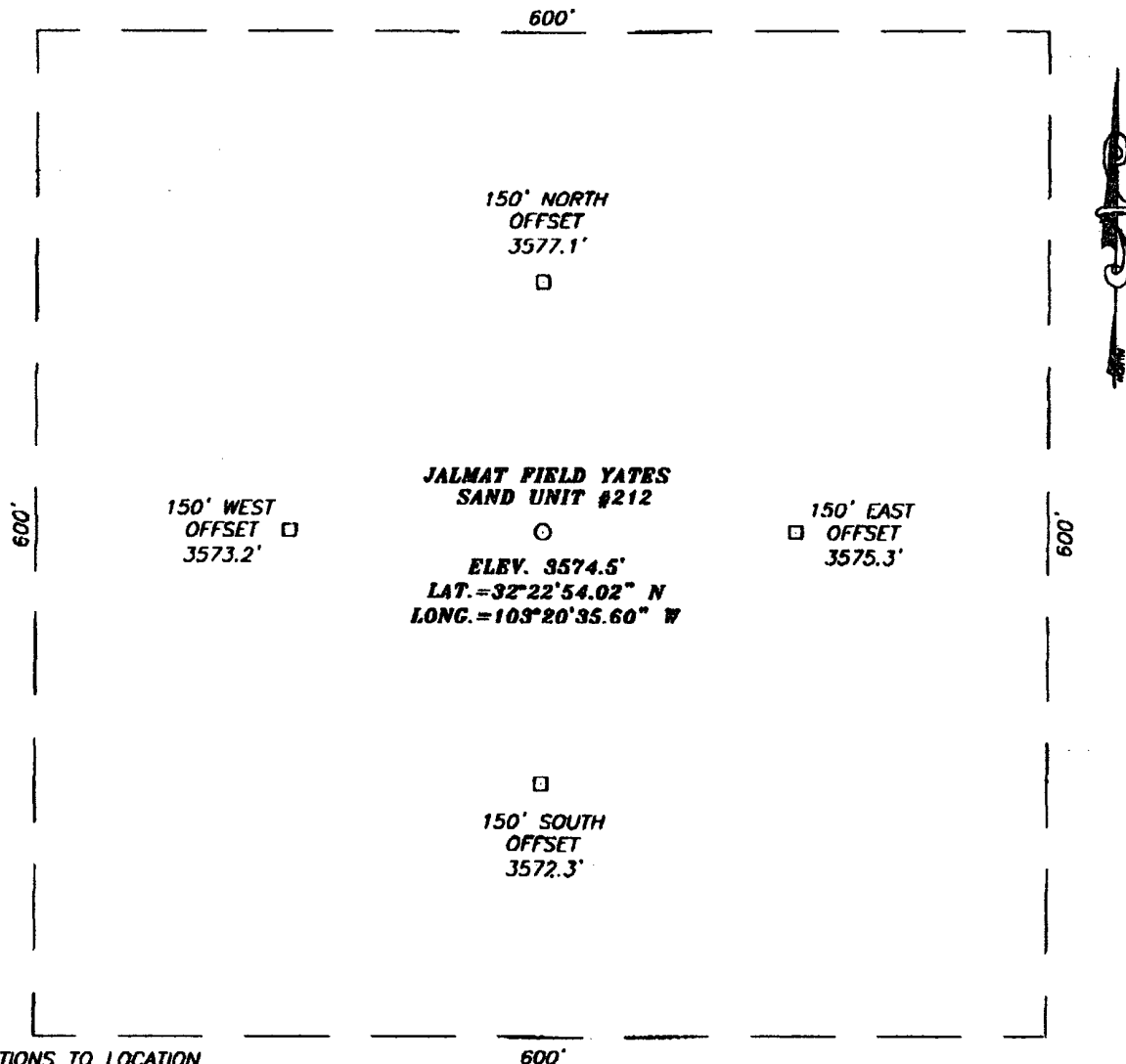
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------------|
| 40 | | | Waterflood Unit |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | |
|--|--|--|--|
| | <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=503981.4 N X=805657.4 E</p> <p>LAT.=32°22'54.02" N LONG.=103°20'35.60" W</p> | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature Ann E. Ritchie Printed Name Regulatory Agent Title 11-5-04 Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 28, 2004</p> | | <p>Date Surveyed: _____ JR</p> <p>Signature of _____ Professional Surveyor</p> <p><i>[Signature]</i> GARY E. EDSON Professional Surveyor 04.11.1424 Cert. No. GARY EDSON 12041</p> |
| | | | |
| | | | |

