

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

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

RECEIVED

Form C-101
May 27, 2004

MAY 23 2008 Permit to Drill District Office

HOBBS OGD AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Melrose Operating Co., c/o Box 953, Midland, TX 79702		OGRID Number: 184860
Property Code 25191	Property Name Jalmat Field Yates Sand Unit	API Number 30-025 38945
Proposed Pool 1: Jalmat, Tansill-Yates-7 Rvrs		Well No. 1248 248
Proposed Pool 2:		

Surface Location

UL or lot no D	Section 14	Township 22-S	Range 35-E	Lot Idn	Feet from the 625	North/South line North	Feet from the 1040	East/West /East West	County Lea
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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

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code State	Ground Level Elevation 3586'
Multiple No	Proposed Depth 4200'	Formation Yates	Contractor TBA	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"/> BW > 250' Fresh Water X Brine X Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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

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.

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 NMOC guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Narvie N. McDonald 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

DISTRICT I
1040 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 October 12, 2005
Submit to Appropriate District Office
State LEase - 4 Copies
Fee LEase - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025 - 38945	Pool Code 33820	Pool Name Jalmat (T-Y-7 Rvrs)
Property Code 25191	Property Name JALMAT FIELD YATES SAND UNIT	Well Number 248 1247
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3586'

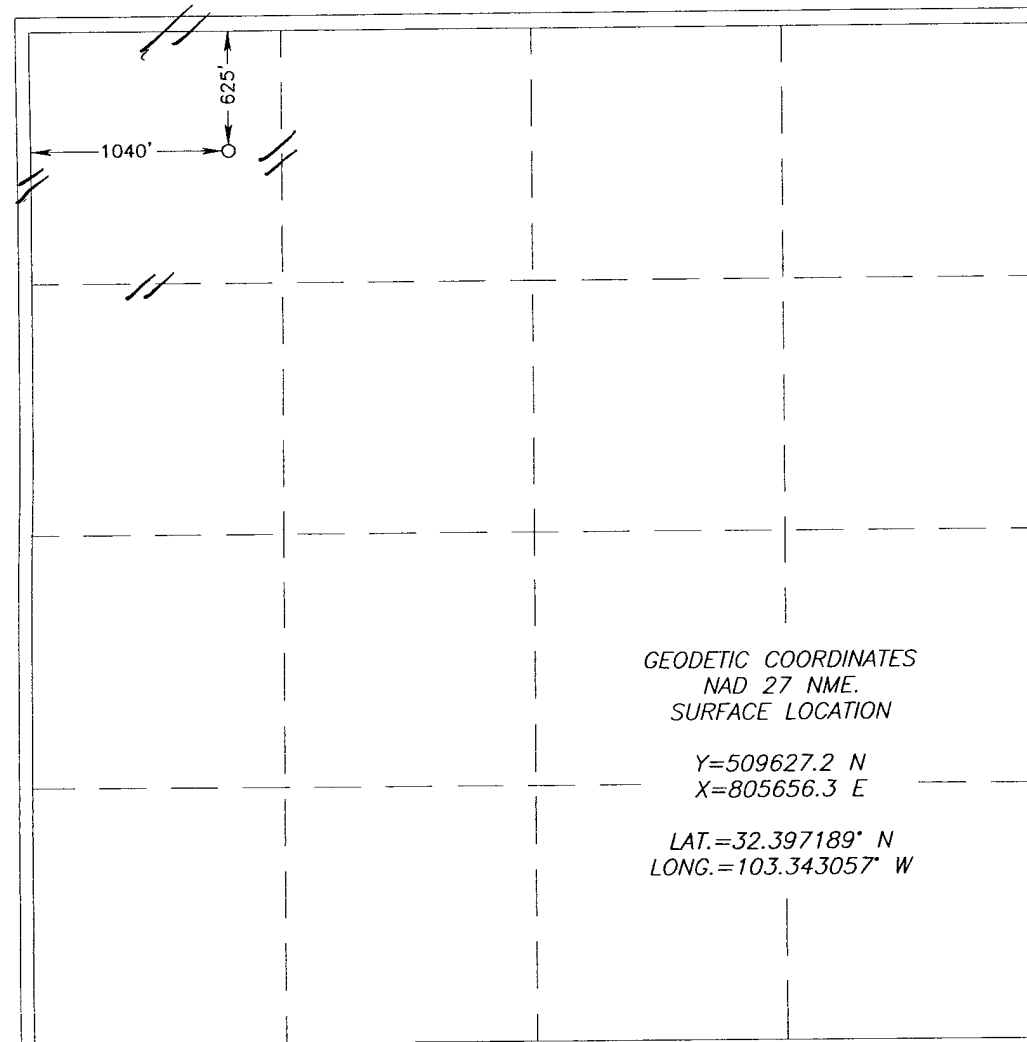
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	22-S	35-E		625	NORTH	1040	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.						

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 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.

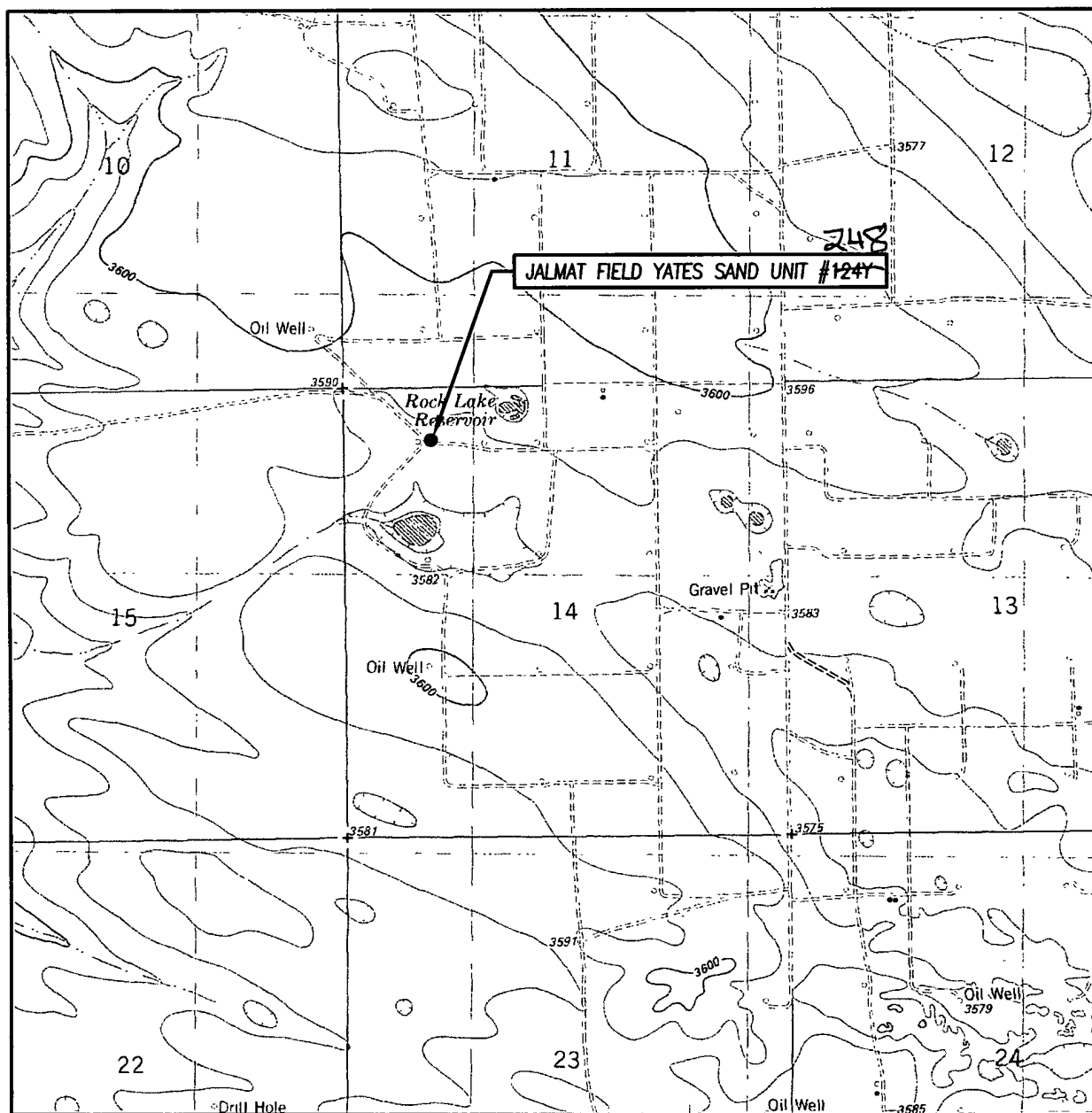
Narvie N. McDonald 5-15-08
Signature Date
Narvie N. McDonald
Printed Name

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.

