

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

Form C-105
Revised 1-1-89

WELL API NO.
30-025-35463

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____
b. Type of Completion:
NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER _____

7. Lease Name or Unit Agreement Name

Jalmat Field Yates Sand Unit

2. Name of Operator
Melrose Operating Co.

8. Well No.
175

3. Address of Operator
PO Box 5061, Midland, TX 79704

9. Pool name or Wildcat
Jalmat (TN-YT-7R)

4. Well Location
Unit Letter D 118 Feet From The North Line and 1310 Feet From The West Line
Section 11 Township 22S Range 35E NMPM Lea County

10. Date Spudded 04/11/01 11. Date T.D. Reached 04/16/01 12. Date Compl. (Ready to Prod.) 05/05/01 13. Elevations (DF & RKB, RT, GR, etc.) 3604' GR 14. Elev. Casinghead

15. Total Depth 4200 16. Plug Back T.D. 4160 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools ☒ Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 3848-4002 20. Was Directional Survey Made Yes

21. Type Electric and Other Logs Run LDT-CNL-GR & DLL-GR 22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB/FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|---------------|-----------|-----------|-----------------------------|---------------|
| 8-5/8" | 24# J-55 | 470 | 12-1/4 | 275 sx Cl P+ | -- |
| 5-1/2" | 15.5# J-55 | 4200 | 7-7/8" | 600 sx Hilite + 200 sx Cl P | -- |
| | | | | | |
| | | | | | |
| | | | | | |

| 24. LINER RECORD | | | | | 25. TUBING RECORD | | |
|------------------|-----|--------|--------------|--------|-------------------|-----------|------------|
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
| | | | | | 2-7/8" | 3740 | |
| | | | | | | | |

26. Perforation record (interval, size, and number)
3848 - 4002
(140 shots, 4" OD jet perf gun)
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
3848-4002 4900 gal 15% NEFE HCL
70337 gal AmBorMax frac fl +
150000# 16/30 Brady sd

28. PRODUCTION

Date First Production 05/05/01 Production Method (Flowing, gas lift, pumping - Size and type pump) Pmp 2-1/2x2-1/4x20x24 THEC Well Status (Prod. or Shut-in) Prod
Date of Test 05/19/01 Hours Tested 24 Choke Size Prod'n For Test Period Oil - BbL. 217 Gas - MCF 65 Water - BbL. 430 Gas - Oil Ratio 300
Flow Tubing Press. Casing Pressure Calculated 24-Hour Rate Oil - BbL. 217 Gas - MCF 65 Water - BbL. 430 Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Test Witnessed By Tony Beilman

30. List Attachments
logs, deviation survey

31. 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 Bonnie Atwater

Printed Name Bonnie Atwater

Title Agent

date 6-5-02

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 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 specific 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.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

| New Mexico | | | |
|--------------------------|------------------------|-----------------------------|------------------------|
| T. Anhy _____ | T. Canyon _____ | T. Ojo Alamo _____ | T. Penn. "B" _____ |
| T. Salt _____ | T. Strawn _____ | T. Kirtland-Fruitland _____ | T. Penn. "C" _____ |
| B. Salt _____ 3340.0 | T. Atoka _____ | T. Pictured Cliffs _____ | T. Penn. "D" _____ |
| T. Yates _____ 3826.0 | 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. Permain _____ | T. _____ |
| T. Cisco (Bough C) _____ | T. _____ | T. Penn. "A" _____ | T. _____ |

OIL OR GAS SANDS OR ZONES

SILT OR CLAY SANDS OR ZONES

| | |
|----------------------------|----------------------------|
| 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 in Feet | Lithology |
|--------|--------|----------------------|-----------|
| 0.0 | 2400.0 | 2400.0 | Anhy |
| 2400.0 | 4100.0 | 1700.0 | Dolo |

APR 23 2001

WELL NAME AND NUMBER Jalmat Field Yates Sand Unit No. 175
Unit D
LOCATION 118' FNL & 1310' FWL, Section 11, T22S, R35E, Lea County NM
OPERATOR Melrose Operating Company 3D-025-35463
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

| <u>Degrees @ Depth</u> | <u>Degrees @ Depth</u> | <u>Degrees @ Depth</u> |
|------------------------|-----------------------------|-----------------------------|
| <u>3/4° 470'</u> | <u>1° 4012'</u> | <u> </u> |
| <u>3/4° 511'</u> | <u>1° 4200'</u> | <u> </u> |
| <u>1/2° 1008'</u> | <u> </u> | <u> </u> |
| <u>3/4° 1510'</u> | <u> </u> | <u> </u> |
| <u>3/4° 2010'</u> | <u> </u> | <u> </u> |
| <u>1° 2509'</u> | <u> </u> | <u> </u> |
| <u>1° 3012'</u> | <u> </u> | <u> </u> |
| <u>3/4° 3513'</u> | <u> </u> | <u> </u> |

Drilling Contractor United Drilling, Inc.

