

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. 36576 |
| ⁴ Property Code 25191 | ⁵ Property Name Jalmat Field Yates Sand Unit | |
| | | ⁶ Well No. 203 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 14 | 22S | 35E | | 2612' | South | 354' | 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 | | | | | 10. Proposed Pool 2 | | | | |
| Jalmat, (Tansill, Yates, Seven Rivers) | | | | | | | | | |

| | | | | |
|--------------------------------|------------------------------------|-------------------------------|---------------------------------------|---|
| 11. Work Type Code N | 12. Well Type Code O | 13. Cable/Rotary R | 14. Lease Type Code S | 15. Ground Level Elevation 3586' GR |
| 16. Multiple no | 17. Proposed Depth 4200' | 18. Formation Yates | 19. Contractor United Drlg. | 20. Spud Date 3-10-03 |

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, RD 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: *Ann E. Ritchie*

Printed Name: **Ann E. Ritchie**

Title: **Regulatory Agent**

Date: **2-09-04** Phone: **432 684-6381**

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title: **PETROLEUM ENGINEER**

Approval Date: **FEB 17 2004** Expiration Date:

Conditions of Approval:
Attached: **FEB 17 2004**

DISTRICT I

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

DISTRICT II

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

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-----------------------------------|---|------------------------------------|
| API Number 30 025-36576 | Pool Code 33820 | Pool Name Jalmat; T-Y-7R |
| Property Code 25191 | Property Name JALMAT YATES SAND UNIT | Well Number 203 |
| 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 14 | 22-S | 35-E | | 2612 | SOUTH | 354 | WEST | LEA |

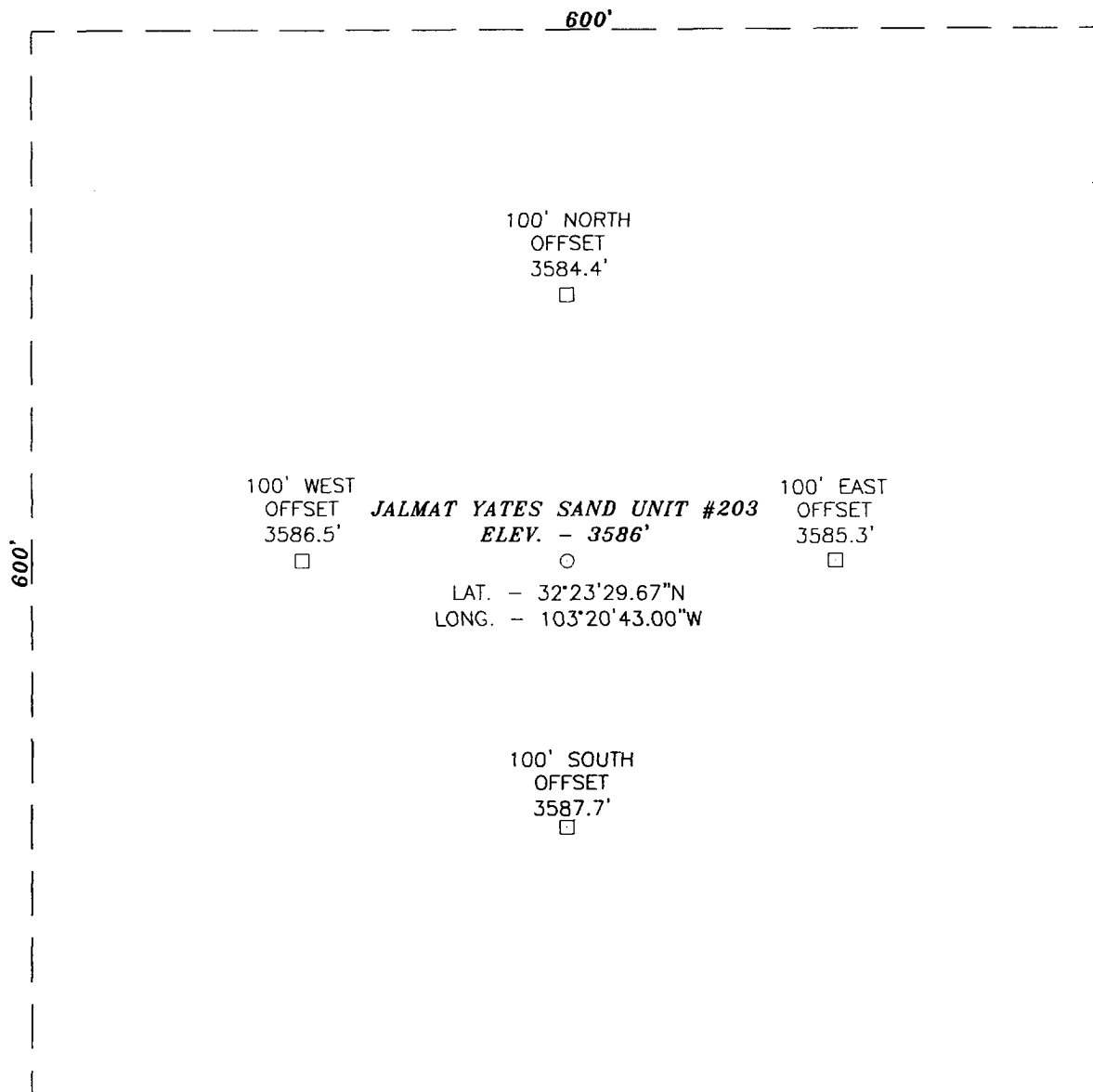
Bottom Hole Location If Different From Surface

| 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

| | |
|--|---|
| <p>GEODETIC COORDINATES NAD 1927 NME Y = 507579.1 N X = 804989.9 E LAT. - 32°23'29.67"N LONG. - 103°20'43.00"W</p> | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Ann E. Ritchie Printed Name Regulatory Agent Title 2-9-04 Date |
| | 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. JANUARY 27, 2004 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. GARY EDSON 12641 |

