District I District I
1625 N. French Dr., Hobbs, NM PAGE CEIVE State of New Mexico
District II
Note of New Mexico
District II District II

Form C-101 May 27, 2004

1301 W. Grand Avenue, Artesia, NM 88210

District III

Oil Conservation Division 1220 South St. Francis Dr.

Submit to appropriate District Office

1000 Rio Brazos Road, Aztec, NM 8741 AN 1 8 2008 ☐ AMENDED REPORT District IV Santa Fe, NM 87505 1220 S St. Francis Dr., Santa Re, X Permit renewal request APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address: OGRID Number: 184860 ~ API Number Melrose Operating Co., c/o Box 953, Midland, TX 79702 34 30 - 025 37506³ Property Name Jalmat Field Yates Sand Unit Property Code 25191 9 Proposed Pool 1: 10 Proposed Pool 2 Jalmat: Tansill-Yates-7 Rvrs ⁷ Surface Location UL or lot no Section Township Range Lot Idn Feet from the North/South line Feet from the Fast/West line County 23 **22S** 35E A 1310 North 1155 East Lea ⁸ Proposed Bottom Hole Location If Different From Surface Section UL or lot no Township Feet from the North/South line Range Feet from the East/West line County Additional Well Information 12 Well Type Code 11 Work Type Code 3 Cable/Rotary ⁴ Lease Type Code 15 Ground Level Elevation R State 3594 16 Multiple Proposed Depth Formation Contractor Spud Date 4200 No Yates 2-5-08 Depth to Groundwater: 300-350 Distance from nearest surface water: none Distance from nearest fresh water well: 240 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 sxSurface 7 7/8" 5 1/2" 15.5# 4200' 925 sxSurface 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 Cl C, slurry wt of 14.8 ppg, yield of 1.34 cf/sx, type Cl 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 Cl 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 Cl C + 10% bentonite + Sodium Chloride + 0.2% FL, slurry weight – 14.2 ppg, yield – 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 OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , Approved by: or an (attached) alternative OCD-approved plan Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER Printed name: Ann E. Ritchie ZULExpiration Date: Title: Regulatory Agent Approval Date: E-mail Address: ann.ritchie@wtor.net

Conditions of Approval Attached

Phone: 432 684-6381/214-762-0830

State of New Mexico

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

Energy, Minerals and Natural Resources Department

Form C-102

Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 38711	Pool Code	Pool Name					
30-025-34506	33820	Jalmat (T-Y-7Rvrs)					
Property Code	P	roperty Name	Well Number				
25191		JYSU	232				
OGRID No.	0	Elevation					
184860	MELROSE OPERATING COMPANY 359						

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	23	22-S	35-E		1310	NORTH	1155	EAST	LEA

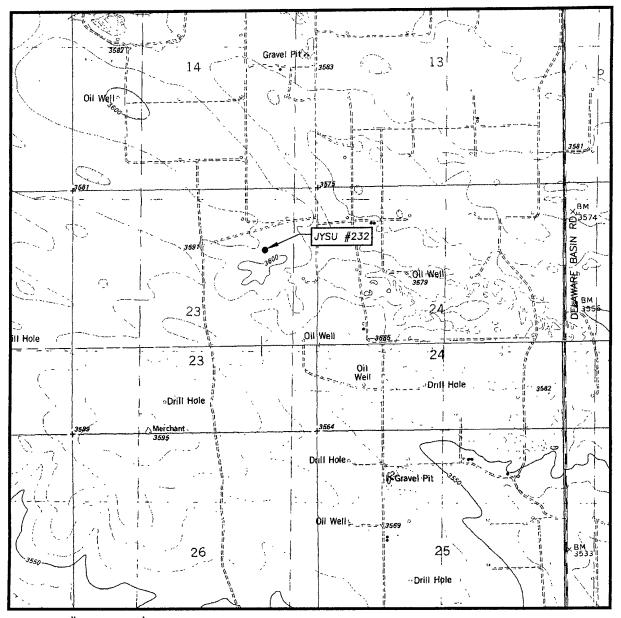
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint of	r Infill Co	nsolidation (Code Ore	der No.				L
40*				14	Vater Flood	1 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

OPERATOR CERTIFICATION I hereby certify—the the information contained herein is true and complete to the best of my knowledge and botter. Signature Ann E. Ritchie Printed Name Y=503690.6 N X=808799.3 E LAT=32*22*50.85" N LONG=103*19*59.00" W SURVEYOR CERTIFICATION I hereby certify that the well location shown on this piat was plotted from field notes of actual surveys made by me or under my supervision and that the same is irrue and correct to the best of my belief. SEPTEMBER 23, 2005 Date Surveyed LA Signature Ann E. Ritchie Printed Name X=804799.3 E LONG=103*19*59.00" W SURVEYOR CERTIFICATION I hereby certify that the well location shown on this piat was plotted from field notes of actual surveys made by me or under my supervision and that the same is irrue and correct to the best of my belief. SEPTEMBER 23, 2005 Date Surveyor LA Signature Ann E. Ritchie Printed Name X=808799.3 E LOGS-11.1495. Certificate No. GARY EIDSON 12841

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

OIL CENTER, N.M.

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

3EC. 23 IWP. 22-3 RGE. 33-E	
SURVEYN.M.P.M.	
COUNTYLEA	
DESCRIPTION 1310' FNL & 1155' FEL	
ELEVATION3594'	
OPERATOR MELROSE OPERATING COMPAI	۷Y
LEASEJYSU	
U.S.G.S. TOPOGRAPHIC MAP	



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

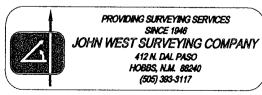
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	15.	O' NORTH		
•	•	OFFSET 3592.7'		
		0		
; 1				NORTH
	IV	SU #232		l I
,009	OFFSET	0	150' EAST □ OFFSET 3596.4'	,009
	LAT.=32	V. 3594.2' 1°22'50.85" N	3396.4	
	LONG. = 10	93°19'59.00" W		
		□ D' SOUTH		
		OFFSET 3596.0'		ļ
				; ;
ľ				i
		600'		
RECTIONS TO L ROM THE INTER	.UCATION SECTION OF DELAWARE BASIN RD. AND	100	0 100	200 Feet
8 MILES. TURN	WEST ON DELAWARE BASIN RD. APPRO. RIGHT AND GO WEST APPROX. 1.1	X. HHHH	Scale:1"=100'	
IRN RIGHT AND	TT AND GO SOUTH APPROX. 1.3 MILES. GO WEST APPROX. 0.2 MILES. THIS PROX. 600 FEET SOUTH.	MELA	ROSE OPERATING C	OMPANY
		LOCATE	JYSU #232 WELL D 1310 FEET FROM THE NOR	TH LINE
		AND 1155 F	EET FROM THE EAST LINE OF 2 22 SOUTH, RANGE 35 EAST,	SECTION 23,
	PROVIDING SURVEYING SERVICES		LEA COURTY AIRES AIRES	
	IOHN WEST SURVEYING COMPANY 412 N. DAL PASO		LEA COUNTY, NEW MEXICO. /23/05 Sheet 1	of 1 Sheets

VICINITY MAP

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SCALE: 1" = 2 MILES

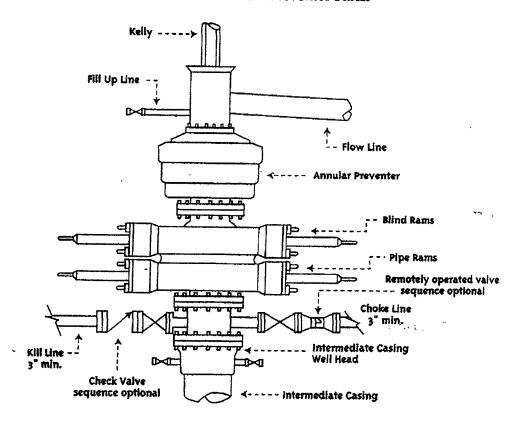
SEC. <u>23</u>	_ TWP. <u>22-S</u> _RGE. <u>35-E</u>
SURVEY	N.M.P.M.
COUNTY_	LEA
DESCRIPTI	ON 1310' FNL & 1155' FEL
ELEVATION	3594'
OPERATOR	MELROSE OPERATING COMPANY
LEASE	.12211







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

