

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

X Permit renewal request

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 Yates Sand Unit	⁵ API Number 30 - 025 37505-38710
⁹ Proposed Pool 1: Jalmat; Tansill-Yates-7 Rvrs		¹⁰ Proposed Pool 2

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
B	23	22S	35E		1310	North	2310	East	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 State	¹⁵ Ground Level Elevation 3590'
¹⁶ Multiple No	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor TBA	²⁰ Spud Date 2-5-08
Depth to Groundwater: 300-350' 240'		Distance from nearest fresh water well: approx: none		Distance from nearest surface water: none
Pit: Liner: Synthetic: X 12_mils thick Clay ☐ Pit Volume: 3000_bbls Drilling Method: Closed-Loop System ☐ Fresh Water X Brine X Diesel/Oil-based ☐ Gas/Air ☐				

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'	375 sx	Surface
7 7/8"	5 1/2"	15.5#	4200'	925 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 @ 350', cementing with 375 sx CI C, slurry wt of 14.8 ppg, yield of 1.34 cf/sx, type CI 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 CI 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 CI 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 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: 1-15-08

Phone: 432-681-6381/214-767-0800

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Conditions of Approval Attached ☐

Permit Expires 1 Year from Approval Date
Date Unless Drilling Underway

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 86240

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

1220 SOUTH ST. FRANCIS DR.

State Lease - 4 Copies

Santa Fe, New Mexico 87505

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <i>30-025-37505</i>	Pool Code <i>33820</i>	Pool Name <i>Jalmat (T, Y, 7 Rvs)</i>
Property Code <i>25191</i>	Property Name <i>JYSU</i>	Well Number <i>231</i>
OGRID No. <i>184860</i>	Operator Name <i>MELROSE OPERATING COMPANY</i>	Elevation <i>3590'</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
B	23	22-S	35-E		1310	NORTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

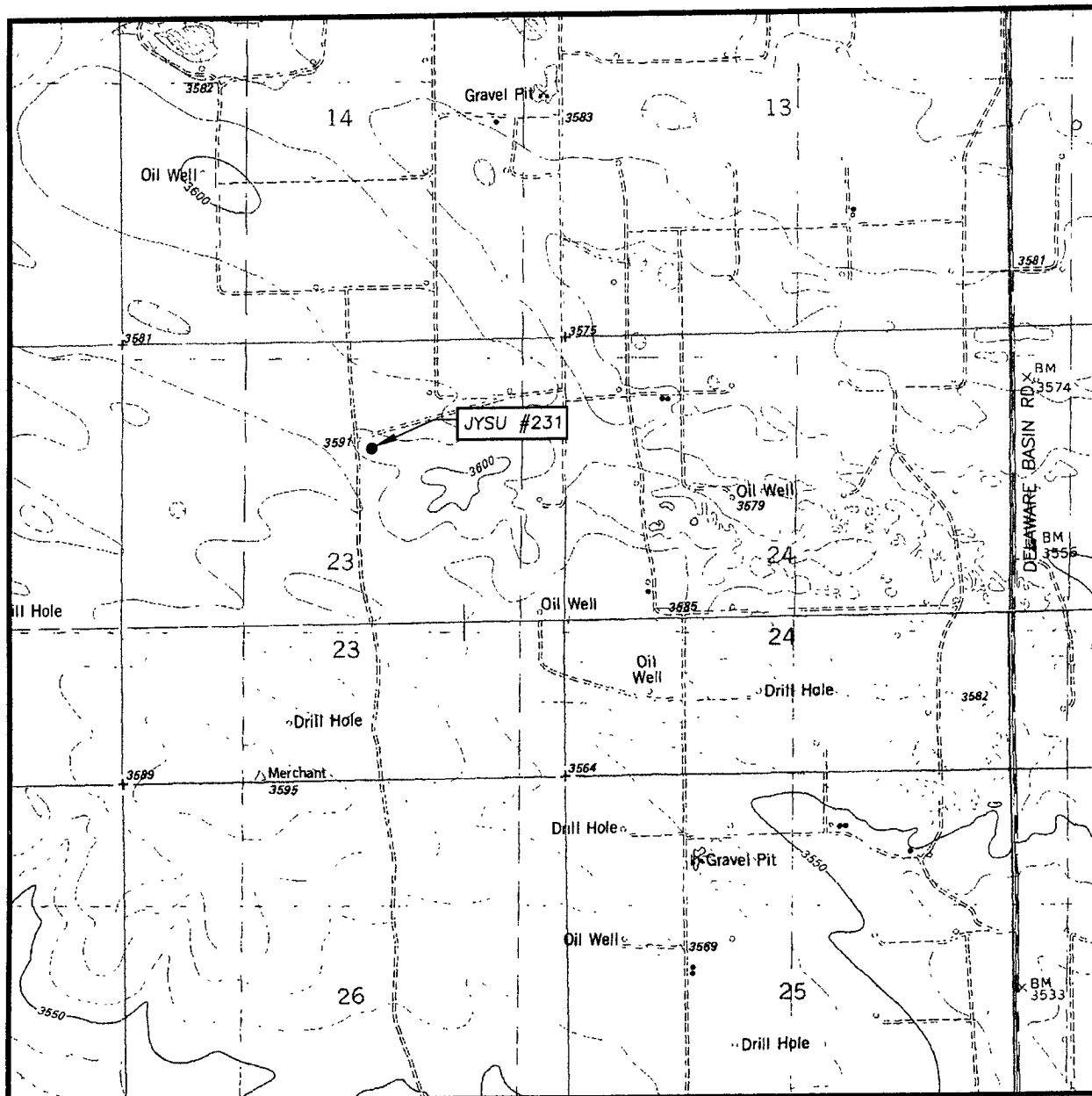
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <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

