

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 <input checked="" type="checkbox"/>
³ Property Code 25191	⁴ Property Name Jalmat Field Sand Yates Unit	⁵ API Number 30 - 025 - 37503
⁶ Proposed Pool 1: Jalmat (T-Y-7R)		⁷ Proposed Pool 2

7 Surface Location

UL or lot no. D	Section 23	Township 22S	Range 35E	Lot Idn	Feet from the 1310	North/South line North	Feet from the 330	East/West line West	County Lea
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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
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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 3575'
¹⁶ Multiple No	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor United Drlg.	²⁰ Spud Date 10-19-05
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 X Brine X Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

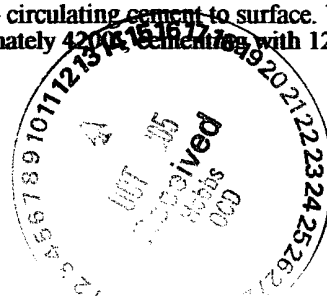
21 Proposed Casing and Cement Program

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 ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Ann E. Ritchie

Title: Regulatory Agent

E-mail Address: ann.ritchie@wtor.net

Date: 10-5-05

Phone: 432 684-6381

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached

PETROLEUM ENGINEER

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

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 <i>30-025-37503</i>	Pool Code <i>33820</i>	Pool Name <i>Jalmat (T-Y-7Rvrs)</i>
Property Code <i>25191</i>	Property Name <i>JYSU</i>	Well Number <i>229</i>
OGRID No. <i>184860</i>	Operator Name <i>MELROSE OPERATING COMPANY</i>	Elevation <i>3575'</i>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>D</i>	<i>23</i>	<i>22-S</i>	<i>35-E</i>		<i>1310</i>	<i>NORTH</i>	<i>330</i>	<i>WEST</i>	<i>LEA</i>

Bottom Hole Location If Different From Surface

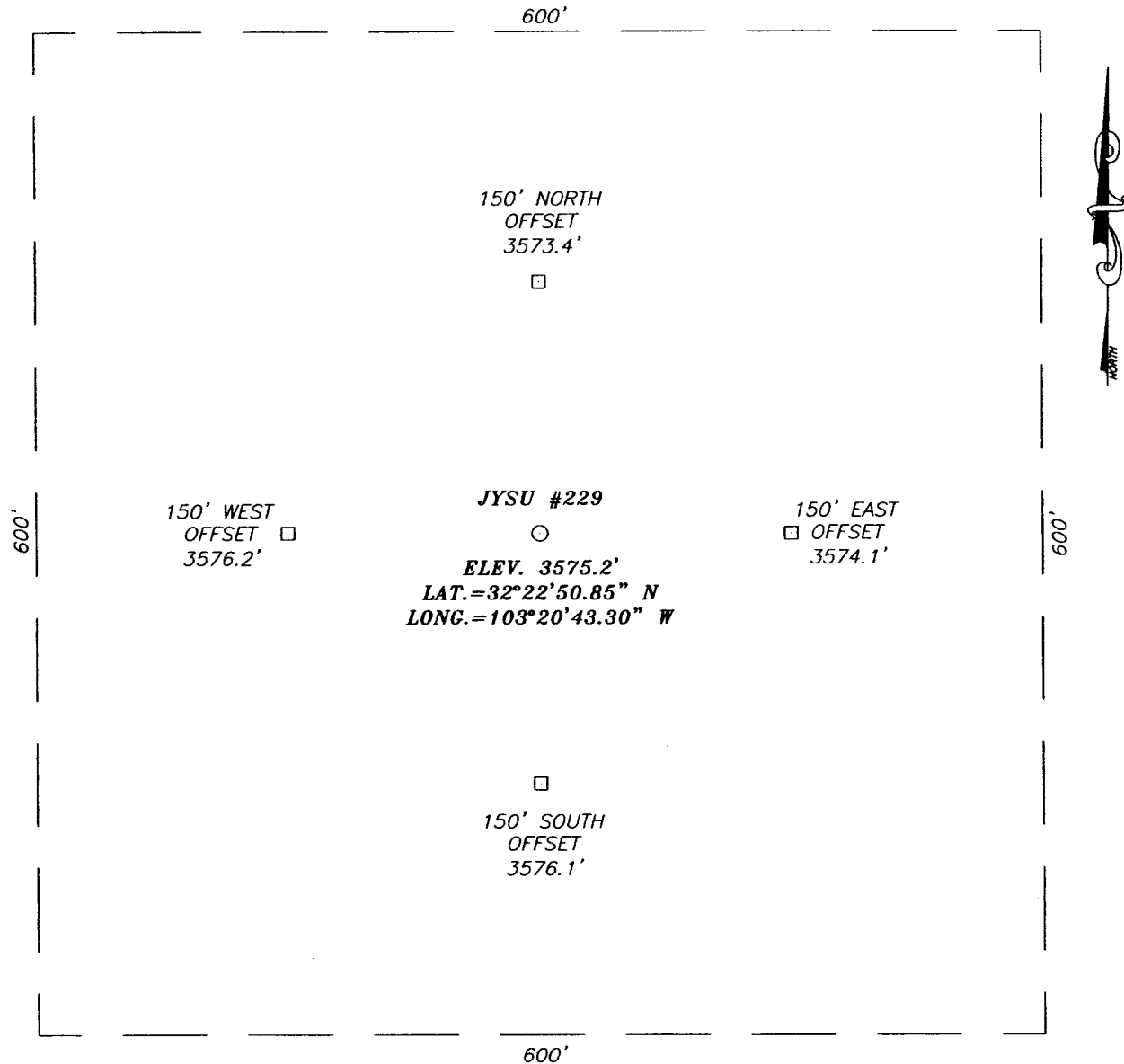
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <i>40*</i>	Joint or Infill	Consolidation Code	Order No. <i>* Waterflood Unit</i>
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

