

Submit To Appropriate District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

District  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, 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

Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87504

Form C-105

Revised March 25, 1999

|                                                                                                     |
|-----------------------------------------------------------------------------------------------------|
| WELL API NO.<br>30 025 36484                                                                        |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No.                                                                           |

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

|                                                                                                                                                                                                                                                                                                                                                          |                                  |                                                                    |                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------|----------------------------------------------------|
| 1a. Type of Well:<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                                                                                                                                          |                                  | 7 Lease Name or Agreement Name<br><br>Jalmat Field Yates Sand Unit |                                                    |
| b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/><br>WELL <input type="checkbox"/> OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> BACK <input type="checkbox"/> RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/> |                                  | 8. Well No.<br>191                                                 |                                                    |
| 2. Name of Operator<br>Melrose Operating Company (432) 684-6381                                                                                                                                                                                                                                                                                          |                                  | 9. Pool name or Wildcat<br>Jalmat, (Tansill, Yates, Seven Rivers)  |                                                    |
| 3. Address of Operator<br>c/o P.O. Box 953, Midland, TX 79702                                                                                                                                                                                                                                                                                            |                                  |                                                                    |                                                    |
| 4. Well Location<br>Unit Letter <b>C</b> 10' Feet From The <b>North</b> Line and <b>1650'</b> Feet From The <b>West</b> Line<br>Section <b>14</b> Township <b>22S</b> Range <b>35E</b> NMPM <b>Lea</b> County                                                                                                                                            |                                  |                                                                    |                                                    |
| 10. Date Spudded<br>12-2-03                                                                                                                                                                                                                                                                                                                              | 11. Date T.D. Reached<br>12-8-03 | 12. Date Compl. (Ready to Prod)<br>1-12-04                         | 13. Elevations (DF& RKB, RT, GR, etc.)<br>3582' GR |
| 14. Elev. Casinghead                                                                                                                                                                                                                                                                                                                                     |                                  |                                                                    |                                                    |
| 15. Total Depth<br>4200'                                                                                                                                                                                                                                                                                                                                 | 16. Plug Back T.D.<br>--         | 17. If Multiple Compl. How Many Zones?<br>N/A                      | 18. Intervals Drilled By<br>X                      |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br>3856 - 4056' - Yates                                                                                                                                                                                                                                                                |                                  |                                                                    | 20. Was Directional, Survey Made<br>no             |
| 21. Type Electric and Other Logs Run<br>GR/CCL/CBL                                                                                                                                                                                                                                                                                                       |                                  |                                                                    | 22. Was Well Cored<br>No                           |

CASING RECORD (Report all strings set in well)

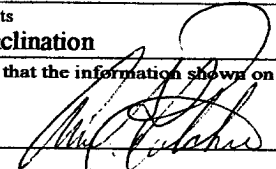
| CASING SIZE                                                                                                                                                                       | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE    | CEMENTING RECORD | ANNULUS PULLED            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|--------------|------------------|---------------------------|
| 8 5/8"                                                                                                                                                                            | 24#            | 361'      | 12 1/4"      | 400 SX           | circulated to surface     |
| 5 1/2"                                                                                                                                                                            | 15.5 & 14#     | 4200'     | 7 7/8"       | 725 SX           | circulated to surface     |
| 23. LINER RECORD                                                                                                                                                                  |                |           |              |                  |                           |
| SIZE                                                                                                                                                                              | TOP            | BOTTOM    | SACKS CEMENT | SCREEN           | 25. TUBING RECORD         |
|                                                                                                                                                                                   |                |           |              |                  | SIZE DEPTH SET PACKER SET |
|                                                                                                                                                                                   |                |           |              |                  | 2 3/8 3850' -             |
| 26. Perforation record (interval, size, and number)<br>3856-60, 64-68, 72-74, 78-82, 90-94, 3902-08, 12-14, 22-28, 32-38, 62-68, 70-78, 3998-4004, 4012-20, 42-44, 52-56' w/2 SPF |                |           |              |                  |                           |
| 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED<br>3856-4056' 1869 bbls frac w/143.655# 16/30 sand                                |                |           |              |                  |                           |

PRODUCTION

|                                                                     |                    |                         |                        |                                 |                 |                             |                        |
|---------------------------------------------------------------------|--------------------|-------------------------|------------------------|---------------------------------|-----------------|-----------------------------|------------------------|
| 28. Date First Production<br>1-13-04                                |                    | pumping                 |                        | Well Status (Prod. or Shut-in)) |                 |                             |                        |
| Date of Test<br>2-6-04                                              | Hours Tested<br>24 | Choke Size              | Prod'n For Test Period | Oil - Bbl.<br>69                | Gas - MCF<br>40 | Water - Bbl.<br>138         | Gas - Oil Ratio<br>580 |
| 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.),<br>Sales |                    |                         |                        |                                 |                 | Test Witnessed By           |                        |

30. List Attachments  
C-104, logs, inclination

I hereby certify that the information shown on both sides of this form are true and complete to the best of my knowledge and belief.

Signature  Printed Name Ann E. Ritchie Title Regulatory Agent Date 2-18-04

K

C-105 2-18-04

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 or deepened well. It shall be accompanied by one 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 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn. "B"     |
| T. Salt                 | T. Strawn        | T. Kirtland-Fruitland   | T. Penn. "C"     |
| B. Salt                 | T. Atoka         | T. Pictured Cliffs      | T. Penn. "D"     |
| T. Yates                | T. Miss          | T. Cliff House          | T. Leadville     |
| T. 7 Rivers             | T. Devonian      | T. Menefee              | T. Madison       |
| T. Queen                | T. Silurian      | T. Point Lookout        | T. Elbert        |
| T. Grayburg             | T. Montoya       | T. Mancos               | T. McCracken     |
| T. San Andres           | T. Simpson       | T. Gallup               | T. Ignacio Otzte |
| T. Glorieta             | T. McKee         | Base Greenhorn          | T. Granite       |
| T. Paddock              | T. Ellenburger   | T. Dakota               | T.               |
| T. Blinebry             | T. Gr. Wash      | T. Morrison             | T.               |
| T. Tubb                 | T. Delaware Sand | T. Todilto              | T.               |
| T. Drinkard             | T. Bone Springs  | T. Entrada              | T.               |
| T. Abo                  | T.               | T. Wingate              | T.               |
| T. Wolfcamp             | T.               | T. Chinle               | T.               |
| T. Penn                 | T.               | T. Permian              | T.               |
| T. Cisco (Bough C)      | T.               | T. Penn "A"             | T.               |

**SANDS OR ZONES**

|                         |                         |
|-------------------------|-------------------------|
| No. 1, from.....to..... | No. 3, from.....to..... |
| No. 2, from.....to..... | No. 4, from.....to..... |

**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.....

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