GEODETIC COORDINATES NAD 27 NME Y=503679.2 N X=807644.6 E LAT.=32°22'50.84" N LONG.=103°20'12.46" W	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>[Signature]</i> 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. SEPTEMBER 26, 2005 Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> 10/3/05 05.11.1494
	Certificate No. GARY EIDSON 12641

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

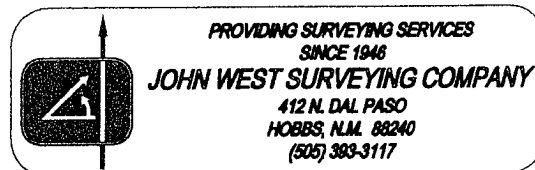
DESCRIPTION 1310' FNL & 2310' FEL

ELEVATION _____ 3590'

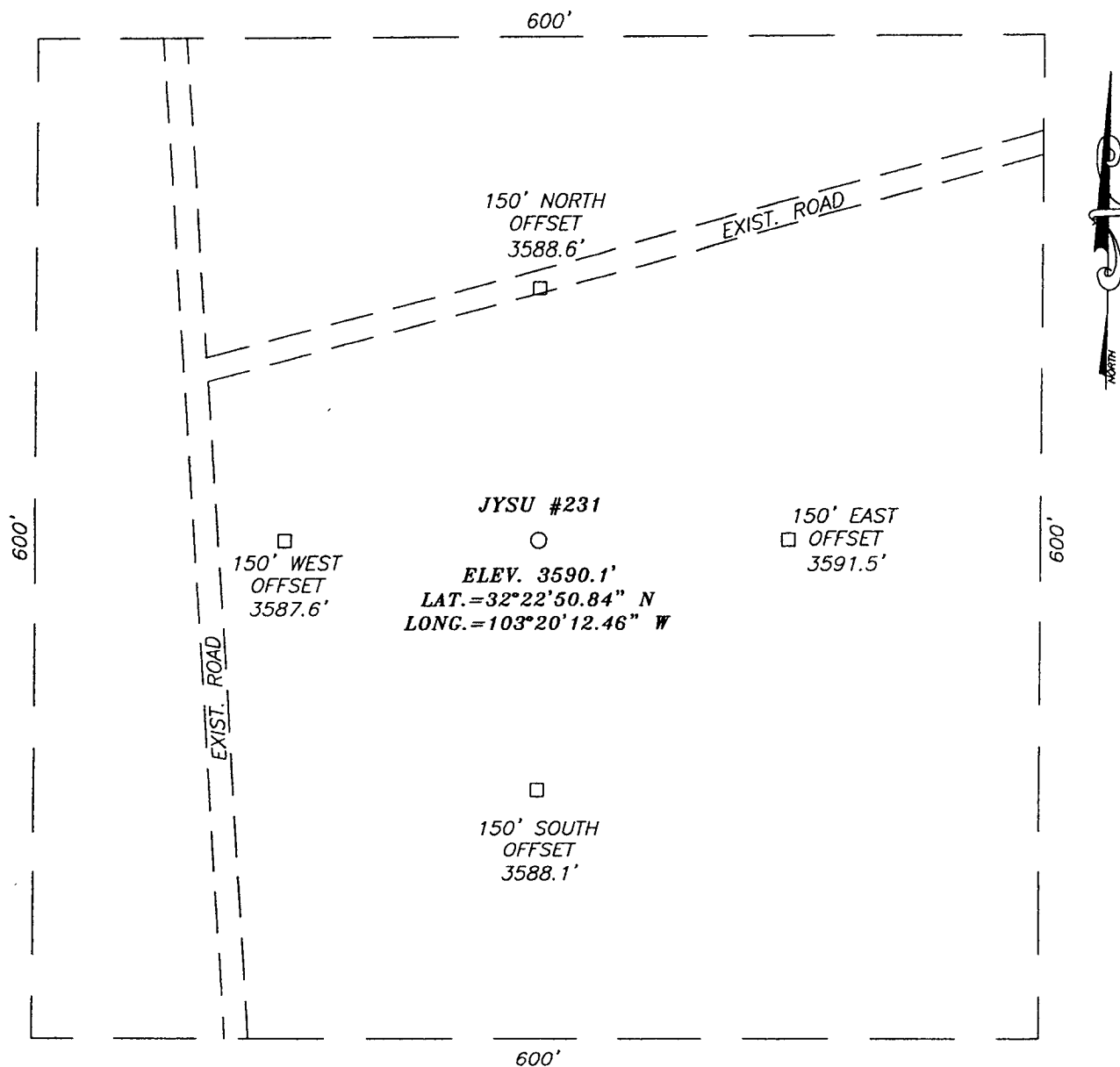
OPERATOR MELROSE OPERATING COMPANY

LEASE _____ JYSU

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

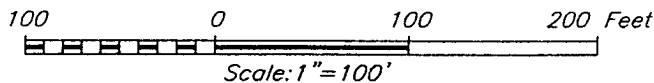


SECTION 23, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

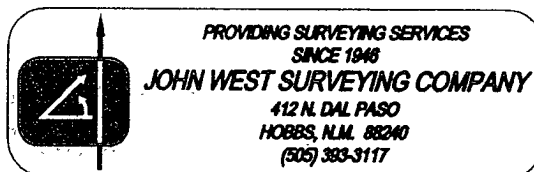
FROM THE INTERSECTION OF DELAWARE BASIN RD. AND WEAVER RD. GO WEST ON DELAWARE BASIN RD. APPROX. 0.8 MILES. TURN RIGHT AND GO WEST APPROX. 1.1 MILES. TURN LEFT AND GO SOUTH APPROX. 1.3 MILES. TURN RIGHT AND GO WEST APPROX. 0.3 MILES TO THE JYSU #146 WELL. THIS LOCATION IS APPROX. 0.1 MILES SOUTHWEST AND 150 FEET SOUTH OF ROAD.