SECTION 23, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

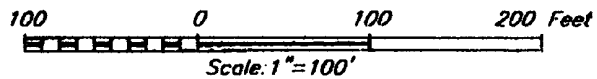


DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #21 (DELAWARE BASIN RD.) AND WEAVER RD., GO WEST CO. RD. #21 FOR APPROX. 0.9 MILES TO A ROAD ON THE RIGHT (SDX 1). TURN RIGHT (NW) AND FOLLOW ROAD FOR APPROX. 1.2 MILES TO A ROAD "T". GO SOUTH FOR APPROX. 800' TO A ROAD ON THE RIGHT. TURN RIGHT (WEST) AND GO APPROX. 0.3 MILES TO A ROAD ON THE LEFT. TURN LEFT (SOUTH) AND GO APPROX. 0.9 MILES TO A ROAD ON THE RIGHT. TURN RIGHT (WEST) AND GO APPROX. 0.2 MILES TO A ROAD ON THE LEFT. TURN LEFT (SOUTH) AND GO APPROX. 0.3 MILES. PROPOSED LOCATION IS APPROX. 1300' WEST.



PROVIDING SURVEYING SERVICES
 SINCE 1940
JOHN WEST SURVEYING COMPANY
 4101 N. DRL. PARK
 HOUSTON, TEXAS 77060
 (832) 393-9117



MELROSE OPERATING COMPANY

JALMAT FIELD YATES SAND UNIT #212 WELL
 LOCATED 990 FEET FROM THE NORTH LINE
 AND 990 FEET FROM THE WEST LINE OF SECTION 23,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

| | |
|-------------------------|-------------------------------------|
| Survey Date: 10/28/04 | Sheet 1 of 1 Sheets |
| W.O. Number: 04.11.1424 | Dr By: J.R. Rev 1:N/A |
| Date: 11/3/04 | Disk: CD#10 04111424 Scale: 1"=100' |

District I

162-1, N. French Dr., I I obbs. NM 57240

District II

130 I W. Grand Ax coue. Arte,ia. NNI I;N2 I O

District III

1000 Rio Brazos Road. Aztec, N'VI S7410

District IV

1220 S. St. Francis Dr., Santa Fe. NX4 87iO-

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-144
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

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

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

Operator: Melrose Operating Company Telephone: 432 6846381 e-mail address: ann.ritchie@wtor.net
Address: c/o P.O. Box 953, Midland, TX 79702 3D-025-36977
Facility or well name: Jalmat Field Sand Yates Unit #212 API 4: pending U/L or Qtr/Qtr: U Sec 23 T 22 S R 35e
County: Lea Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal State ☐ Private ☒ Indian ☐

| | | | |
|--|--|--|-----------------|
| Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Linc type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> <u>mm</u> Clay <input type="checkbox"/> Pit Volume <u>8000</u> bbl | | Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____ | |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) <u>185'</u> | | Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more 100 ft. (0 points) 0 | |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.) | | Yes (20 points) No (0 points) 0 | |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | | Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more 1000 ft or more (0 points) 0 | |
| | | Ranking Score (Total Points) | 0 Points |

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

Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

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| |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines X a general permit, or an (attached) alternative OCD-approved plan
Date: 11-8-04

Printed Name title Ann E. Ritchie, Regulatory Agent

Signature

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

Approval:

Printed Name/Title

Signature

Date:

PETROLEUM ENGINEER

NOV 29 2004

Melrose Operating Company
Drilling Rig Pad Schematic
Jalmat Field Sand Yates Unit #212
Lea County, New Mexico
Wellbore is 40' North of the pit