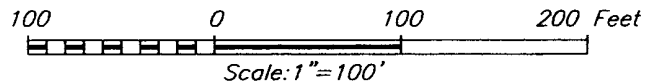
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Ann E. Ritchie</i> Printed Name <i>Regulatory Agent</i> Title <i>10-6-05</i> Date	
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. 	
	Date Surveyed Signature & Seal of Professional Surveyor 	
	Certificate No. GARY EIDSON 12641	

SECTION 23, 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. 0.3 MILES. TURN LEFT AND GO SOUTH APPROX. 0.8 MILES. TURN RIGHT AT THE JYSU #144 WELL AND GO WEST APPROX. 0.1 MILES. TURN LEFT AND GO SOUTH APPROX. 0.1 MILES. ROAD BENDS TO THE RIGHT AND CONTINUES SOUTHWEST APPROX. 0.1 MILES THEN TO THE WEST APPROX. 0.2 MILES TO THE JYSU #212 WELL. THIS LOCATION IS APPROX. 0.2 MILES SOUTHWEST.



MELROSE OPERATING COMPANY

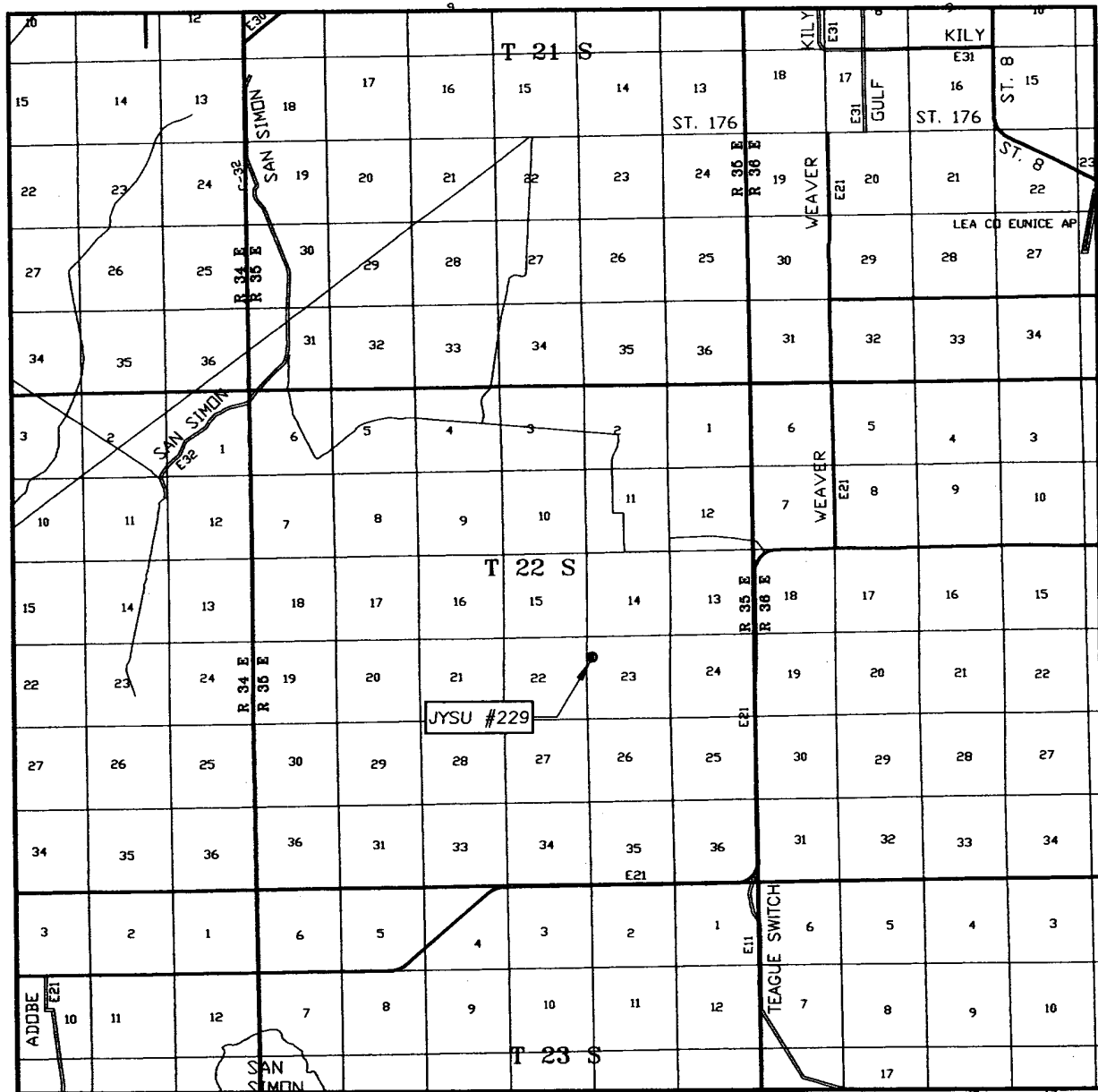
JYSU #229 WELL
 LOCATED 1310 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 23,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.



PROVIDING SURVEYING SERVICES
 SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

Survey Date: 9/26/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1492	Dr By: LA
Date: 9/29/05	Disk: CD#4
05111492	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 23 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

