

|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|----------------------------------------------------|--------------------------------------|---------------------|----------|------------|
| Submit To Appropriate District Office<br>Two Copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1720 S. St. Francis Dr., Santa Fe, NM 87505                                                                                              |                                     | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> |                                                                                                 | <b>Form C-105</b><br><b>Jul 17, 2008</b>            |                                                 |                                                    |                                      |                     |          |            |
| 1. WELL API NO.<br>30-025-38872                                                                                                                                                                                                                                                                                                                                                       |                                     | 2. Type of Lease<br><input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN                                                        |                                                                                                 | 3. State Oil & Gas Lease No                         |                                                 |                                                    |                                      |                     |          |            |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 4. Reason for filing:<br><input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)<br><br><input type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) |                                     |                                                                                                                                                                                       | 5. Lease Name or Unit Agreement Name<br>Jalmat Field Yates Sand Unit<br><br>6. Well Number: 185 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 7. Type of Completion:<br><input type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input checked="" type="checkbox"/> OTHER <u>Convert to injector</u>                                                                                                  |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 8. Name of Operator<br>Melrose Operating Company                                                                                                                                                                                                                                                                                                                                      |                                     |                                                                                                                                                                                       | 9. OGRID<br>184860                                                                              |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 10. Address of Operator<br><br>20333 State Highway 249, STE 310, Houston, Texas, 77070                                                                                                                                                                                                                                                                                                |                                     |                                                                                                                                                                                       | 11. Pool name or Wildcat<br>Jalmat ( T-Y-7 Rvrs)                                                |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 12. Location                                                                                                                                                                                                                                                                                                                                                                          | Unit Ltr                            | Section                                                                                                                                                                               | Township                                                                                        | Range                                               | Lot                                             | Feet from the                                      | N/S Line                             | Feet from the       | E/W Line | County     |
| Surface:                                                                                                                                                                                                                                                                                                                                                                              | B                                   | 13                                                                                                                                                                                    | 22S                                                                                             | 35E                                                 |                                                 | 692                                                | North                                | 2089                | East     | La         |
| BH:                                                                                                                                                                                                                                                                                                                                                                                   |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 13. Date Spudded<br>06/11/2008                                                                                                                                                                                                                                                                                                                                                        | 14. Date T.D. Reached<br>06/15/2008 | 15. Date Rig Released<br>06/16/2008                                                                                                                                                   |                                                                                                 | 16. Date Completed (Ready to Produce)<br>07/08/2008 |                                                 | 17. Elevations (DF on LRKB, RT, GR, etc.) GR 359'  |                                      |                     |          |            |
| 18. Total Measured Depth of Well<br>4150'                                                                                                                                                                                                                                                                                                                                             |                                     | 19. Plug Back Measured Depth<br>4093'                                                                                                                                                 |                                                                                                 | 20. Was Directional Survey Made?<br>Yes             |                                                 | 21. Type Electric and Other Logs Run<br>GR/CCL/CBL |                                      |                     |          |            |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name<br>3662' - 3904', Yates                                                                                                                                                                                                                                                                                             |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| <b>23. CASING RECORD (Report all strings set in well)</b>                                                                                                                                                                                                                                                                                                                             |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| CASING SIZE                                                                                                                                                                                                                                                                                                                                                                           | WEIGHT LB./F.T.                     | DEPTH SET                                                                                                                                                                             | HOLE SIZE                                                                                       | CEMENTING RECORD                                    | AMOUNT PULLED                                   |                                                    |                                      |                     |          |            |
| 8 5/8 "                                                                                                                                                                                                                                                                                                                                                                               | 24#                                 | 438'                                                                                                                                                                                  | 12 1/4 "                                                                                        | 375 sxs Cl C                                        | None                                            |                                                    |                                      |                     |          |            |
| 5 1/2 "                                                                                                                                                                                                                                                                                                                                                                               | 17#                                 | 4145'                                                                                                                                                                                 | 7 7/8 "                                                                                         | 750 sxs Cl C poz                                    | None                                            |                                                    |                                      |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                                                                               |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| SIZE                                                                                                                                                                                                                                                                                                                                                                                  | TOP                                 | BOTTOM                                                                                                                                                                                | SACKS CEMENT                                                                                    | SCREEN                                              | <b>25. TUBING RECORD</b>                        |                                                    |                                      |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     | SIZE                                            | DEPTH SET                                          | PACKER SET                           |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     | 2 3/8 "                                         | 3569'                                              | 3569'                                |                     |          |            |
| 26. Perforation record (interval, size, and number)<br>Perf 3662' - 3904' w/2 spf                                                                                                                                                                                                                                                                                                     |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. |                                                    |                                      |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     | DEPTH INTERVAL                                  |                                                    | AMOUNT AND KIND MATERIAL USED        |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     | 3662'-3904'                                     |                                                    | Acid w/4000 gals acid                |                     |          |            |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    | Frac w/1506 bbls frac w/116368# sand |                     |          |            |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                                                                                 |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| Date First Production<br>07/08/2008                                                                                                                                                                                                                                                                                                                                                   |                                     | Production Method (Flowing, gas lift, pumping - Size and type pump)                                                                                                                   |                                                                                                 |                                                     |                                                 | Well Status (Prod. or Shut-in)                     |                                      |                     |          |            |
| Date of Test<br>07/11/2008                                                                                                                                                                                                                                                                                                                                                            | Hours Tested<br>24                  | Choke Size                                                                                                                                                                            | Prod'n For Test Period                                                                          | Oil - Bbl                                           | Gas - MCF                                       | Water - Bbl                                        | Gas - Oil Ratio                      |                     |          |            |
| Flow Tubing Press.                                                                                                                                                                                                                                                                                                                                                                    | Casing Pressure                     | Calculated 24-Hour Rate                                                                                                                                                               | Oil - Bbl                                                                                       | Gas - MCF                                           | Water - Bbl                                     | Oil Gravity - API - (Corr.)                        |                                      |                     |          |            |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)                                                                                                                                                                                                                                                                                                                            |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    | 30. Test Witnessed By                |                     |          |            |
| 31. List Attachments                                                                                                                                                                                                                                                                                                                                                                  |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.                                                                                                                                                                                                                                                                                    |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial:                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| Latitude                                                                                                                                                                                                                                                                                                                                                                              |                                     |                                                                                                                                                                                       | Longitude                                                                                       |                                                     |                                                 | NAD 1927 198                                       |                                      |                     |          |            |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief                                                                                                                                                                                                                                                    |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |
| Signature                                                                                                                                                                                                                                                                                                                                                                             |                                     | Printed                                                                                                                                                                               |                                                                                                 | Name                                                |                                                 | Title                                              |                                      | Operations Engineer |          | Date       |
|                                                                                                                                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                       |                                                                                                 | Petar Evtimov                                       |                                                 |                                                    |                                      |                     |          | 05/17/2010 |
| E-mail Address: pevtimov@melroseenergy.com                                                                                                                                                                                                                                                                                                                                            |                                     |                                                                                                                                                                                       |                                                                                                 |                                                     |                                                 |                                                    |                                      |                     |          |            |

WFX-841

5-20-10

## INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STA. 1

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn A"       |
| T. Salt                 | T. Strawn        | T. Kirtland             | T. Penn. "B"     |
| B. Salt                 | T. Atoka         | T. Fruitland            | T. Penn. "C"     |
| T. Yates 3662'          | T. Miss          | T. Pictured Cliffs      | T. Penn. "D"     |
| T. 7 Rivers             | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen                | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg             | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres           | T. Simpson       | T. Mancos               | T. McCracken     |
| T. Glorieta             | T. McKee         | T. Gallup               | T. Ignacio Otzte |
| T. Paddock              | T. Ellenburger   | Base Greenhorn          | T. Granite       |
| T. Blinbry              | T. Gr. Wash      | T. Dakota               |                  |
| T. Tubb                 | T. Delaware Sand | T. Morrison             |                  |
| T. Drinkard             | T. Bone Springs  | T. Todilto              |                  |
| T. Abo                  | T. _____         | T. Entrada              |                  |
| T. Wolfcamp             | T. _____         | T. Wingate              |                  |
| T. Penn                 | T. _____         | T. Chinle               |                  |
| T. Cisco (Bough C)      | T. _____         | T. Permian              |                  |

**OIL OR GAS  
SANDS OR ZON**

No. 1, from ..... to .....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from ..... to ..... feet.

No. 2, from ..... to ..... feet.

No. 3, from ..... to ..... feet.

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |