

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

¹ Operator Name and Address Melrose Operating Co., c/o Box 953, Midland, TX 79702		² OGRID Number: 184860
³ Property Code 25191	⁴ Property Name Jalmat Field Sand Yates Unit	⁵ API Number 30-025 - 37501
⁶ Proposed Pool 1: Jalmat (T-Y-7R)		⁷ Proposed Pool 2

⁷ Surface Location									
UL or lot no. O	Section 10	Township 22S	Range 35E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	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				
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3592'
¹⁶ Multiple No	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor United Drlg.	²⁰ 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
²¹ 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 X Brine X Diesel Oil-based <input type="checkbox"/> Gas Air <input type="checkbox"/>				

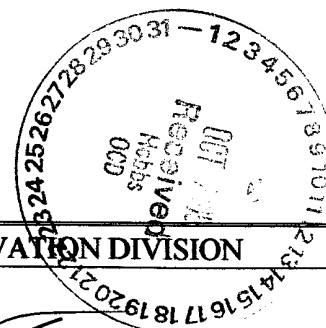
²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	350'	250 sx	Surface
7 7/8"	5 1/2"	15 5#	4200'	1200 sx	Surface

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 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

²³ 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"/> .		OIL CONSERVATION DIVISION	
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	Conditions of Approval Attached: <input type="checkbox"/>	



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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 30-025-37501	Pool Code 33820	Pool Name Jalmat (T-Y-7Rvrs)
Property Code 25191	Property Name JYSU	Well Number 227
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3592'

Surface Location

UL or lot No. 0	Section 10	Township 22-S	Range 35-E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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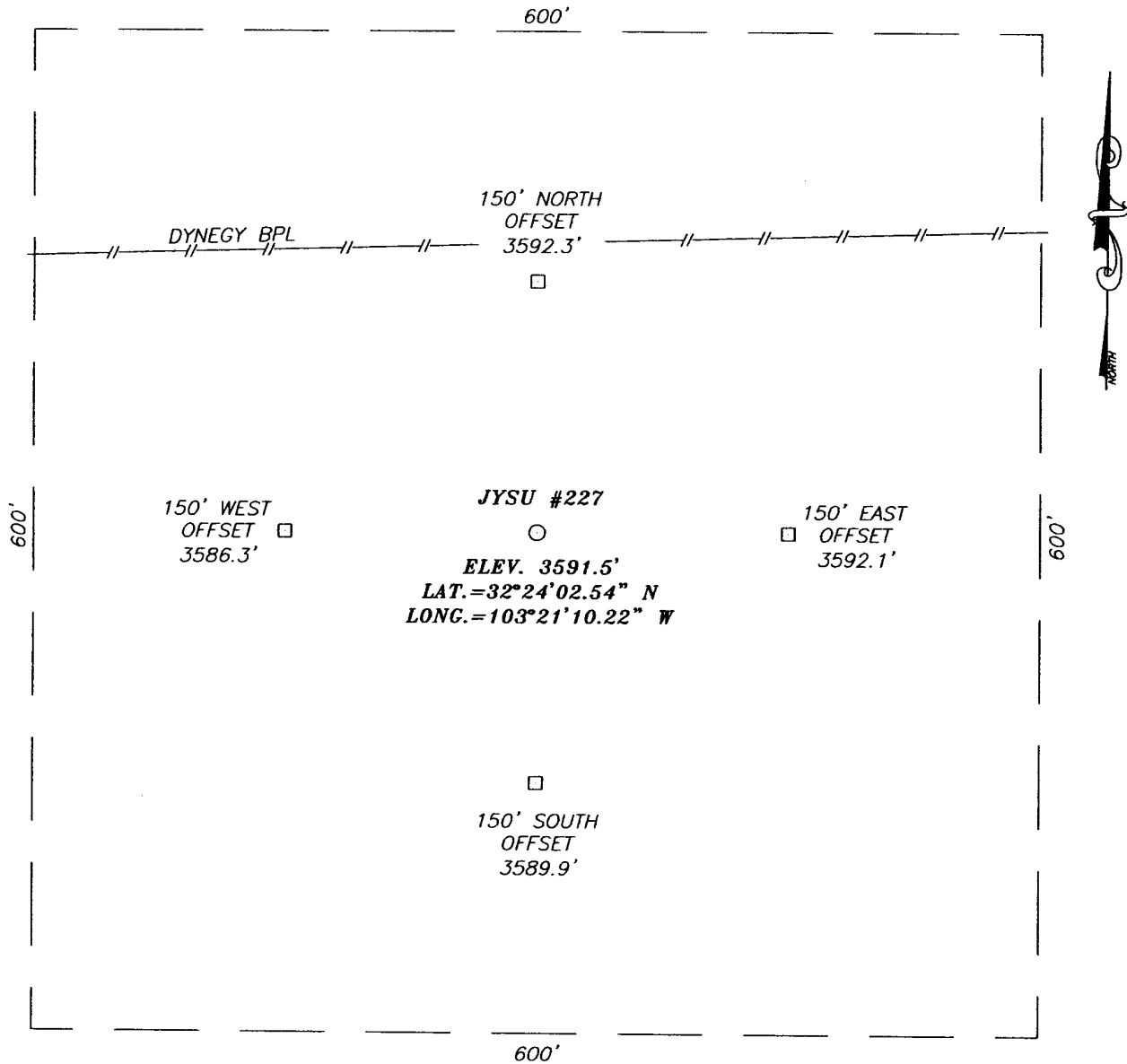
Bottom Hole Location If Different From Surface

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

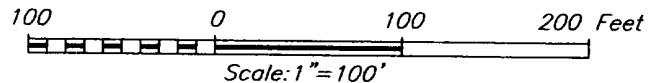
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=510878.4 N X=802625.2 E</p> <p>LAT.=32°24'02.54" N LONG.=103°21'10.21" W</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature Ann E. Ritchie</p> <p>Printed Name Regulatory Agent</p> <p>Title 10-6-05</p> <p>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><i>[Signature]</i></p> <p>Date Surveyed SEPTEMBER 22, 2005</p> <p>Signature & Seal of Professional Surveyor GARY G. EIDSON</p> <p>Certificate No. GARY EIDSON 12841</p>	

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 LEFT AND GO WEST APPROX. 0.6 MILES TO THE JYSU #123 WELL. THIS LOCATION IS APPROX. 1320 FEET WEST.



MELROSE OPERATING COMPANY

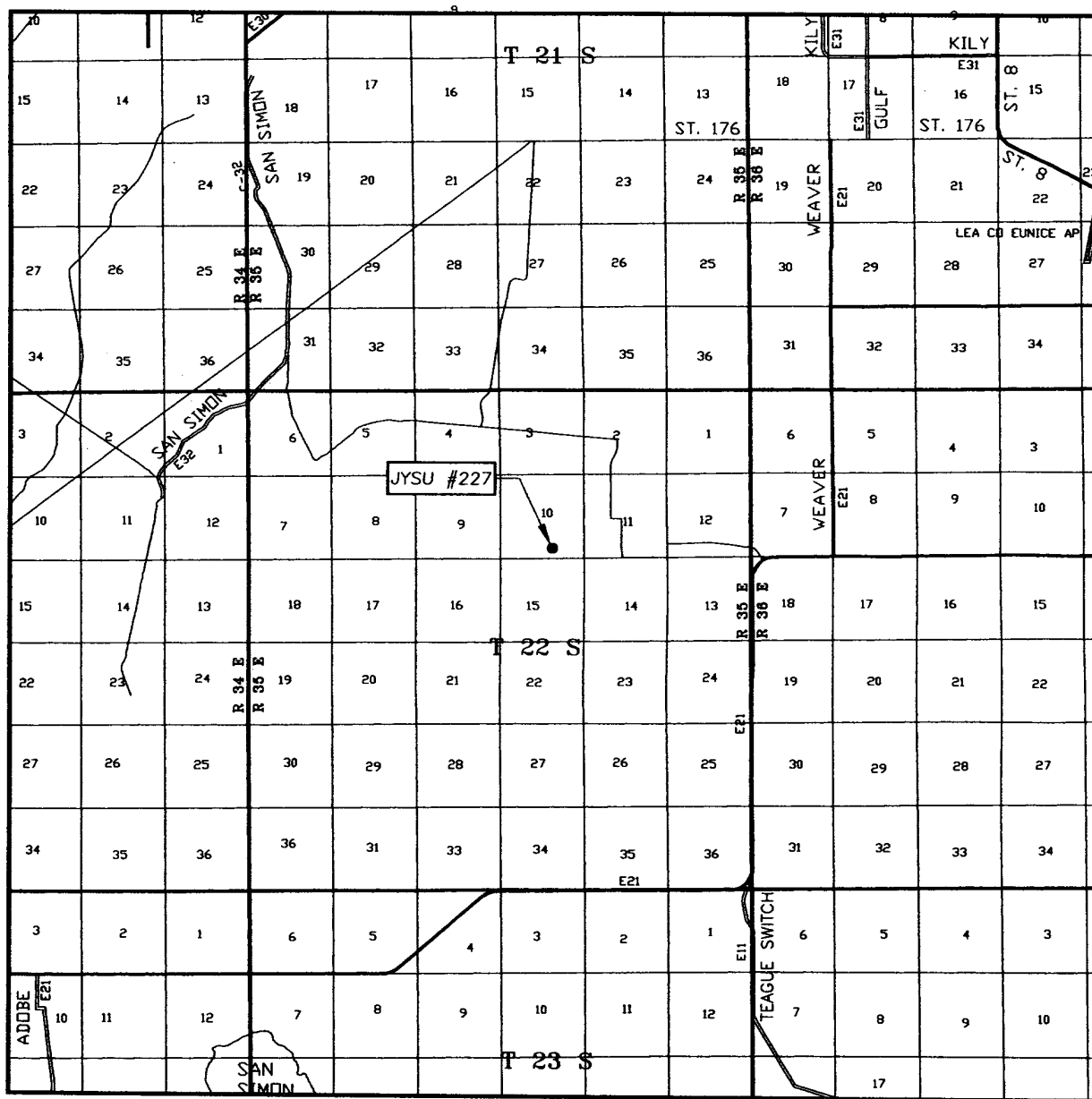
JYSU #227 WELL
 LOCATED 660 FEET FROM THE SOUTH LINE
 AND 1980 FEET FROM THE EAST LINE OF SECTION 10,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 9/23/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1488	Dr By: LA
Date: 9/28/05	Rev 1: N/A
Disk: CD#4	05111488
Scale: 1"=100'	



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

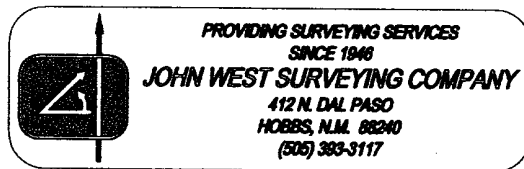
COUNTY LEA

DESCRIPTION 660' FSL & 1980' FEL

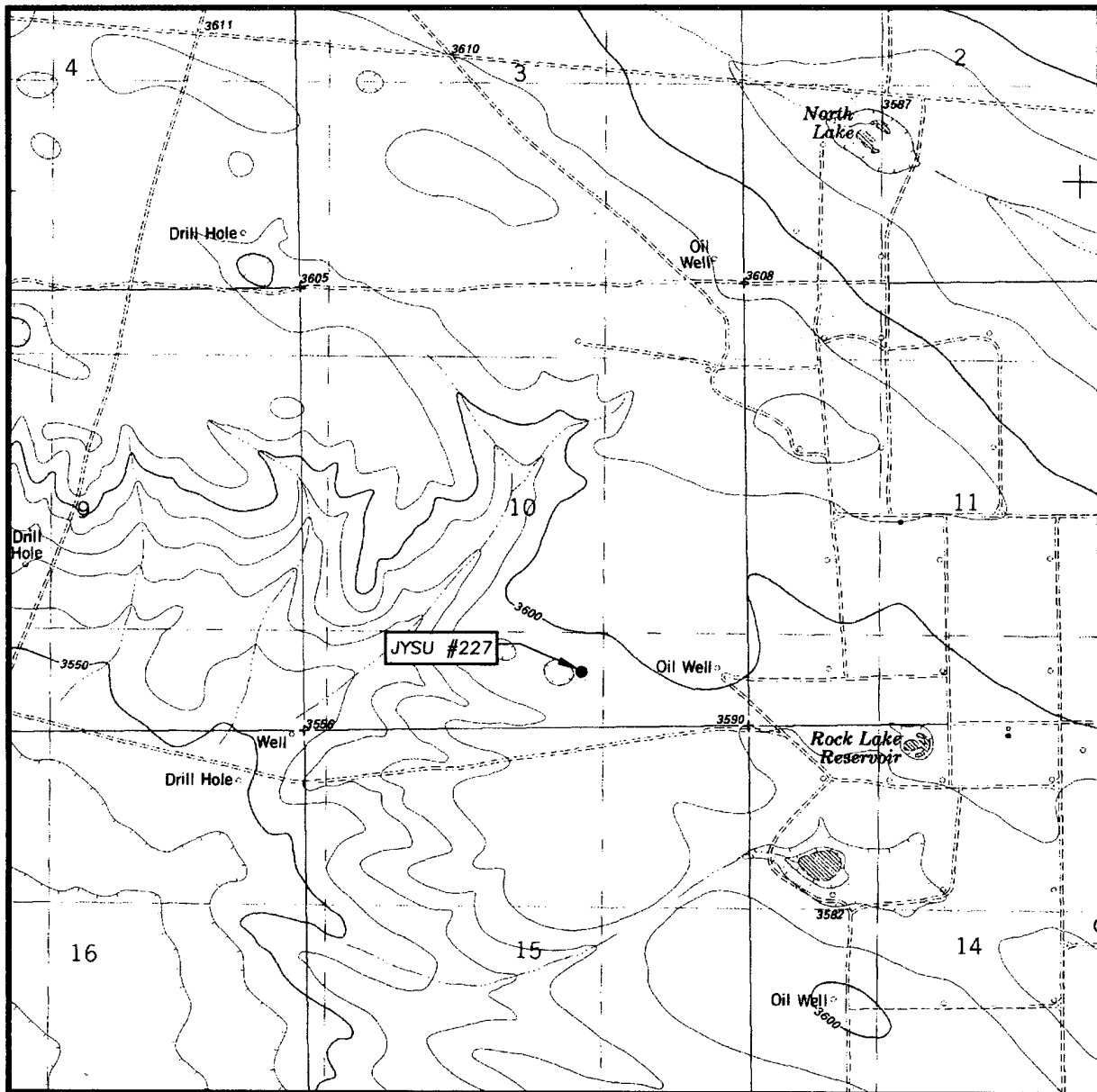
ELEVATION 3592'

OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU



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

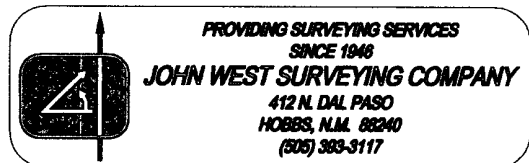
DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 3592'

OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

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



Melrose Operating Co.

Drilling Rig Pad Schematic
JFSYU # 227
Lea County, New Mexico
Wellbore is 40' North of the pit

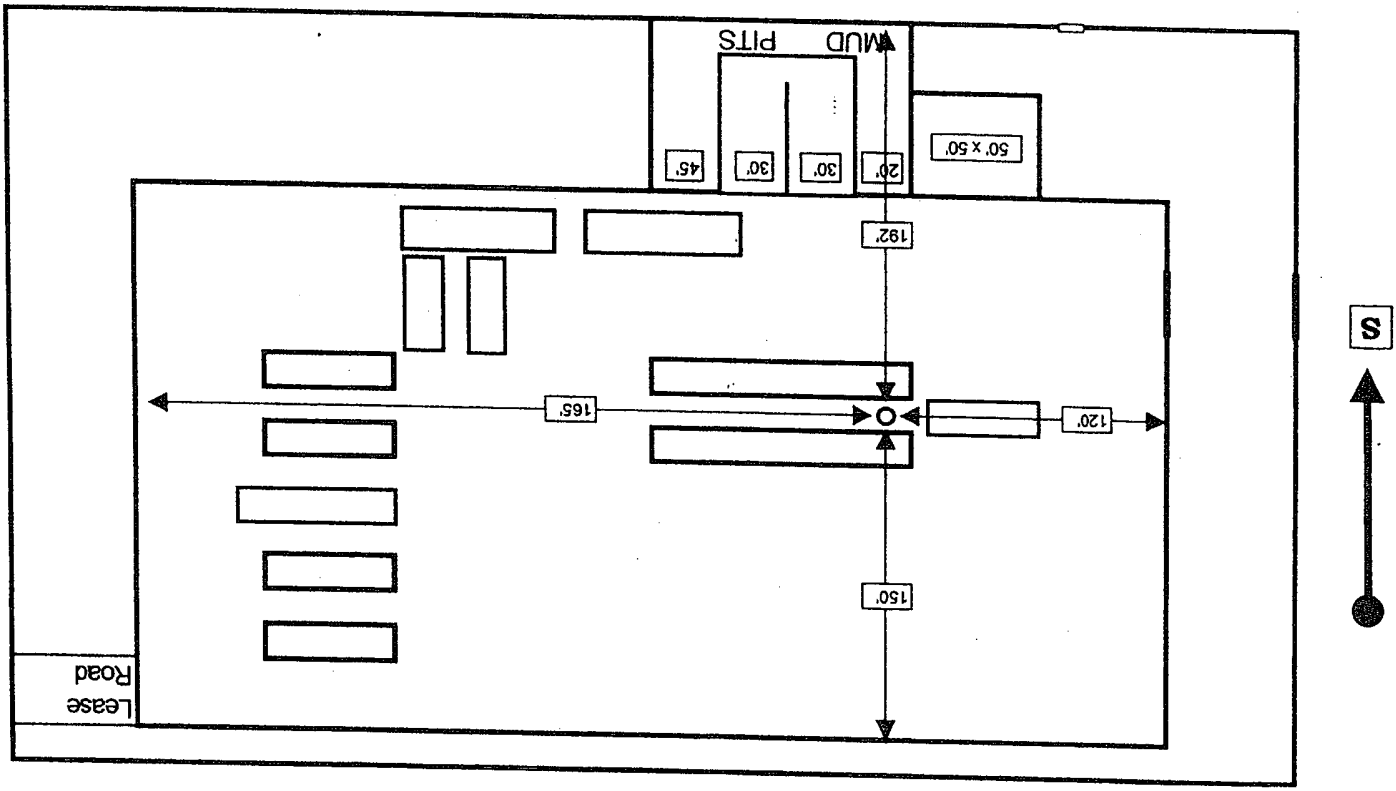
