

District I
1625 N. French Dr., Hobbs. N.M. 88240
District II
1301 W. Grand Ave., Artesia, N.M. 88210
District III
1000 Rio Brazos Rd., Aztec, N.M. 87410
District IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee lease - 5 Copies

AMENDED REPORT

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

¹ Operator Name and Address Melrose Operating Co. c/o P.O. Box 953 Midland, TX 79702		² OGRID Number 184860
		³ API Number 30-0 25 • 36575
⁴ Property Code 25191	⁵ Property Name Jalmat Field Yates Sand Unit	⁶ Well No. 201

7 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	22S	35E		10'	North	330	West	Lea

8. 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

⁹ Proposed Pool 1 Jalmat, (Tansill, Yates, Seven Rivers)	¹⁰ Proposed Pool 2
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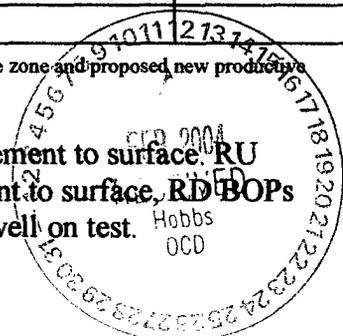
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3587'
¹⁶ Multiple no	¹⁷ Proposed Depth 4200'	¹⁸ Formation Yates	¹⁹ Contractor United Drlg.	²⁰ Spud Date 3-04-03

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'	250 sx Cl C	surface
7 7/8"	5 1/2"	15.5#	4200'	1200 sx	surface

22. Describe the proposed program. If this 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, cement to surface, RU BOPs. Drill 7 7/8" hole to 4200', set 5 1/2" casing, cement to surface, RD BOPs & drilling rig. Perforate Yates formation & frac. Place well on test.



Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>[Signature]</i>	OIL CONSERVATION DIVISION	
Printed Name: Ann E. Ritchie	Approved by: <i>[Signature]</i>	Title: PETROLEUM ENGINEER
Title: Regulatory Agent	Approval Date: FEB 17 2004	Expiration Date:
Date: 2-09-04	Phone: 432 684-6381	Conditions of Approval: Attached: <input type="checkbox"/>

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30025-36575	Pool Code 33820	Pool Name Jalmat; T-Y-7R
Property Code 25191	Property Name JALMAT YATES SAND UNIT	Well Number 201
OGRID No. 184860	Operator Name MELROSE OPERATING COMPANY	Elevation 3587'

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		10	NORTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