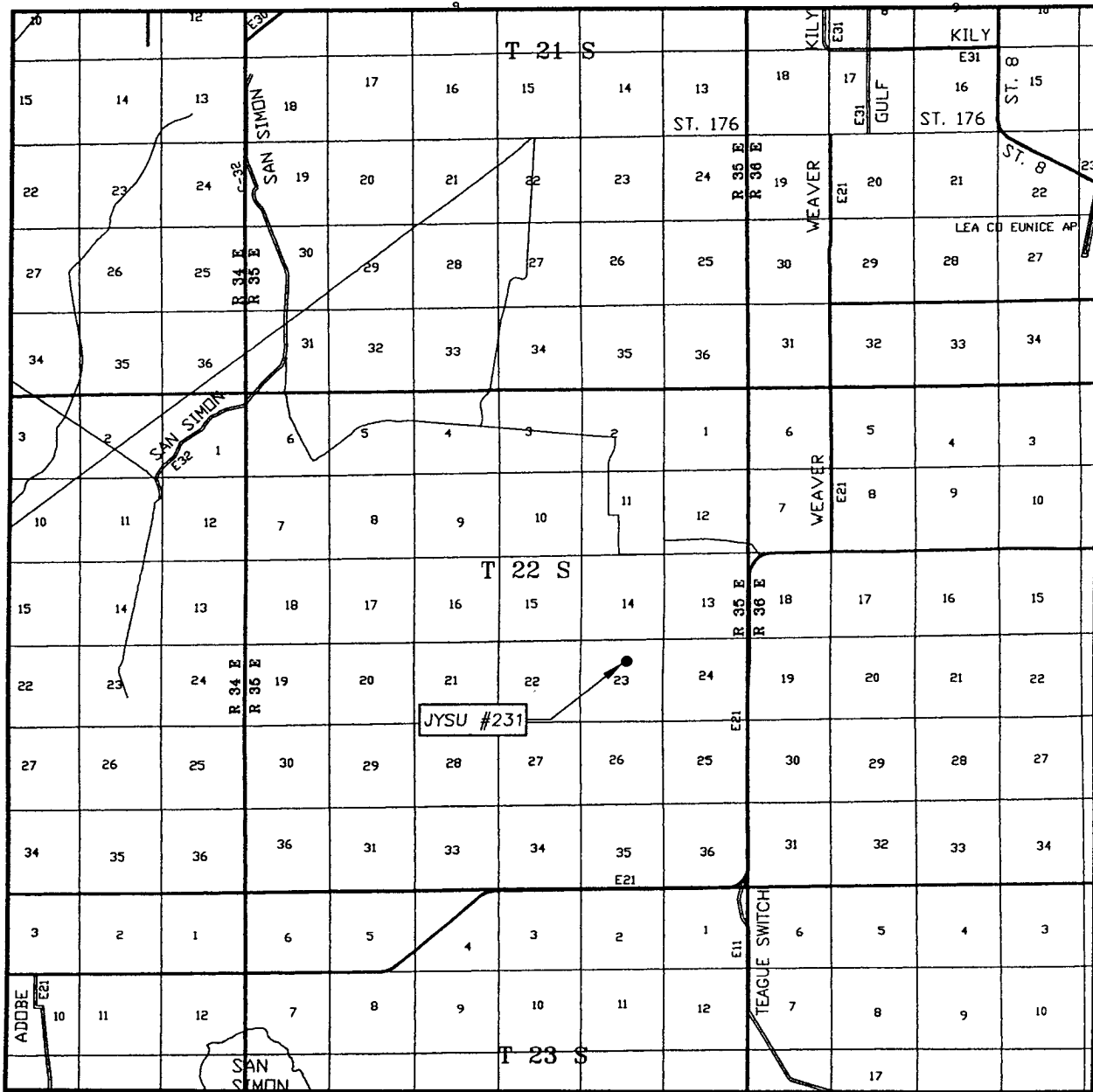
MELROSE OPERATING COMPANY

JYSU #231 WELL
 LOCATED 1310 FEET FROM THE NORTH LINE
 AND 2310 FEET FROM THE EAST LINE OF SECTION 23,
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 9/26/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1494	Dr By: LA
Date: 9/29/05	Disk: CD#4
05111494	Scale: 1"=100'



VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

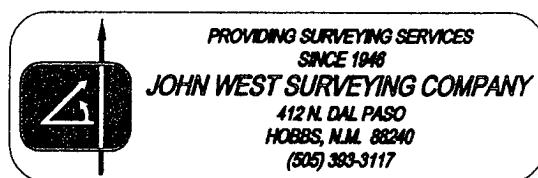
COUNTY LEA

DESCRIPTION 1310' FNL & 2310' FEL

ELEVATION 3590'

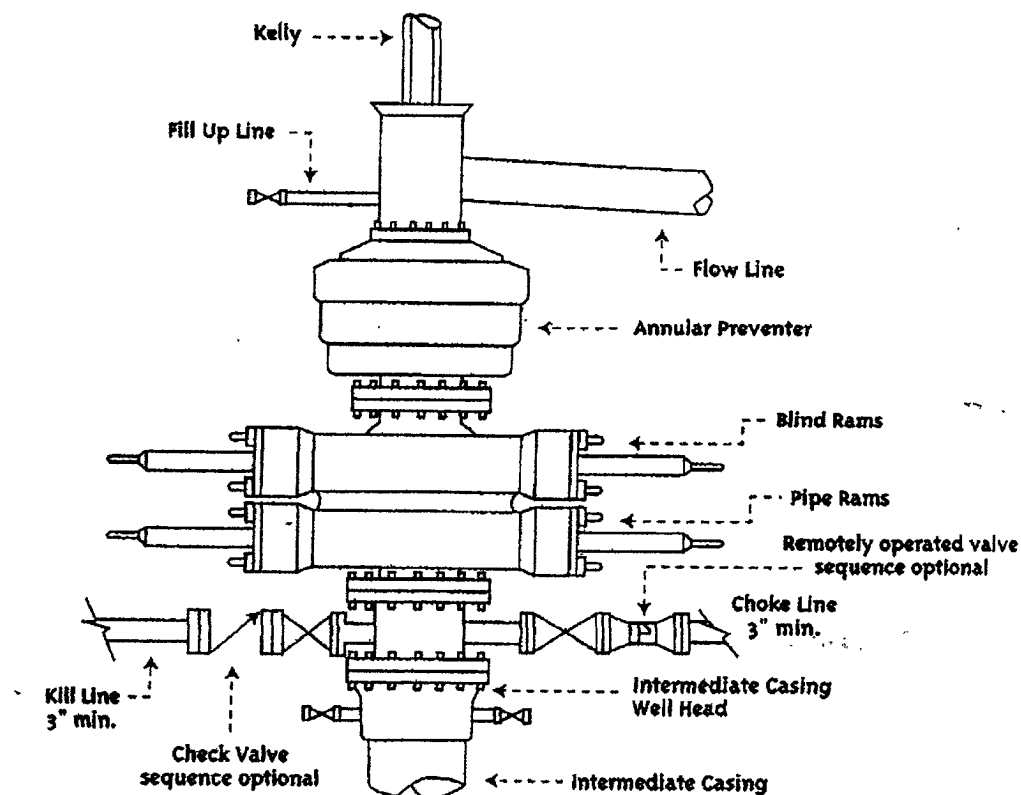
OPERATOR MELROSE OPERATING COMPANY

LEASE JYSU





Typical 3,000 psi Pressure System Schematic Annular Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

