

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

RECEIVED

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
MAY 13 2008

Submit to appropriate District Office

☐ AMENDED REPORT

HOBBS OCD

### 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 Yates Sand Unit	<sup>5</sup> API Number 38932 30 - 025
<sup>9</sup> Proposed Pool 1: Jalmat; Tansill-Yates-7 Rvrs		<sup>6</sup> Well No. 240
<sup>10</sup> Proposed Pool 2		

### <sup>7</sup> Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West liEast	County
N	2	22-S	35-E		688	South	1625	West	Lea

### <sup>8</sup> 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 State	<sup>15</sup> Ground Level Elevation 3590'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 4200'	<sup>18</sup> Formation Yates	<sup>19</sup> Contractor TBA	<sup>20</sup> Spud Date 5-20-08
Depth to Groundwater: 120'		Distance from nearest fresh water well: approx - none		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"/>				

### <sup>21</sup> 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

<sup>22</sup> 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 - 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.

<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"/> .		OIL CONSERVATION DIVISION	
Printed name: Ann E. Ritchie <i>Ann E. Ritchie</i>		Approved by: <i>Chris Williams</i>	
Title: Regulatory Agent		Title: <del>OC DISTRICT SUPERVISOR/GENERAL MANAGER</del>	
E-mail Address: ann.ritchie@wtor.net		Approval Date: MAY 21 2008	
Date: 5-6-08		Expiration Date:	
Phone: 432 684-6381/214-762-0830		Conditions of Approval Attached <input type="checkbox"/>	

Permit Expires 2 Years From Approval  
Date Unless Drilling Underway

# State of New Mexico

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

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 October 12, 2005  
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 30-025 - <b>38932</b>		Pool Code 33820	Pool Name Jalmat (T-Y-7 Rvrs)
Property Code 25191	Property Name <b>JALMAT FIELD YATES SAND UNIT</b>		Well Number 240
GRID No. 184860	Operator Name <b>MELROSE OPERATING COMPANY</b>		Elevation 3590'

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	22-S	35-E		688	SOUTH	1625	WEST	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 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

LOT 4	LOT 3	LOT 2	LOT 1
41.29 AC.	41.15 AC.	41.01 AC.	40.87 AC.
<p>GEODETIC COORDINATES NAD 27 NME. SURFACE LOCATION</p> <p>Y=516225.4 N X=806180.7 E</p> <p>LAT.=32.415311° N LONG.=103.341160° W</p>			

#### OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Ann E. Ritchie* 5-6-08  
Signature Date

Ann E. Ritchie  
Printed Name

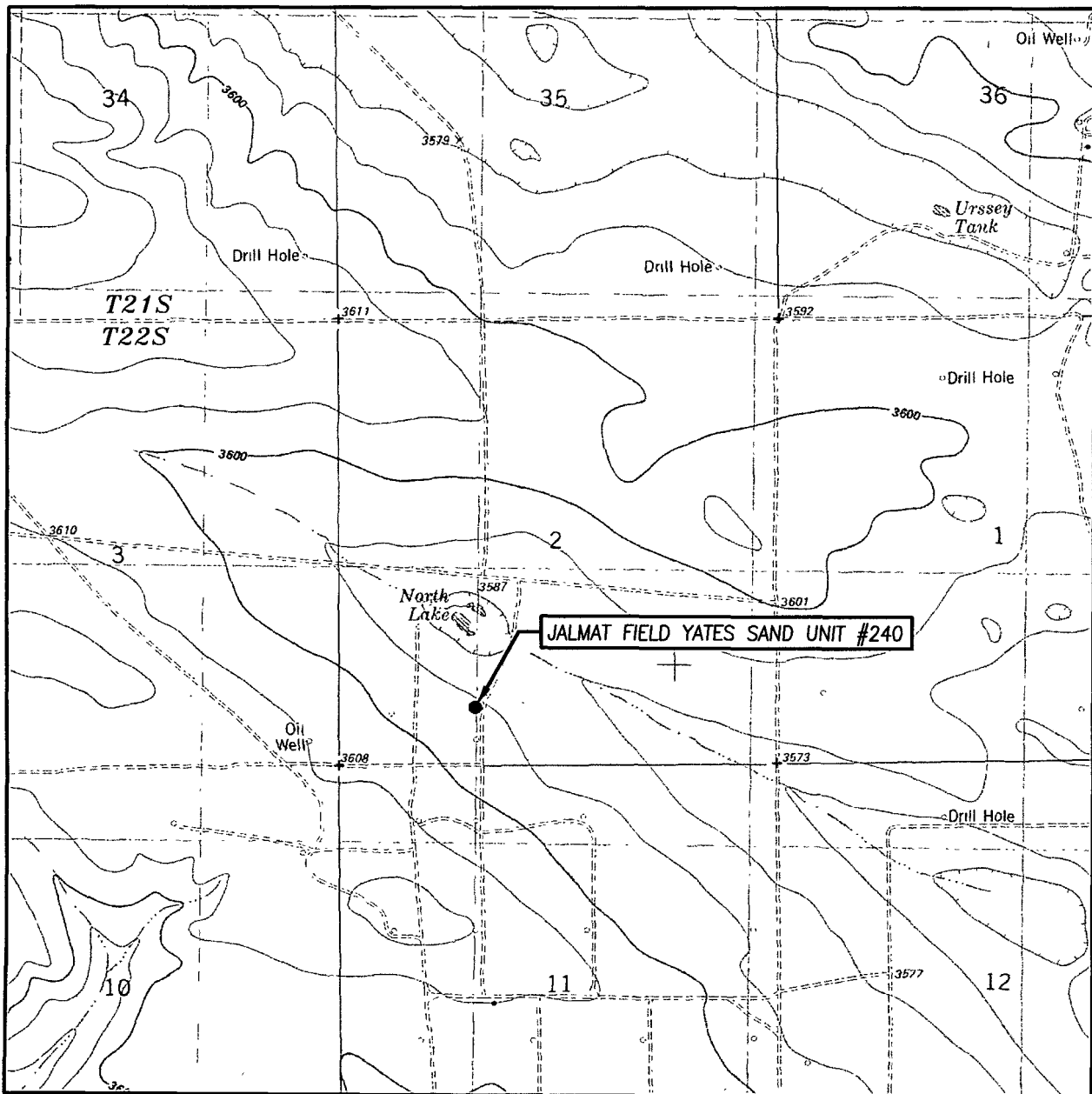
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#### SURVEYOR CERTIFICATION

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: APR 15 2008  
Signature & Seal of Professional Surveyor: *Ronald J. Eidson*  
Certificate No. GARY G. EIDSON 12641  
RONALD J. EIDSON 3239

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
OIL CENTER, NM

SEC. 2 TWP. 22-S RGE. 35-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 688' FSL & 1625' FWL

ELEVATION 3590'

