

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 20 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> APT Number 30-025-38942	
<sup>5</sup> Property Name Jalmat Field Yates Sand Unit		<sup>6</sup> Well No. 245	
<sup>9</sup> Proposed Pool 1: Jalmat, Tansill-Yates-7 Rvrs		<sup>10</sup> Proposed Pool 2	

<sup>7</sup> Surface Location

UL or lot no. G	Section 23	Township 22-S	Range 35-E	Lot Idn	Feet from the 1940	North/South line North	Feet from the 1650	East/West /East East	County Lea
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<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
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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 3597'
<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 6-2-08
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 CI C, slurry wt of 14.8 ppg, yield of 1.34 cf/sx, type CI C with 2% CaCl<sub>2</sub>.  
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 H<sub>2</sub>S 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 ☐, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Narvie N. McDonald

Title: Regulatory Agent

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

Date: 5-15-08

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

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

MAY 23 2008

Expiration Date:

Conditions of Approval Attached ☐

Permit Expires 2 Years From Approval  
Date Unless Drilling Underway

# State of New Mexico

## DISTRICT I

1940 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Revised October 12, 2005  
Submit to Appropriate District Office  
State LEase - 4 Copies  
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 30-025-38942	SAND Code 33820	SAND Name Jalmat (T-Y-7 Rvrs)
Property Code 25191	Property Name JALMAT FIELD YATES SAND UNIT	Well Number 245
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3597'

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	23	22-S	35-E		1940	NORTH	1650	EAST	LEA

### Bottom Hole Location If Different From Surface

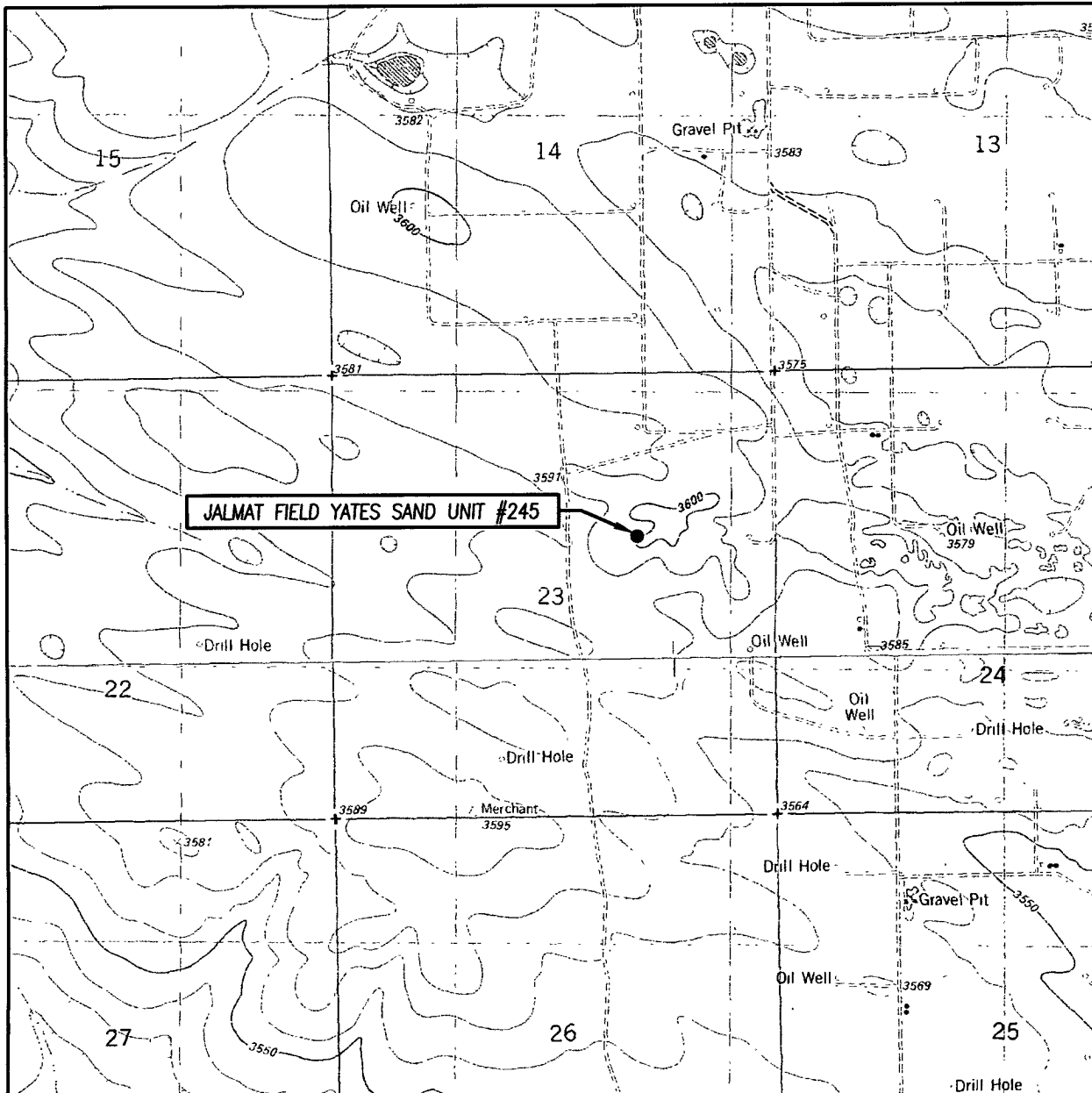
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40.0	Joint or Infill	Consolidation Code	Order No.
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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

