

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

|                                                                                                                               |                                                                   |                                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------|
| <sup>1</sup> Operator Name and Address<br><b>Melrose Operating Co.</b><br><b>c/o P.O. Box 953</b><br><b>Midland, TX 79702</b> |                                                                   | <sup>2</sup> OGRID Number<br><b>184860</b>        |
|                                                                                                                               |                                                                   | <sup>3</sup> API Number<br><b>30-0 25 - 36620</b> |
| <sup>4</sup> Property Code<br><b>25191</b>                                                                                    | <sup>5</sup> Property Name<br><b>Jalmat Field Yates Sand Unit</b> |                                                   |
|                                                                                                                               |                                                                   | <sup>6</sup> Well No.<br><b>202</b>               |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E             | 14      | 22S      | 35E   |         | 1352'         | 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                    |         |          |       |         | 10. Proposed Pool 2 |                  |               |                |        |
| Jalmat (Tansill, Yates, Seven Rivers) |         |          |       |         |                     |                  |               |                |        |

|                                |                                    |                               |                                       |                                            |
|--------------------------------|------------------------------------|-------------------------------|---------------------------------------|--------------------------------------------|
| 11. Work Type Code<br><b>N</b> | 12. Well Type Code<br><b>O</b>     | 13. Cable/Rotary<br><b>R</b>  | 14. Lease Type Code<br><b>S</b>       | 15. Ground Level Elevation<br><b>3581'</b> |
| 16. Multiple<br><b>no</b>      | 17. Proposed Depth<br><b>4200'</b> | 18. Formation<br><b>Yates</b> | 19. Contractor<br><b>United Drlg.</b> | 20. Spud Date<br><b>3-13-04</b>            |

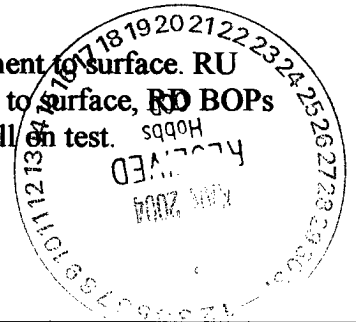
21. Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4"   | 8 5/8"      | 24#                | 350'          | 250 sx          | 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, ~~NO~~ 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:

Printed Name:

Ann E. Ritchie

Title:

Regulatory Agent

Date:

2-27-04

Phone:

432 684-6381

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

MAR 08 2004

Expiration Date:

Conditions of Approval:

Attached: ☐

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

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

DISTRICT IV  
P.O. BOX 2086, SANTA FE, N.M. 87504-2086

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |                                                |                                                           |
|-----------------------------------|------------------------------------------------|-----------------------------------------------------------|
| API Number<br><b>30-025-36620</b> | Pool Code<br><b>33820</b>                      | Pool Name<br><b>Jalmat (Tansill, Yates, Seven Rivers)</b> |
| Property Code<br><b>25191</b>     | Property Name<br><b>JALMAT YATES SAND UNIT</b> | Well Number<br><b>202</b>                                 |
| OGRID No.<br><b>184860</b>        | Operator Name<br><b>MELROSE OPERATING CO.</b>  | Elevation<br><b>3581'</b>                                 |