OPERATOR MELROSE  
OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT

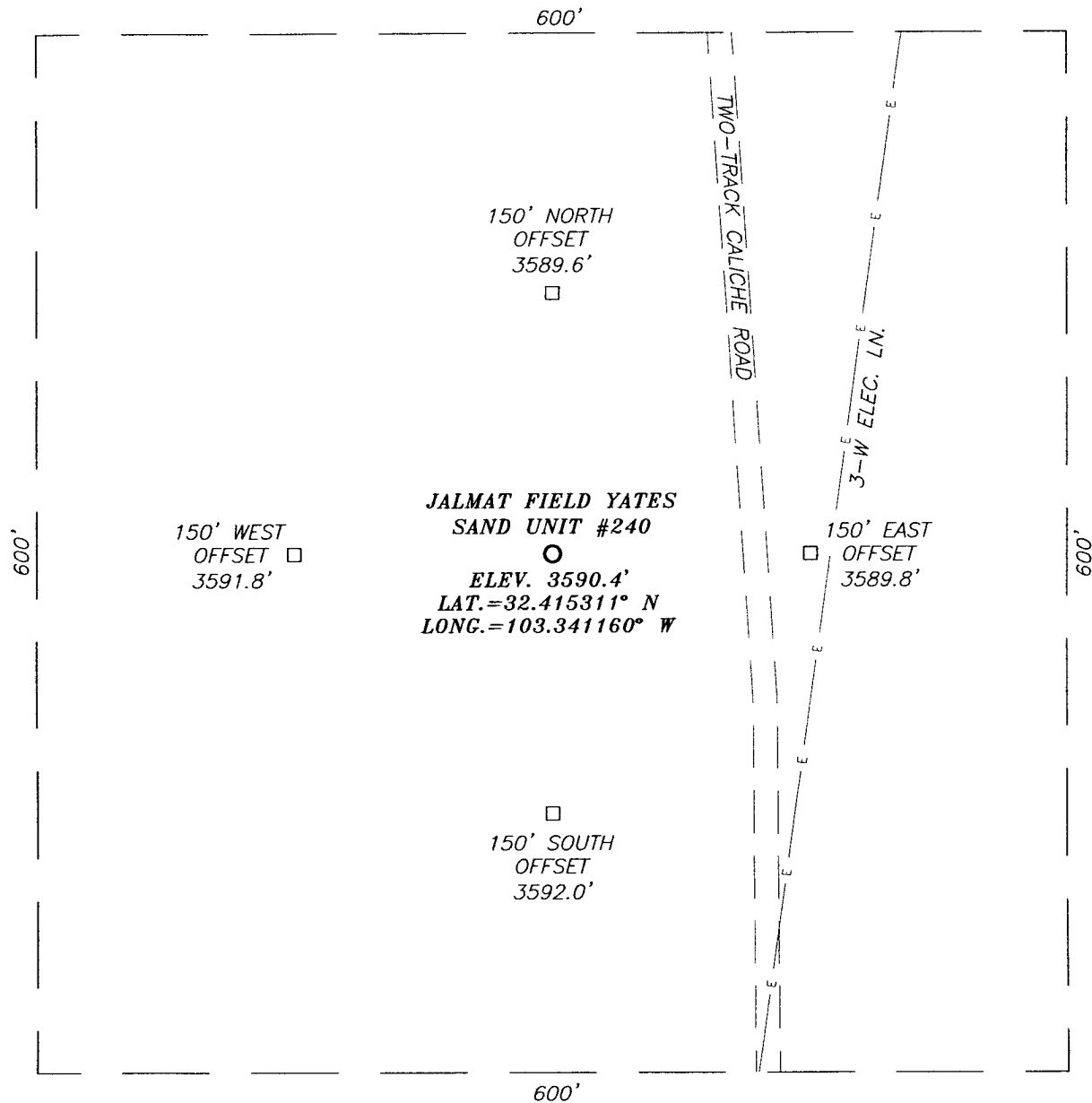
U.S.G.S. TOPOGRAPHIC MAP

OIL CENTER, NM



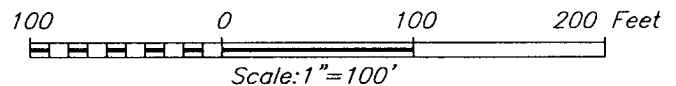
PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

**SECTION 2, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,**  
 LEA COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF COUNTY ROAD #E21 (DELAWARE BASIN ROAD) AND COUNTY ROAD #E21 (WEAVER ROAD), GO WEST ON DELAWARE BASIN ROAD APPROX. 1.0 MILE. TURN RIGHT ON CALICHE ROAD AND GO NORTHWEST APPROX. 1.2 MILES. TURN RIGHT AND GO NORTH APPROX. 0.2 MILES. BEND LEFT AND GO WEST APPROX. 0.7 MILES. TURN RIGHT AND GO NORTH APPROX. 0.5 MILES. CONTINUE NORTH ON TWO-TRACK CALICHE ROAD APPROX. 0.2 MILES. THIS LOCATION IS WEST APPROX. 150 FEET.