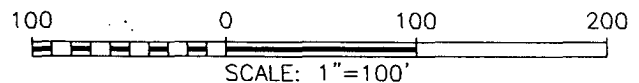
SECTION 14, TOWNSHIP 22 SOUTH, RANGE 35 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



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 0.2 MILES TO A CALICHE ROAD TO THE LEFT. GO 0.2 MILES AND ROAD BENDS TO THE RIGHT. GO 0.2 MILES AND ROAD BENDS TO THE LEFT. GO 400' SOUTH. THIS LOCATION IS APPROX. 850' WEST FROM THIS POINT.

JOHN WEST SURVEYING COMPANY
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

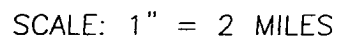


MELROSE OPERATING CO.

THE JALMAT YATES SAND UNIT #203 LOCATED 2612 FEET FROM THE NORTH LINE AND 354 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: 04.11.0095 | Drawn By: L.A. |
| Date: 1/29/04 | DISK:CD#3 |
| | 04110095 |

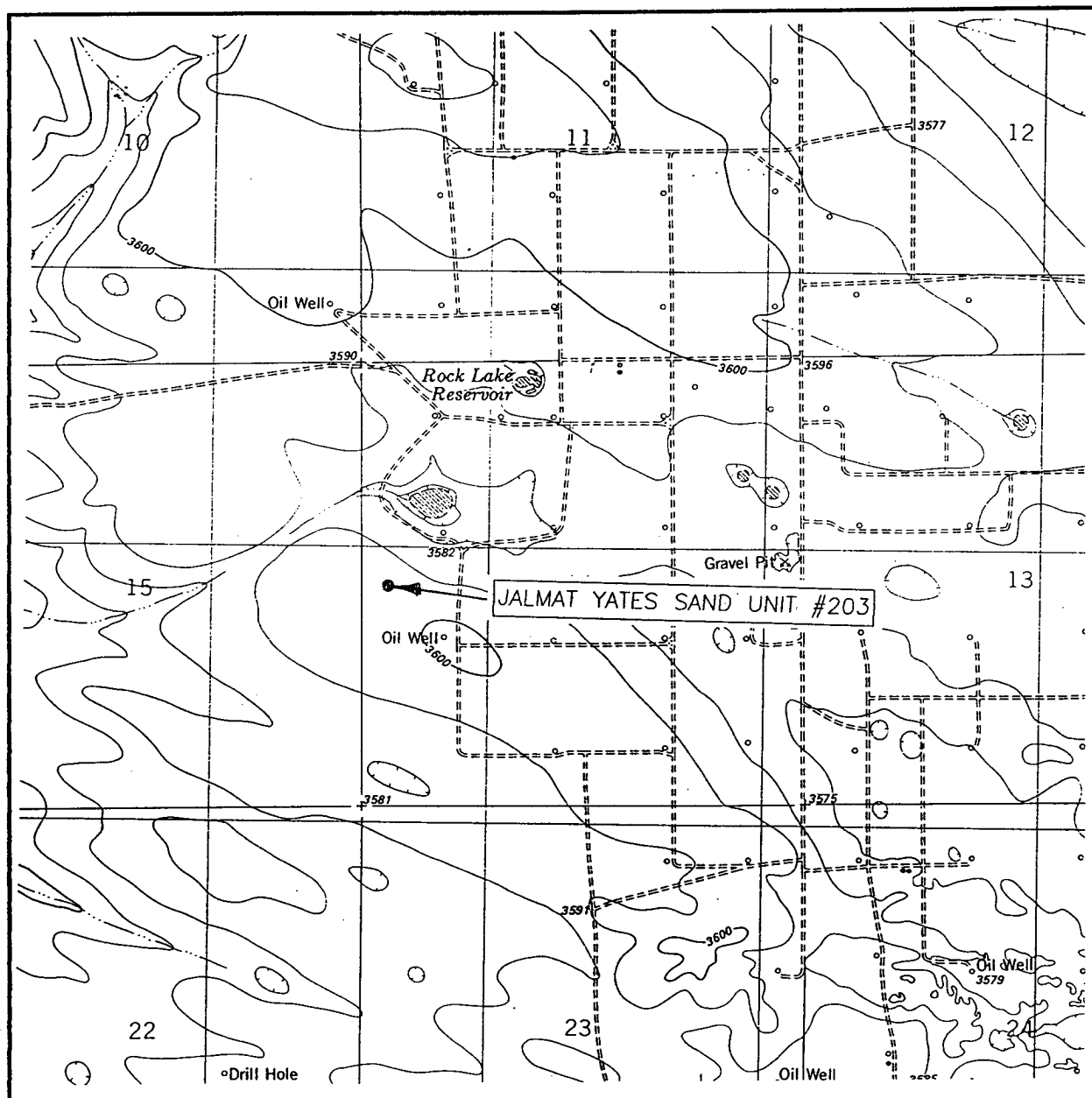
HABON



LEASE JALMAT YATES SAND UNIT

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

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 2612' FSL & 354' FWL

ELEVATION 3586'

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