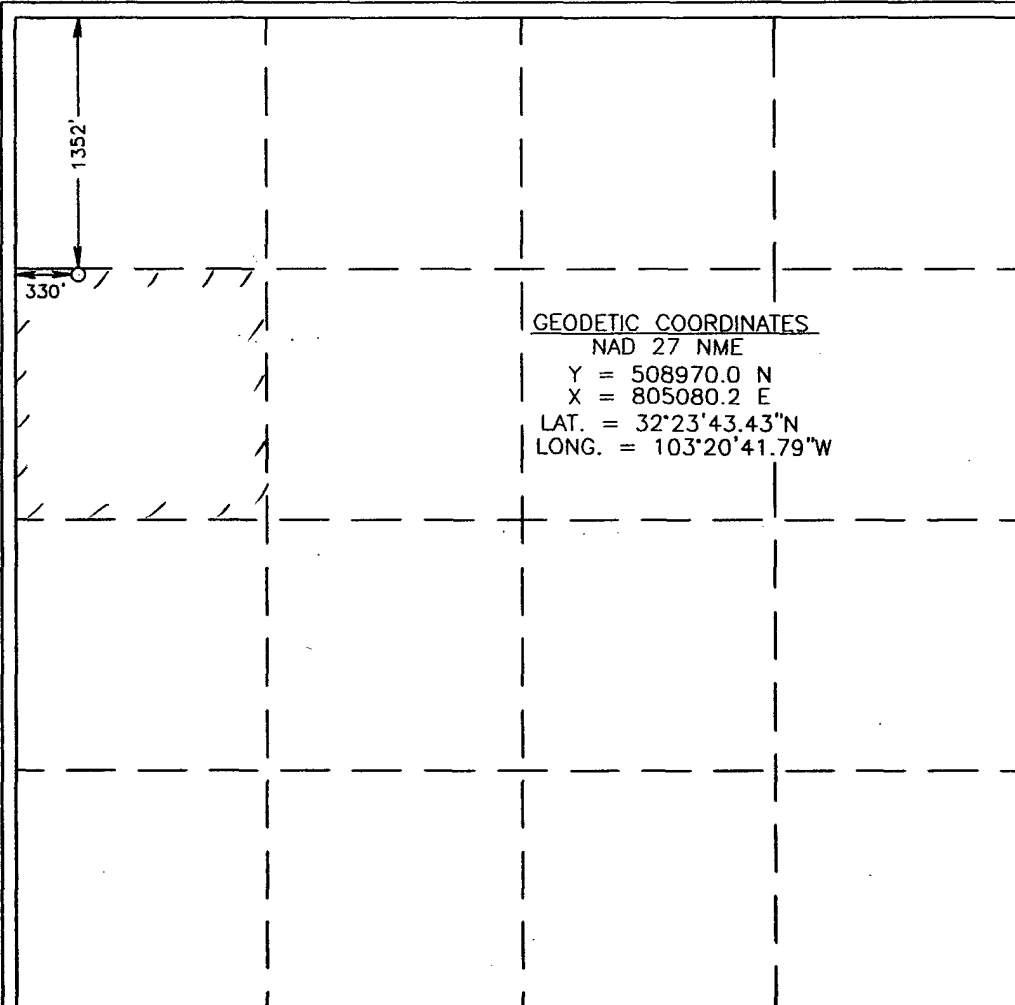
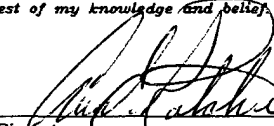
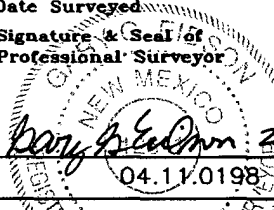
Surface Location

|                           |                      |                         |                      |         |                              |                                  |                             |                               |                      |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|
| UL or lot No.<br><b>E</b> | Section<br><b>14</b> | Township<br><b>22-S</b> | Range<br><b>35-E</b> | Lot Idn | Feet from the<br><b>1352</b> | North/South line<br><b>NORTH</b> | Feet from the<br><b>330</b> | East/West line<br><b>WEST</b> | County<br><b>LEA</b> |
|---------------------------|----------------------|-------------------------|----------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|----------------------|

