

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

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Melrose Operating Co., c/o Box 953, Midland, TX 79702		<sup>2</sup> OGRID Number: 184860
<sup>3</sup> Property Code 25191	<sup>4</sup> Property Name Jalmat Field Sand Yates Unit	<sup>5</sup> API Number 30 - 025 - 37500 <sup>6</sup> Well No. 226
<sup>7</sup> Proposed Pool 1: Jalmat (T-Y-7R)		<sup>8</sup> Proposed Pool 2

**7 Surface Location**

UL or lot no. P	Section 10	Township 22S	Range 35E	Lot Idn	Feet from the 1310	North/South line South	Feet from the 1155	East/West line East	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

**Additional Well Information**

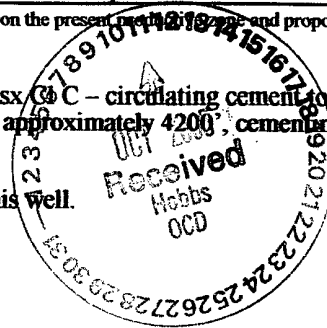
<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3602'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4200'	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor United Drig.	<sup>20</sup> Spud Date 10-15-05
Depth to Groundwater: 300-350'		Distance from nearest fresh water well: over 1/4 mile		Distance from nearest surface water: none
Pit: Liner: Synthetic X 12_mils thick Clay <input type="checkbox"/> Pit Volume: 3000_bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	350'	250 sx	Surface
7 7/8"	5 1/2"	15 5#	4200'	1200 sx	Surface

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

Propose to drill 12 1/4" hole to 350', set 8 5/8" casing to 350', cement w/250 sx CI C - circulating cement to surface. WOC. Drill 7 7/8" hole to 4200', run open hole logs, set production casing string to approximately 4200', cementing with 1200 sx CI C, circulating cement to surface. Will perforate, stimulate & test well. We do not anticipate encountering any H2S intervals during the drilling of this well.



Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Ann E. Ritchie		Approved by:	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: ann.ritchie@wtor.net		Approval Date:      Expiration Date:	
Date: 10-5-05	Phone: 432 684-6381	OCT 12 2005 Conditions of Approval Attached <input type="checkbox"/>	

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <i>30-025-37500</i>	Pool Code <i>33820</i>	Pool Name <i>Jalmat (T-Y-7Rvs)</i>
Property Code <i>25191</i>	Property Name <i>JYSU</i>	Well Number <i>226</i>
OGRID No. <i>184860</i>	Operator Name <i>MELROSE OPERATING COMPANY</i>	Elevation <i>3602'</i>

Surface Location

UL or lot No. <i>P</i>	Section <i>10</i>	Township <i>22-S</i>	Range <i>35-E</i>	Lot Idn	Feet from the <i>1310</i>	North/South line <i>SOUTH</i>	Feet from the <i>1155</i>	East/West line <i>EAST</i>	County <i>LEA</i>
---------------------------	----------------------	-------------------------	----------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	----------------------