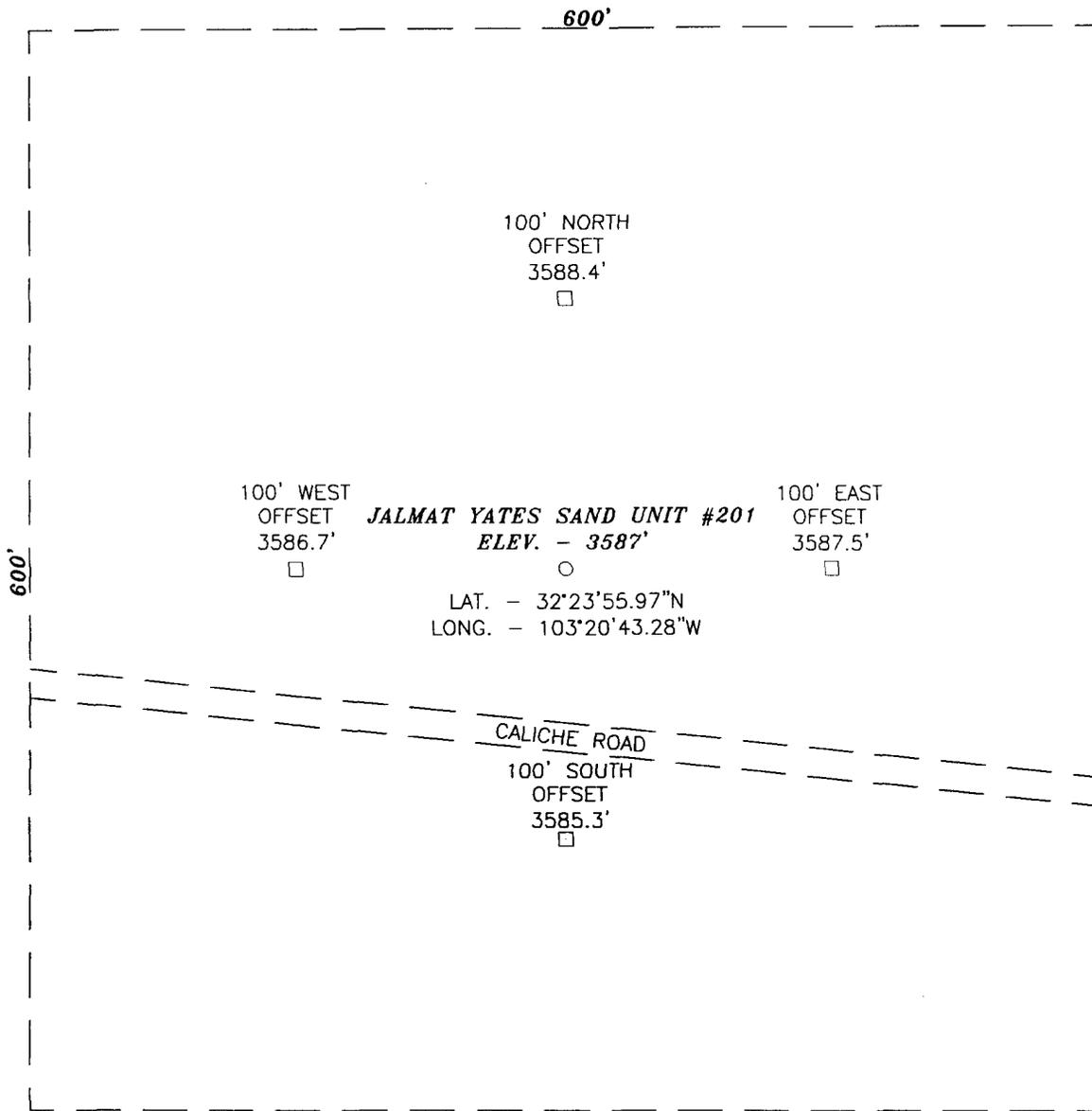
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

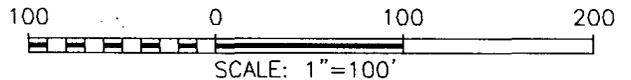
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature</p> <p>Ann E. Ritchie Printed Name</p> <p>Regulatory Agent Title</p> <p>2-9-04 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <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>JANUARY 27, 2004 Date Surveyed</p> <p><i>[Signature]</i> LA Signature & Seal of Professional Surveyor</p> <p>GARY EIDSON Professional Surveyor</p> <p>04.11.0093 Certificate No.</p>
	<p>12641 Certificate No.</p>
	<p>12641 Certificate No.</p>

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



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF ST. HWY. #207 AND DELAWARE BASIN ROAD GO 8.8 MILES WEST TO A CALICHE ROAD. GO 0.1 MILES NORTHWEST TO A CALICHE ROAD TO THE LEFT. GO 0.9 MILES WEST TO A CALICHE ROAD TO THE RIGHT. GO 0.54 MILES WEST TO A CALICHE ROAD TO THE LEFT. GO 0.13 MILES SOUTH TO A CALICHE ROAD TO THE RIGHT. GO 0.26 MILES TO A "Y" IN THE ROAD. GO RIGHT AT "Y" IN THE ROAD 0.15 MILES TO A CALICHE ROAD TO THE LEFT. GO 100 WEST. THIS LOCATION IS APPROX. 85' NORTH FROM THIS POINT.