<p>GEODETIC COORDINATES NAD 27 NME. SURFACE LOCATION</p> <p>Y=503055.8 N X=808310.3 E</p> <p>LAT.=32.379059' N LONG.=103.334658' W</p>			<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Narvie N. McDonald</i> 5-15-08 Signature Date</p> <p>Narvie N. McDonald Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></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><b>SEAL OF RONALD J. EIDSON</b></p> <p>DATE SURVEYED: 29-2008 SIGNATURE &amp; SEAL OF PROFESSIONAL SURVEYOR: RONALD J. EIDSON DATE: 5-15-08</p>
	<p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>		

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
OIL CENTER, NM  
EAST LAKE, NM

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

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1940' FNL & 1650' FEL

ELEVATION 3597'

OPERATOR MELROSE  
OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT

U.S.G.S. TOPOGRAPHIC MAP

OIL CENTER, NM

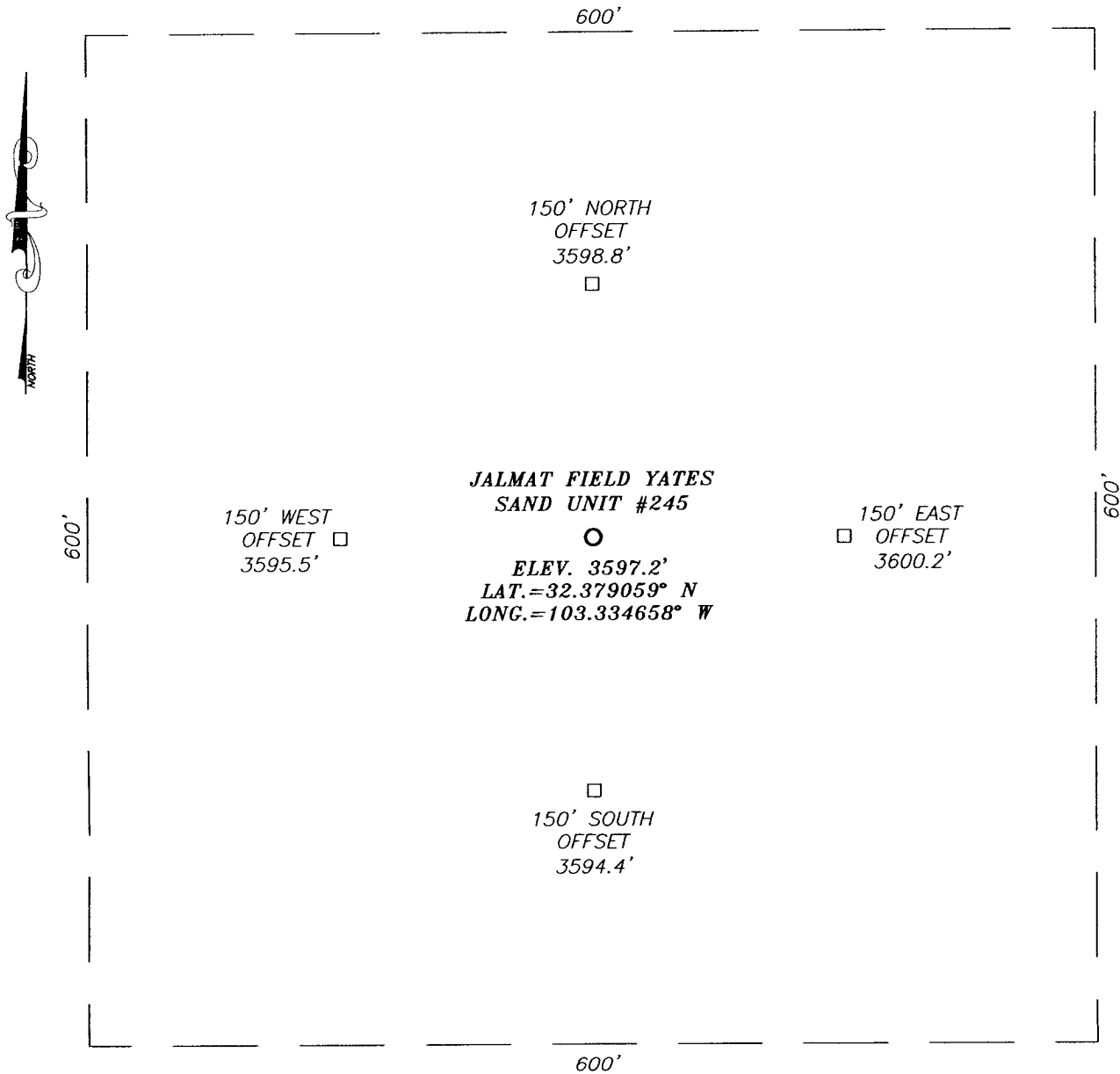


PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

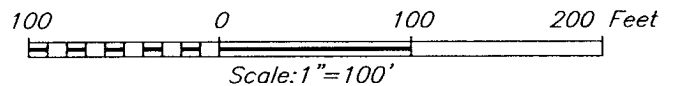
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

**SECTION 23, 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 CALICHE ROAD (LYNX ROAD), GO WEST ON LYNX ROAD APPROX. 0.1 MILE. TURN RIGHT AND GO NORTH APPROX. 0.1 MILE. TURN LEFT AND GO WEST APPROX. 0.8 MILES. TURN RIGHT AND GO NORTH, THEN NORTHWEST APPROX. 0.25 MILES. TURN LEFT AND GO SOUTH APPROX. 0.56 MILES. TURN RIGHT AND GO WEST APPROX. 0.3 MILES. TURN LEFT AND GO SOUTH APPROX. 0.1 MILE. THIS LOCATION IS APPROX. 785 FEET SOUTH.