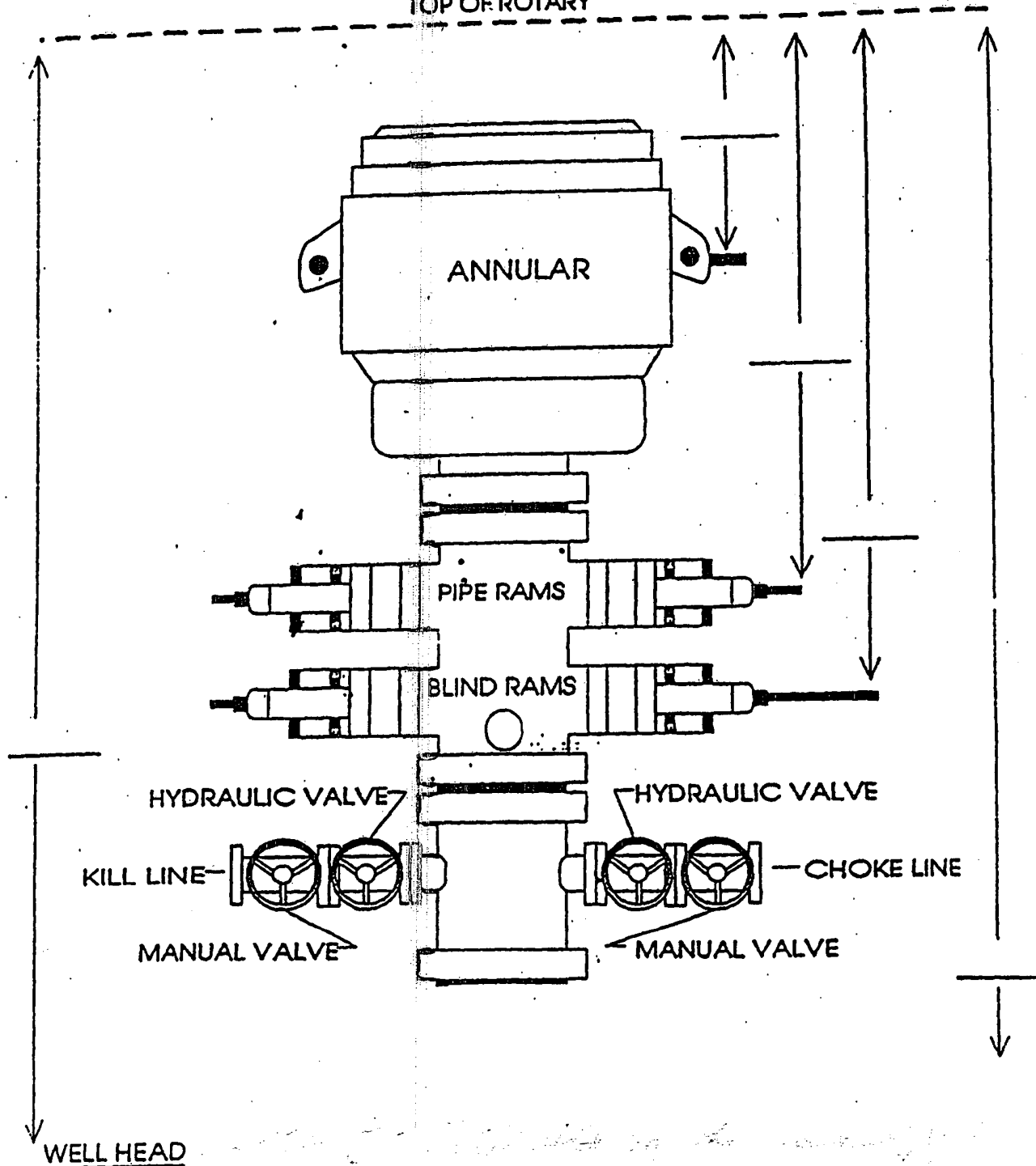


EXHIBIT A

B.O.P. STACK SPACING

SIZE: 3000#

TOP OF ROTARY



WELL Talmat # 227 CONTRACTOR United Drilg.