RONALD J. EIDSON
APRIL 28 2008
Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No. GARY G. EIDSON 12641
RONALD J. EIDSON 3239

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
OIL CENTER, NM

SEC. 14 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

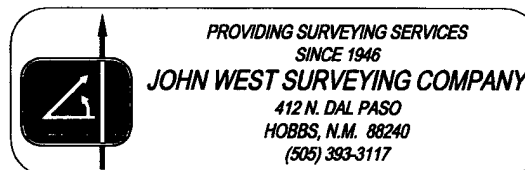
DESCRIPTION 625' FNL & 1040' FWL

ELEVATION 3586'

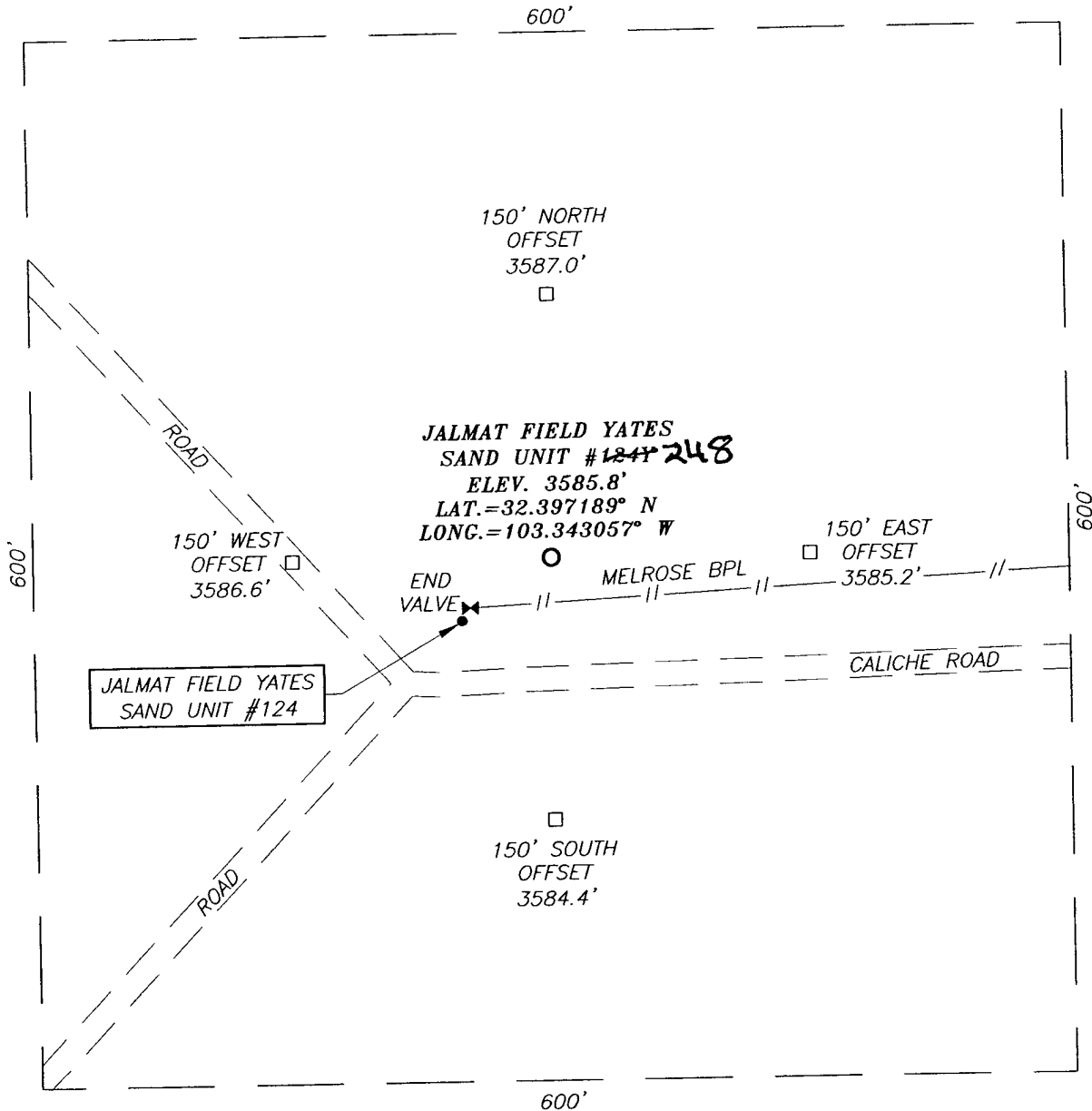
OPERATOR MELROSE
OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, NM