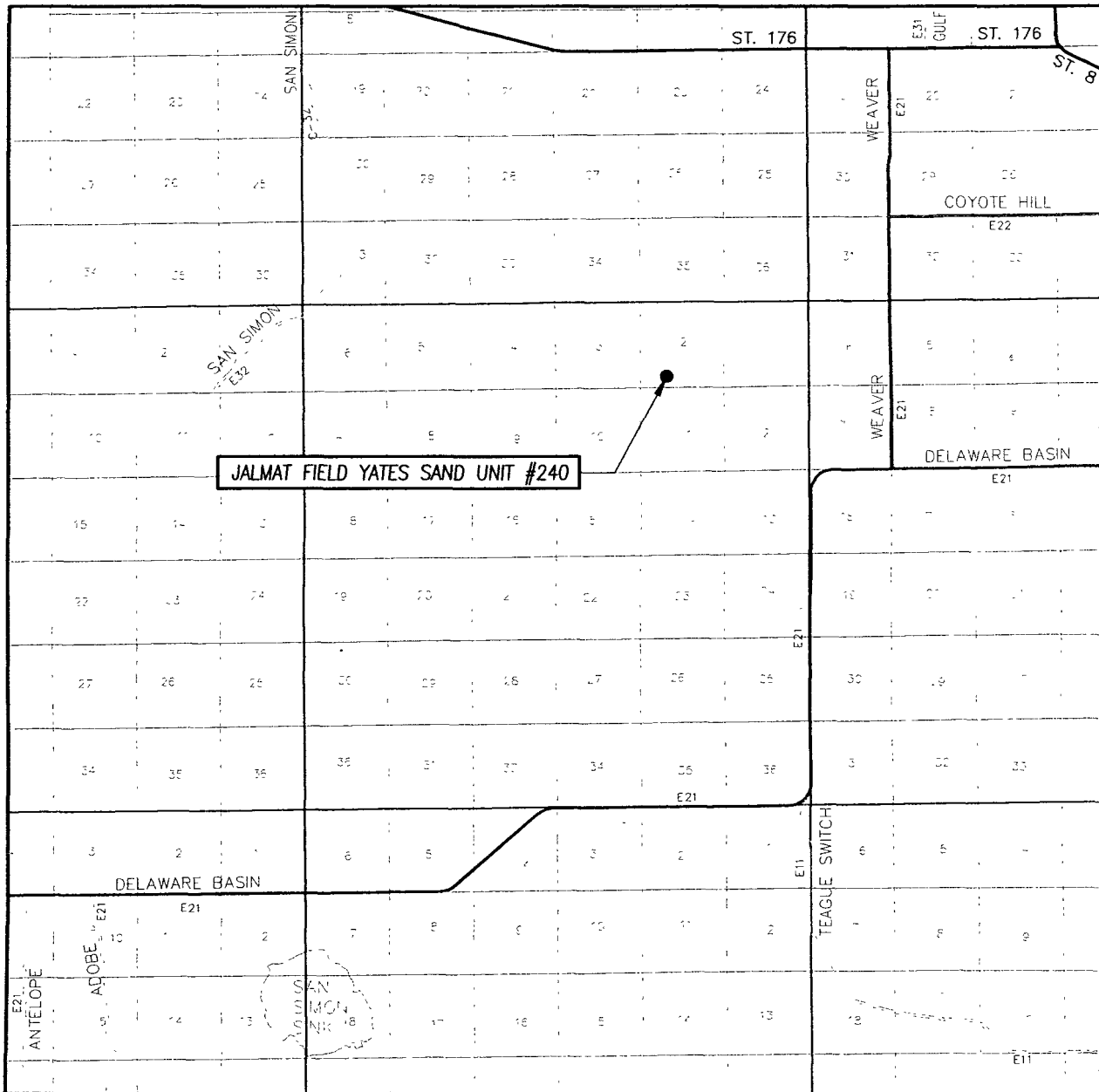
**MELROSE OPERATING COMPANY**

JALMAT FIELD YATES SAND UNIT #240 WELL  
 LOCATED 688 FEET FROM THE SOUTH LINE  
 AND 1625 FEET FROM THE WEST LINE OF SECTION 2,  
 TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

Survey Date: 4/15/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0547	Dr By: DSS
Date: 4/23/08	08110547
	Scale: 1"=100'

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

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 2 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 688' FSL & 1625' FWL

ELEVATION 3590'

OPERATOR MELROSE OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT