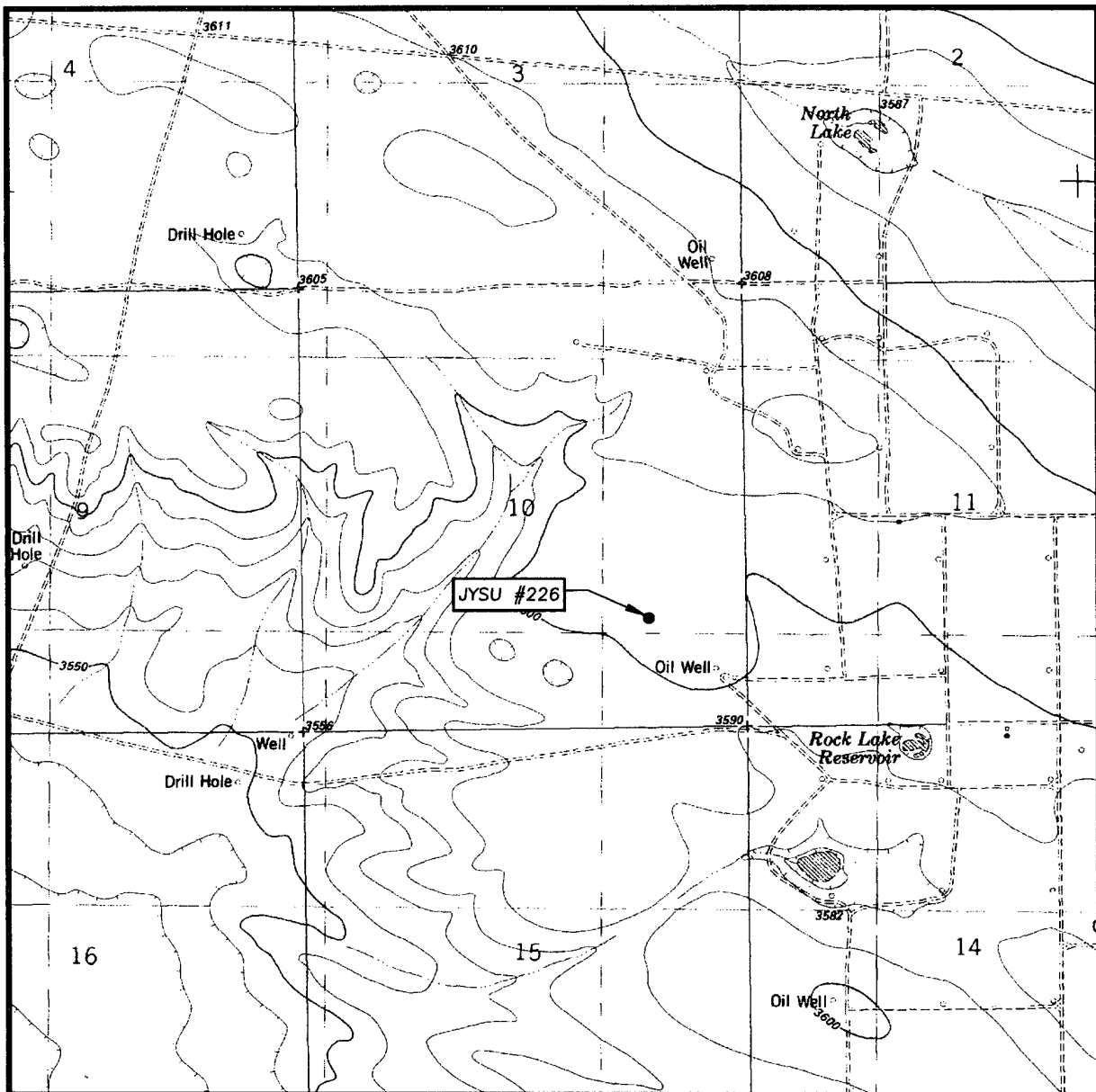
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <i>40 *</i>	Joint or Infill	Consolidation Code	Order No. <i>* Waterflood Unit</i>						

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

<p>GEODETIC COORDINATES NAD 27 NME  Y=511538.2 N X=803443.9 E  LAT.=32°24'08.99" N LONG.=103°21'00.60" W</p>				<p>1155'</p> <p>1310'</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature <i>Ann E. Ritchie</i> Printed Name <i>Regulatory Agent</i> Title <i>10-6-05</i> 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 the same is true and correct to the best of my belief.</p> <p><i>[Stamp: GARY EIDSON, SEPTEMBER 23, 2005]</i> Date Surveyed <i>12641</i> Signature &amp; Seal of Professional Surveyor <i>[Stamp: GARY EIDSON, 10/3/05, 05.11.1487]</i></p> <p>Certificate No. GARY EIDSON 12641</p>	

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
OIL CENTER, N.M. - 10'

SEC. 10 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

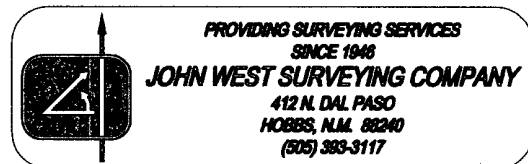
DESCRIPTION 1310' FSL & 1155' FEL

ELEVATION 3602'

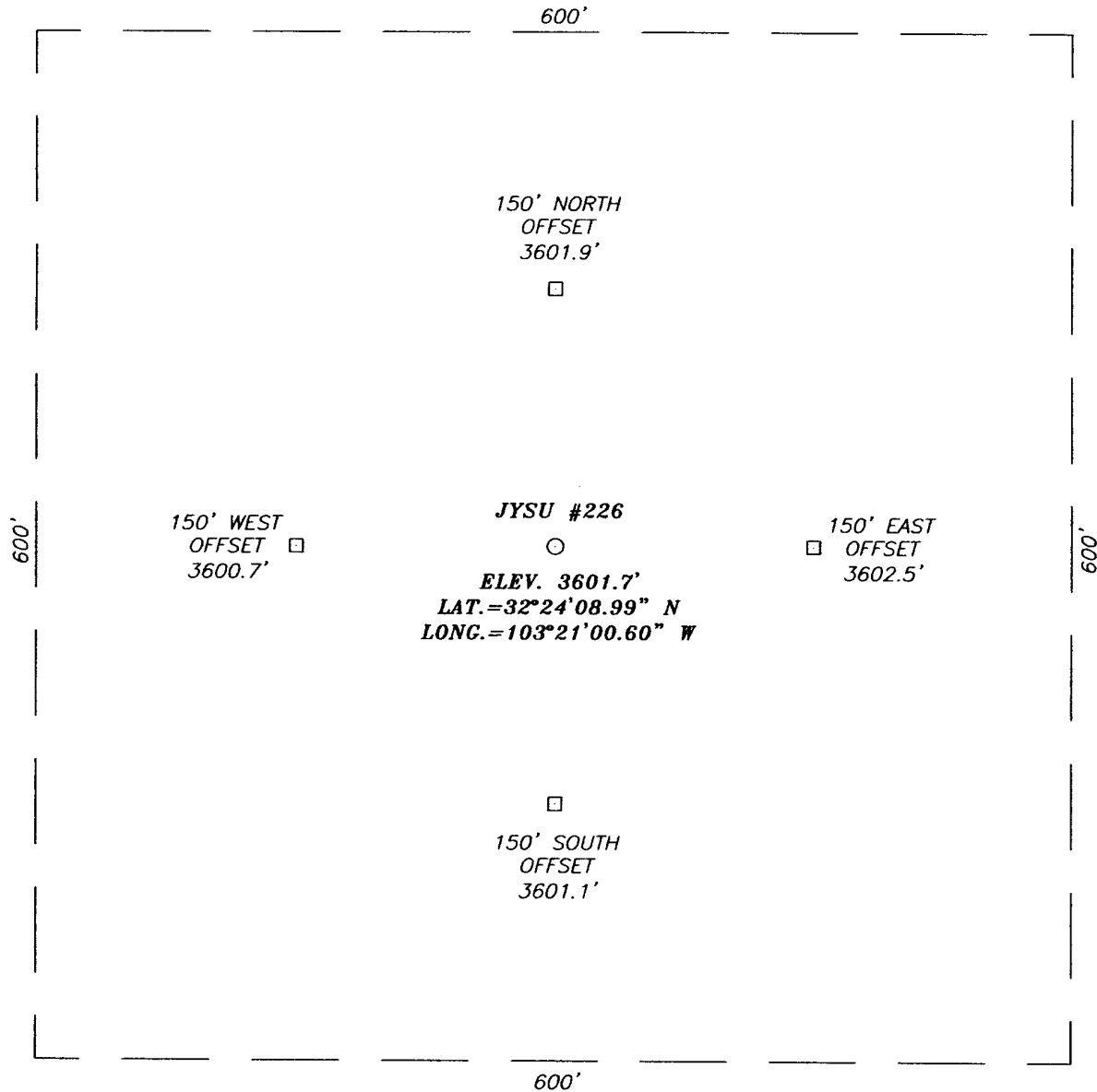
OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

U.S.G.S. TOPOGRAPHIC MAP  
OIL CENTER, N.M.