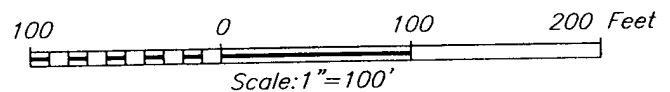


SECTION 14, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



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, ROAD BENDS SOUTH, FOR A TOTAL OF APPROX. 1.8 MILES. TURN RIGHT ON LYNX ROAD AND GO WEST 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 FOR A TOTAL OF APPROX. 0.25 MILES. TURN RIGHT AND GO NORTH APPROX. 0.5 MILES. TURN LEFT AND GO WEST APPROX. 0.6 MILES. TURN LEFT AND GO SOUTH APPROX. 0.15 MILES. TURN RIGHT AND GO WEST APPROX. 0.25 MILES. THIS LOCATION IS APPROX. 60 FEET NORTH.



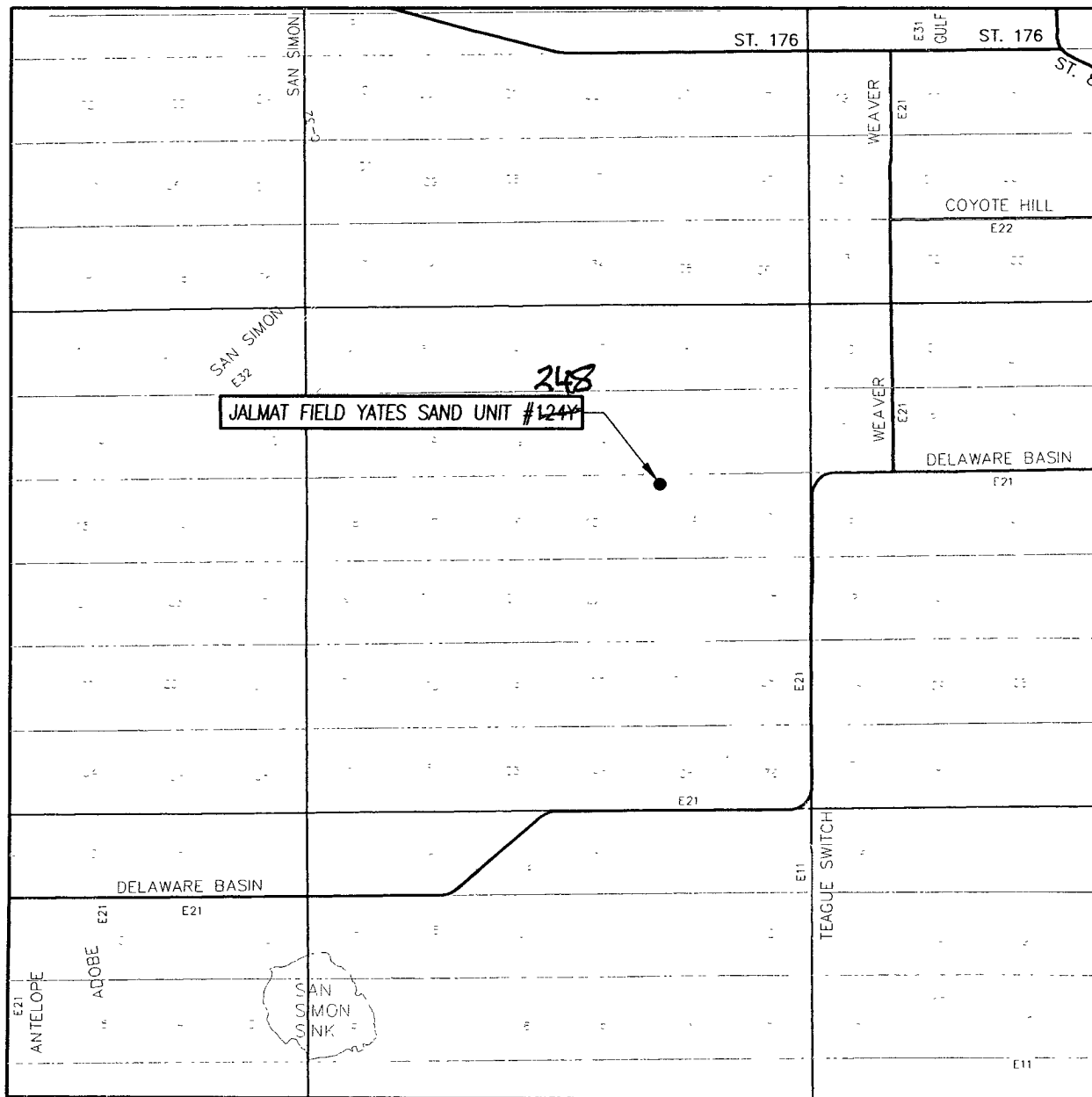
MELROSE OPERATING COMPANY

JALMAT FIELD YATES SAND UNIT #124Y WELL
LOCATED 625 FEET FROM THE NORTH LINE
AND 1040 FEET FROM THE WEST LINE OF SECTION 14,
TOWNSHIP 22 SOUTH, RANGE 35 WEST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

Survey Date: 4/28/08		Sheet 1 of 1 Sheets	
W.O. Number: 08.11.0561		Dr By: DSS	Rev 1:N/A
Date: 5/1/08		08110561	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. 14 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

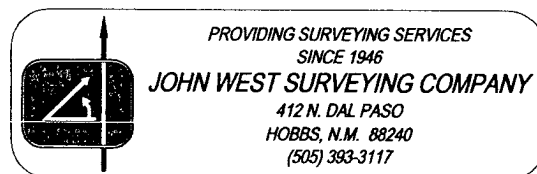
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 625' FNL & 1040' FWL

ELEVATION 3586'

MELROSE
OPERATOR OPERATING COMPANY

LEASE JALMAT FIELD YATES SAND UNIT



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. **LC-03592B-NM12612**
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

7. If Unit of CA/Agreement, Name and/or No
NM 70926X

2. Name of Operator
Torch Energy Services, Inc.

8. Well Name and No.
Cooper Jal Unit #117

3a. Address
2600 W. I-20 Odessa, TX 79763

3b. Phone No. (include area code)
(432)- 580-8500

9. API Well No
30-025-14290-11190

4. Location of Well (Footage, Sec., T.R.M., or Survey Description)
660 FT from South Line, 1980 FT from West Line, Section 18, Township-24S, Range-37E

10. Field and Pool or Exploratory Area
Jalmat/ Langlie Mattix

11. Country or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

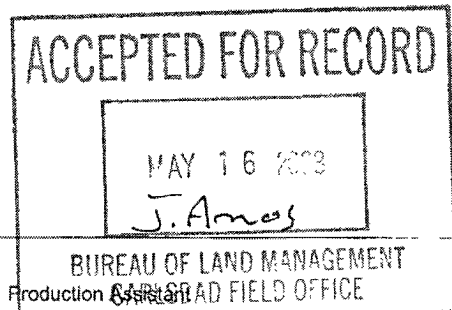
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change from gas well to oil well
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Objective: Change from gas well to oil well

(Oil) Transporter OGRID 034053- Plains Marketing, LP, 10 Desta Drive, Suite 200E, Midland, TX 79705
(Gas) Transporter OGRID 024650- Targa Midstream Services LP, 1000 Louisiana St., Suite 4300, Houston, TX 77002
Spud Date- 10/27/48, Ready Date- 11/24/48; TD- 3660'; PBTD- 3660'; Perforations 2950'-3372'; '3373-3660', DHC- 3349
Hole Size- 11", Csg - 8 5/8" 24# J-55 @ 320', cemented w/ 150 sx Class C w/ CaCl2, circulated
Hole Size- 7 7/8", Csg- 5 1/2" 14# J-55 @ 3441', cemented w/ 500 sx POZ H w/ 6% gel, TOC @ 705'

Well Test Data (24 hour test):
3/16/08- Langlie Mattix; 1 oil, 5 mcf, 11 water
3/17/08- Jalmat; 2 oil, 11 mcf, 175 water



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Melanie Reyes

Title

**BUREAU OF LAND MANAGEMENT
Production Systems
OMBARD FIELD OFFICE**

Signature

Date **05/12/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Date **MAY 23 2008**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

5/22/08 FOR RECORD ONLY Per well file &
OMBARD well has been oil well
since 5/1/06. Production is correct.
dm