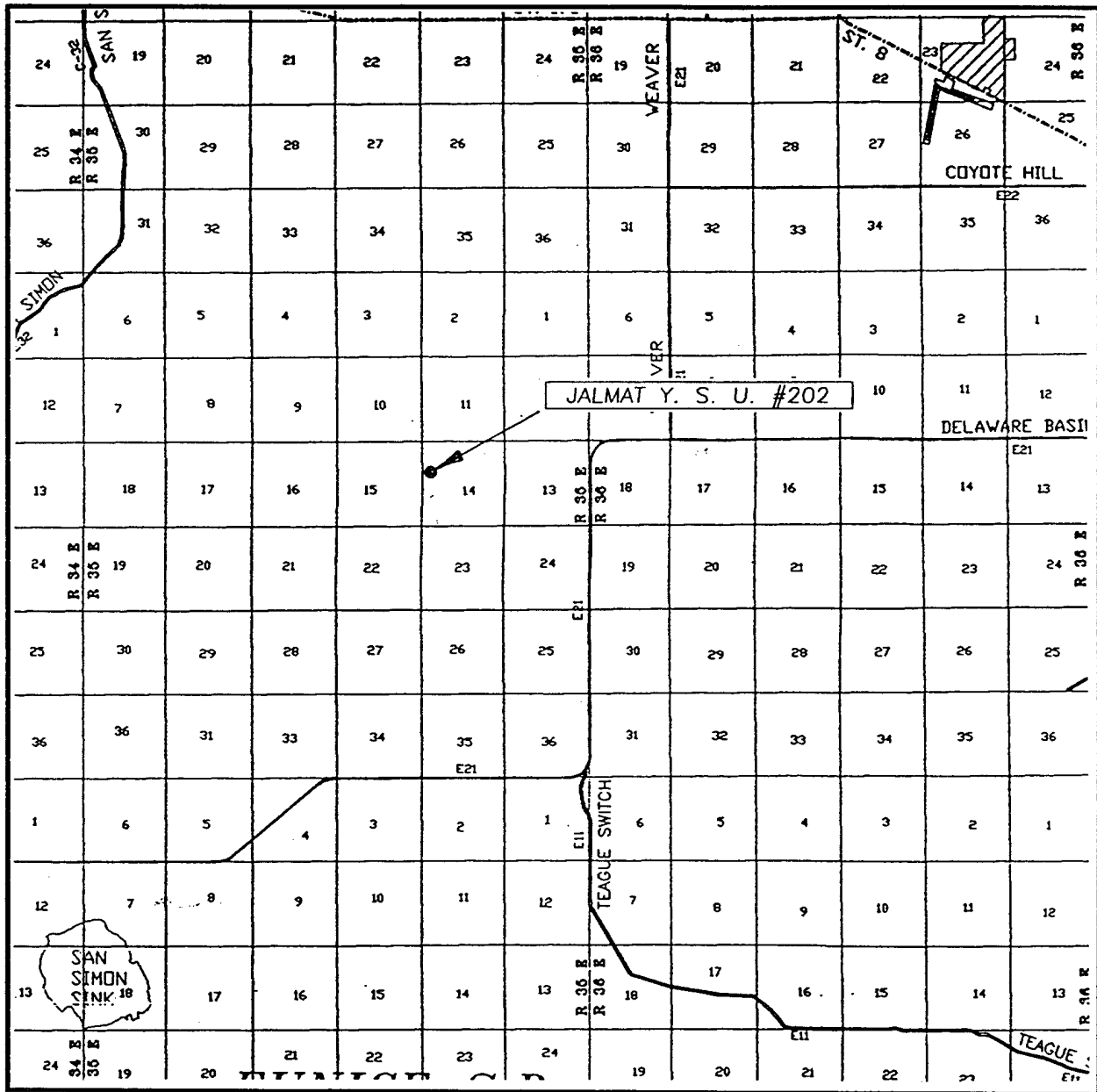
Bottom Hole Location If Different From Surface

|                              |         |          |       |         |                 |                    |                                     |                |        |
|------------------------------|---------|----------|-------|---------|-----------------|--------------------|-------------------------------------|----------------|--------|
| UL or lot No.                | Section | Township | Range | Lot Idn | Feet from the   | North/South line   | Feet from the                       | East/West line | County |
| Dedicated Acres<br><b>40</b> |         |          |       |         | Joint or Infill | Consolidation Code | Order No.<br><b>Waterflood Unit</b> |                |        |

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<br/>NAD 27 NME<br/>Y = 508970.0 N<br/>X = 805080.2 E<br/>LAT. = 32°23'43.43"N<br/>LONG. = 103°20'41.79"W</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><br/>Signature<br/><b>Ann E. Ritchie</b><br/>Printed Name<br/><b>Regulatory Agent</b><br/>Title<br/><b>2-27-04</b><br/>Date</p> <p><b>SURVEYOR CERTIFICATION</b></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><b>February, 23, 2004</b></p> <p>Date Surveyed<br/>Signature &amp; Seal of Professional Surveyor<br/><br/>Certificate No. <b>GARY EDSON</b> 12641</p> |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

# VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1352' FNL & 330' FWL

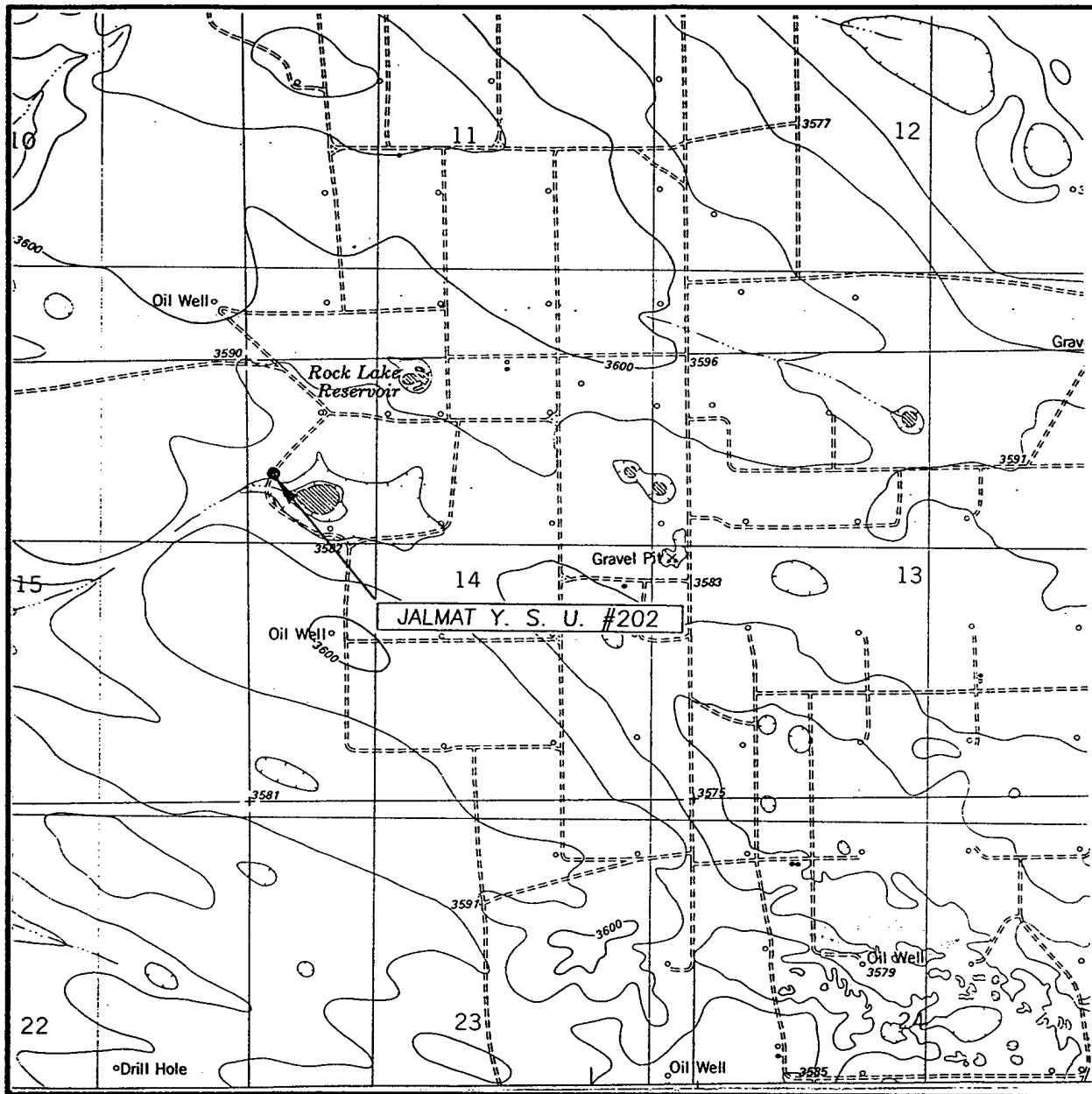
ELEVATION 3581'

OPERATOR MELROSE OPERATING CO.

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 1352' FNL & 330' FWL

ELEVATION 3581'

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