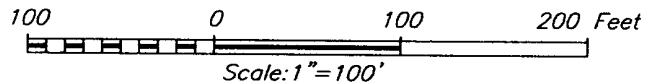


**SECTION 10, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,**  
 LEA COUNTY, NEW MEXICO



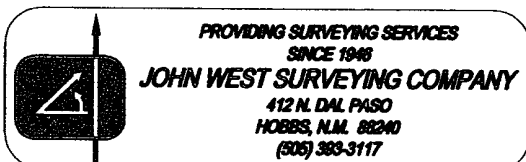
**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF DELAWARE BASIN RD. AND  
 WEAVER RD. GO WEST ON DELAWARE BASIN RD. APPROX.  
 0.8 MILES. TURN RIGHT AND GO WEST APPROX. 1.1  
 MILES. TURN LEFT AND GO SOUTH APPROX. 0.1 MILES.  
 TURN RIGHT AND GO WEST APPROX. 0.6 MILES. TURN  
 RIGHT AND GO NORTH APPROX. 0.1 MILES. TURN LEFT  
 AND GO WEST APPROX. 0.2 MILES. TURN RIGHT AND GO  
 NORTH APPROX. 0.1 MILES. TURN LEFT AND GO WEST  
 APPROX. 0.1 MILES AND PASS THE JYSU #193 AND  
 CONTINUE NORTHWEST APPROX. 0.2 MILES TO THE JYSU  
 #221 WELL. THIS LOCATION IS SOUTHWEST APPROX. 0.2  
 MILES.



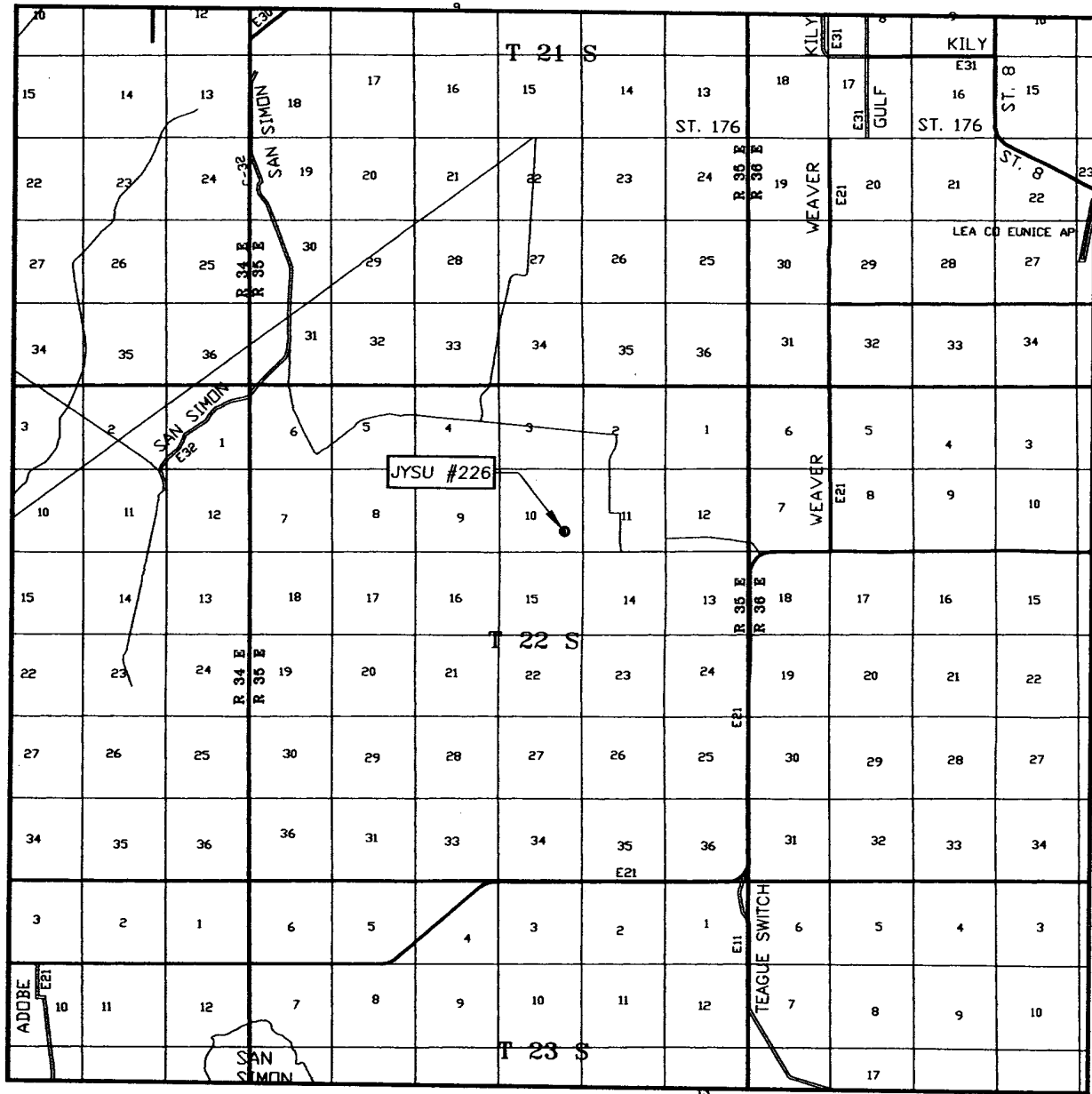
**MELROSE OPERATING COMPANY**

JYSU #226 WELL  
 LOCATED 1310 FEET FROM THE SOUTH LINE  
 AND 1155 FEET FROM THE EAST LINE OF SECTION 10,  
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.



Survey Date: 9/23/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1487	Dr By: LA
Date: 9/28/05	Disk: CD#4
05111487	Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1310' FSL & 1155' FEL

ELEVATION 3602'

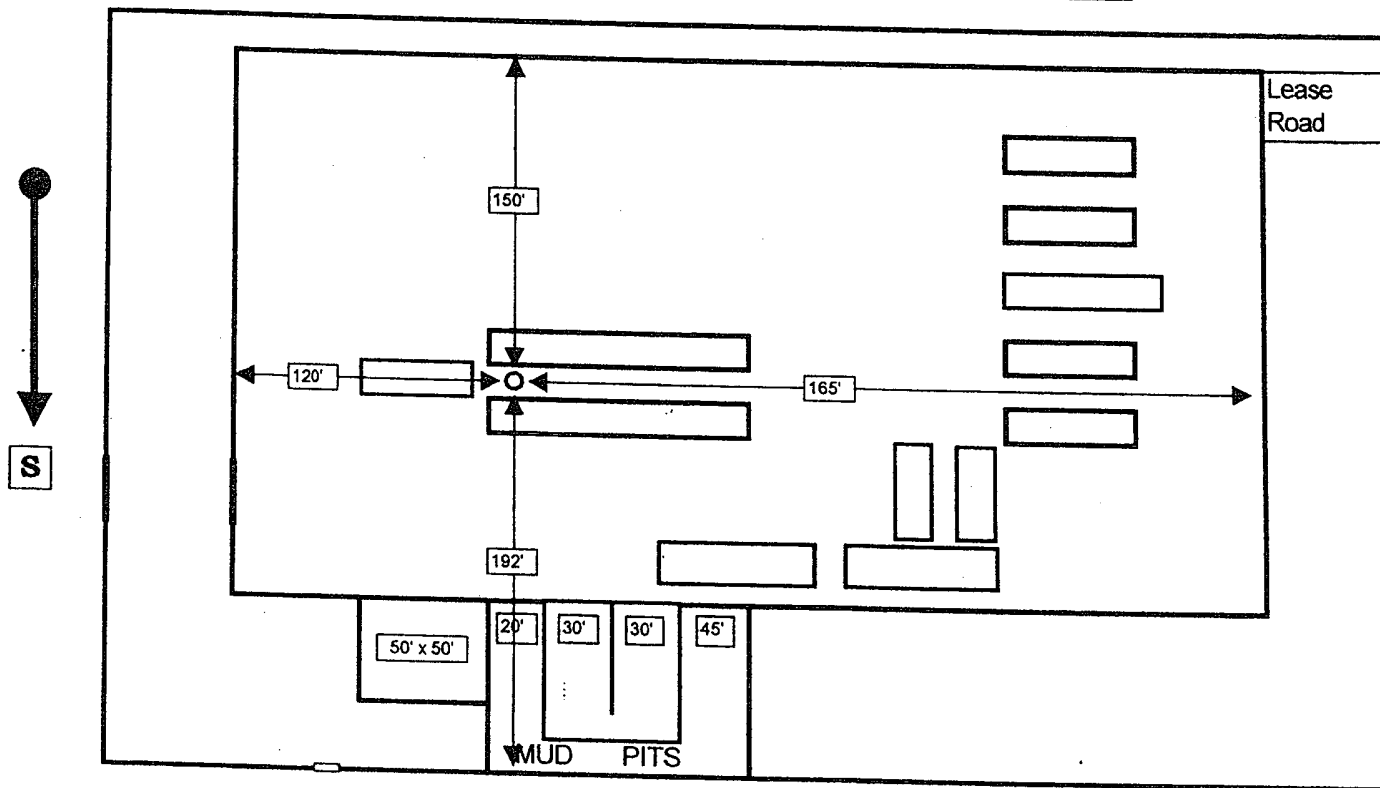
OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

PROVIDING SURVEYING SERVICES  
SINCE 1948  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

Melrose Operating Co.

Drilling Rig Pad Schematic  
JFSYU # 226  
Lea County, New Mexico  
Wellbore is 40' North of the pit

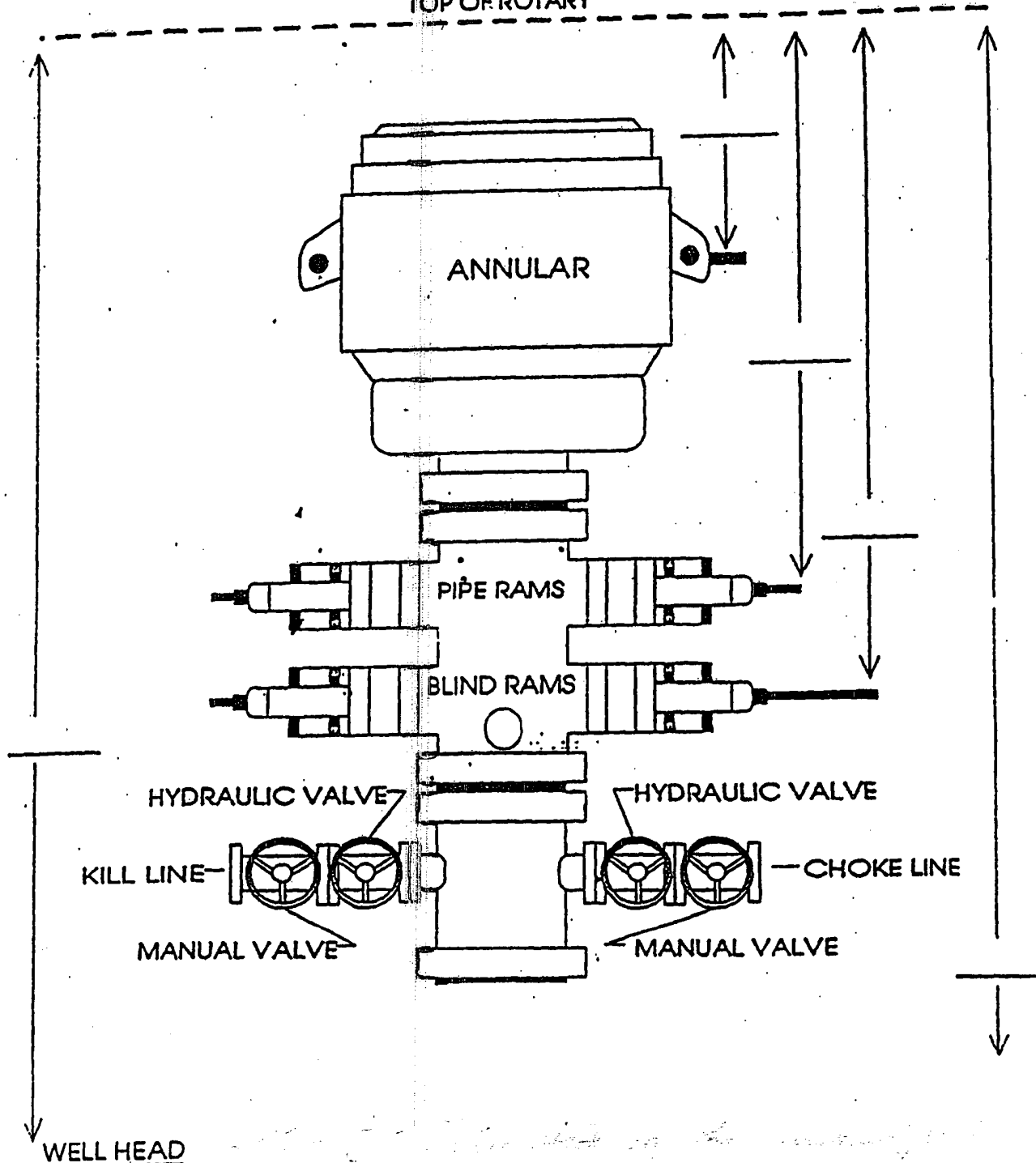


# EXHIBIT A

B.O.P. STACK SPACING

SIZE: 3000#

TOP OF ROTARY



WELL Jalmat #226

CONTRACTOR United Drilg