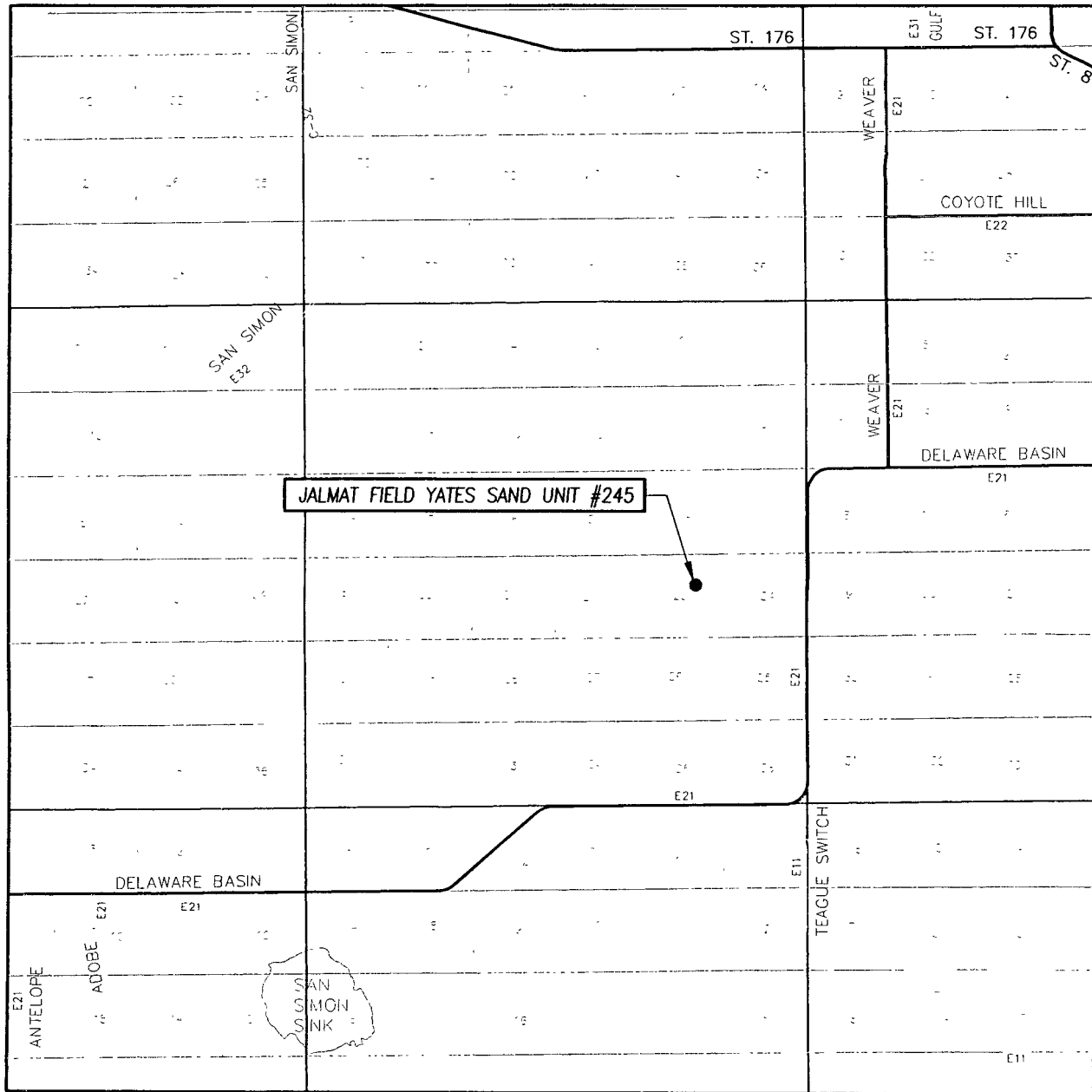
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

**MELROSE OPERATING COMPANY**

JALMAT FIELD YATES SAND UNIT #245 WELL  
 LOCATED 1940 FEET FROM THE NORTH LINE  
 AND 1650 FEET FROM THE EAST LINE OF SECTION 23,  
 TOWNSHIP 22 SOUTH, RANGE 35 WEST, N.M.P.M.,  
 LEA COUNTY, NEW MEXICO.

Survey Date: 4/29/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.0571	Dr By: DSS
Date: 5/6/08	08110571
	Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1940' FNL & 1650' FEL

ELEVATION 3597'

OPERATOR MELROSE OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT