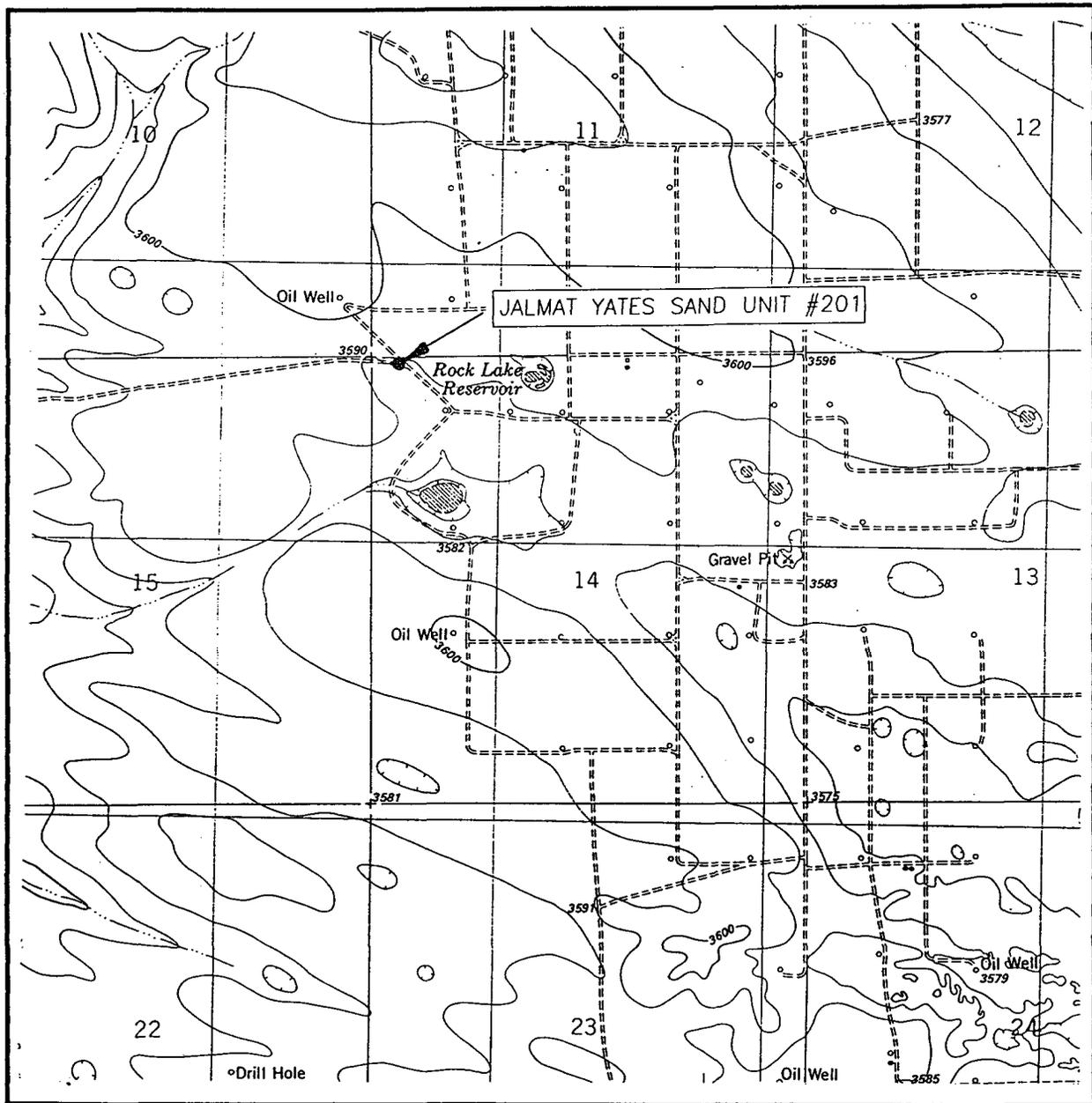


MELROSE OPERATING CO.

THE JALMAT YATES SAND UNIT #201 LOCATED 10 FEET FROM THE NORTH LINE AND 330 FEET FROM THE WEST LINE SECTION 14, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 1/27/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.0093	Drawn By: L.A.
Date: 1/29/04	DISK:CD#3
	04110093

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

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

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 10' FNL & 330' FWL

ELEVATION 3587'

OPERATOR MELROSE OPERATING CO.

LEASE JALMAT YATES SAND UNIT

U.S.G.S. TOPOGRAPHIC MAP

OIL CENTER, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117