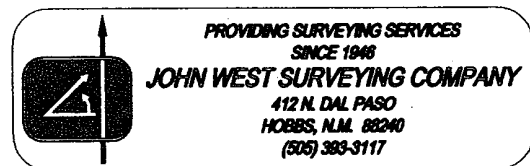
COUNTY LEA

DESCRIPTION 1310' FNL & 330' FWL

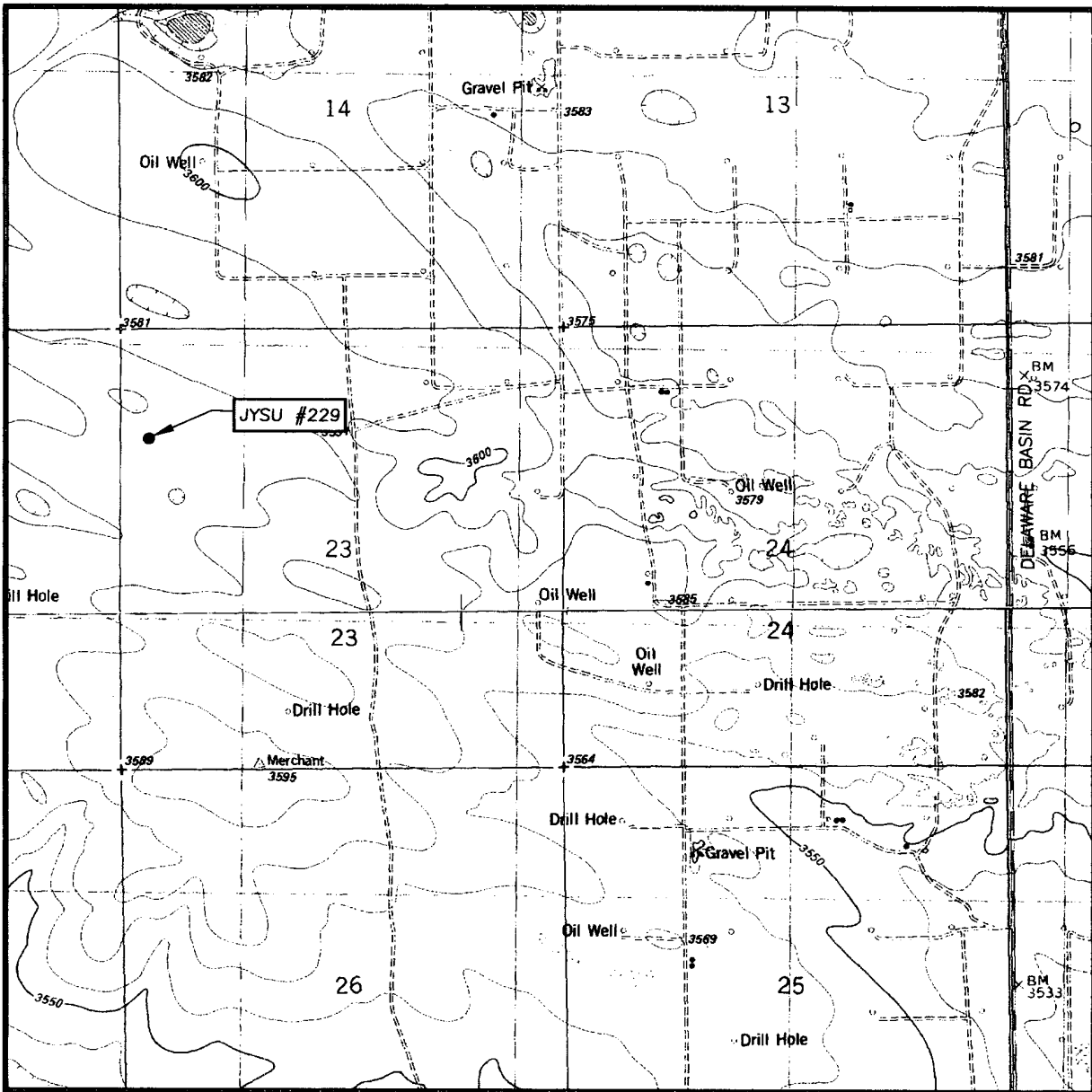
ELEVATION 3575'

OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 23 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1310' FNL & 330' FWL

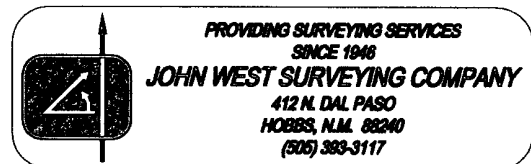
ELEVATION 3575'

OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU

U.S.G.S. TOPOGRAPHIC MAP

OIL CENTER, N.M.



Melrose Operating Co.
 Drilling Rig Pad Schematic
 JFSYU # 229
 Lea County, New Mexico
 Wellbore is 40' North of the pit

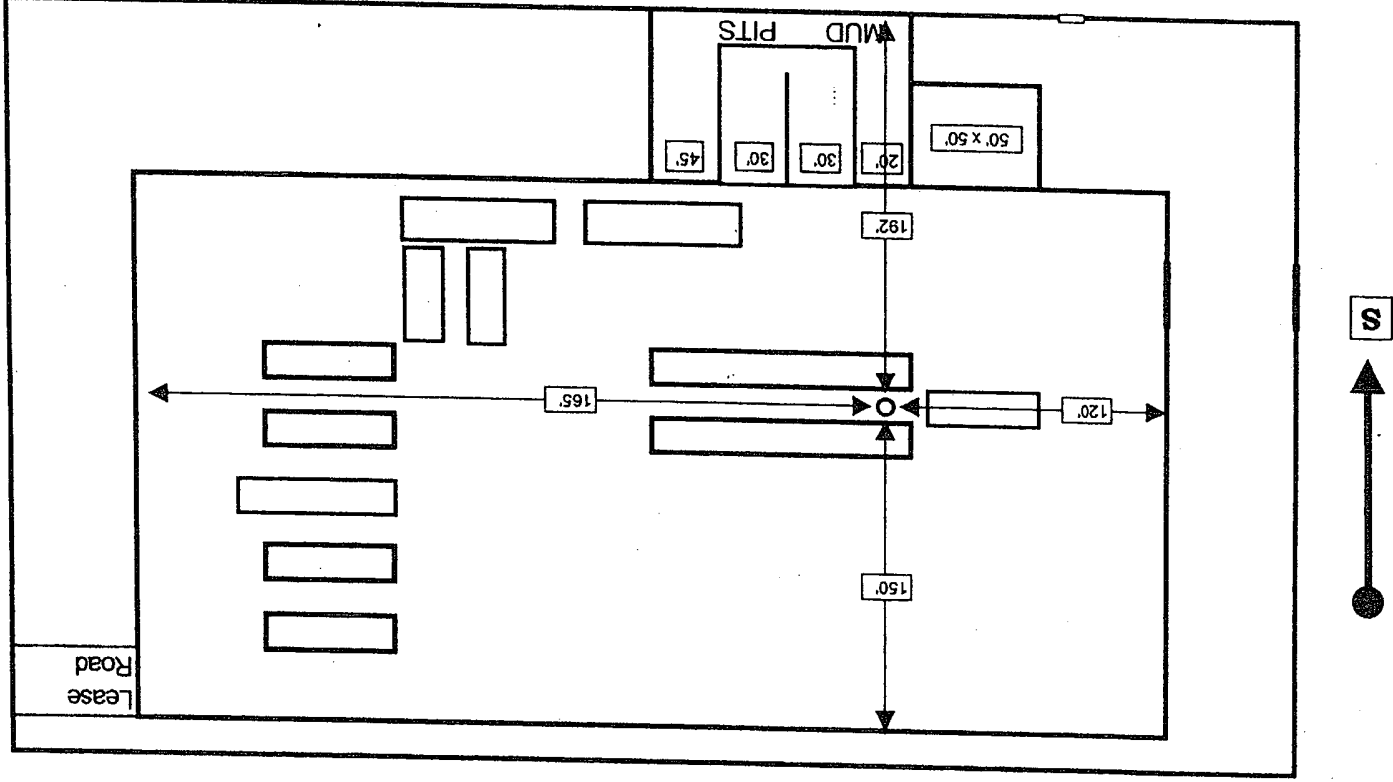
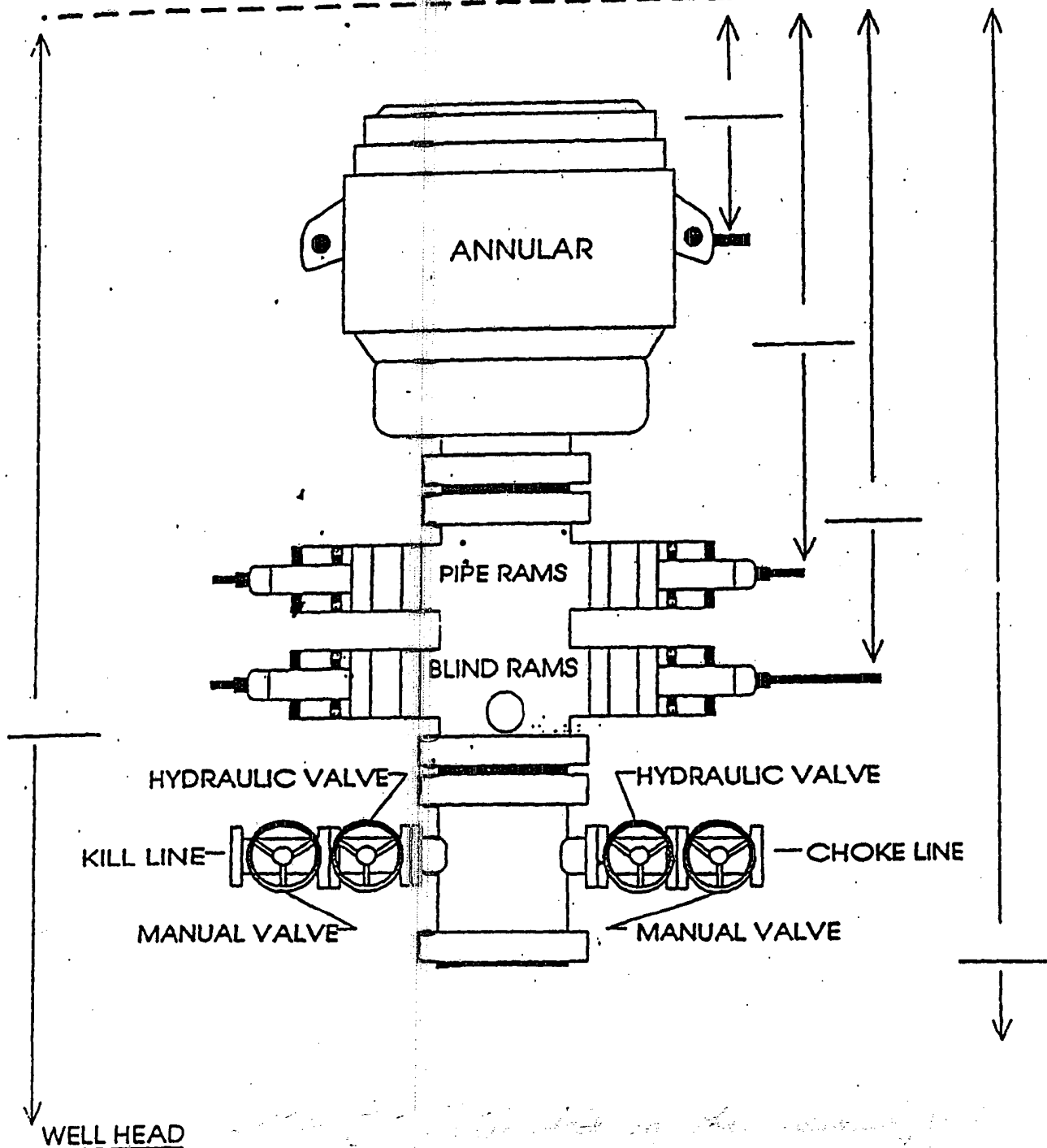


EXHIBIT A

B.O.P. STACK SPACING

SIZE: 3000#

TOP OF ROTARY



WELL Talmat # 229 CONTRACTOR United Drilg.