By: George A. Aho
George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 18th day of April,
2001.

Kasma Tarkenton
Notary Public

My Commission Expires: 9-25-2003 Chaves NM
County State

K2

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-025-35463 |
| Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No. |
| Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit |
| Well No. 175 |
| Pool name or Wildcat Jalmat, TN-YT-7R |

| | |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER | |
| Name of Operator Melrose Operating, Co. | |
| Address of Operator PO Box 5061, Midland, TX 79704 | |
| Well Location Unit Letter <u>D</u> <u>118</u> Feet From The <u>North</u> Line and <u>1310</u> Feet From The <u>West</u> Line Section <u>11</u> Township <u>22S</u> Range <u>35E</u> NMPM <u>Eddy</u> County | |
| Elevation (Show whether DF, RKB, RT, GR, etc.) 3604' GR | |

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Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 12-1/4" hole 4/12/01. Drill to 470'. Ran 11 jts 8-5/8" 24# J-55 csg to 470'. Cmt w/275 sx P+. Circ 10 sx. WOC total of 18-1/4 hrs. Start drlg 7-7/8" hole. Drill to TD 4200'. Reached TD 4/16/01. Ran 5-1/2" 15.5#, J-55 csg to 4200'. Cmt w/600 sx Hilite + 200 sx CI P.

Release Rig 4/17/01.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Bonnie Atwater TITLE Agent DATE 06-05-02

TYPE OR PRINT NAME Bonnie Atwater TELEPHONE NO. 915/685-1761

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE JUL 18 2002

CONDITIONS OF APPROVAL, IF ANY:

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

DATE JUL 18 2002

District I
PO Box 1980, Hobbs, N.M. 88241-1980
District II
P.O. Drawer DD, Artesia, N.M. 88211-0719
District III
1000 Rio Brazos Rd., Aztec, N.M. 87410
District IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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 30-025-35463 |
| ⁴ Property Code 25191 | ⁵ Property Name Jalmat Field Yates Sand Unit | ⁶ Well No. 175 |

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 | 11 | 22S | 35E | | 118 | North | 1310 | 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

| | | | | |
|-----------------------------------|---------------------------------------|----------------------------------|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3604' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 4200' | ¹⁸ Formation Yates | ¹⁹ Contractor United Drlg. | ²⁰ Spud Date 3-22-01 |

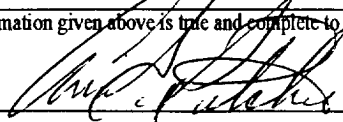
21. Proposed Casing and Cement Program

| 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' | 2000 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" csg., cement to surface. RU BOPs. Drill 7 7/8" hole to 4200, set 5 1/2" csg, cement to surface, RD BOPs & rotary. Perforate Yates & 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: 3-15-01 | OIL CONSERVATION DIVISION | |
| | Approved by: | |
| | Title: | |
| | Approval Date: 3-15-01 | Expiration Date: |

Conditions of Approval:

Phone: 915 6846351

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

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

DISTRICT III
1000 Rio Brazos Rd., Axtec, 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 30-025-35463 | Pool Code 33820 | Pool Name Jalmat, Tansill, Yates, Seven Rivers |
| Property Code 25191 | Property Name JALMAT Field Yates Sand Unit | Well Number 175 |
| OGRID No. 184860 | Operator Name MELROSE OPERATING CO. | Elevation 3604' |

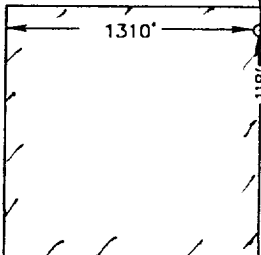
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 11 | 22-S | 35-E | | 118 | NORTH | 1310 | WEST | LEA |

Bottom Hole Location If Different From Surface

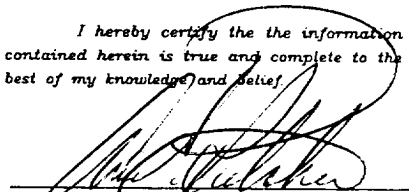
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------|----------------------|--------------------|----------------------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 40 | Joint or Infill X | Consolidation Code | Order No. R 10533 | | | | | | |

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

| | | | | |
|---|--|--|--|--|
|  | | | | |
| | | | | |
| | | | | |
| | | | | |

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

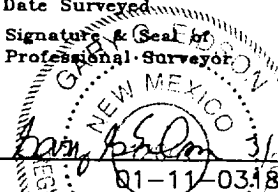
3-15-01 915 684-6381
Date

SURVEYOR CERTIFICATION

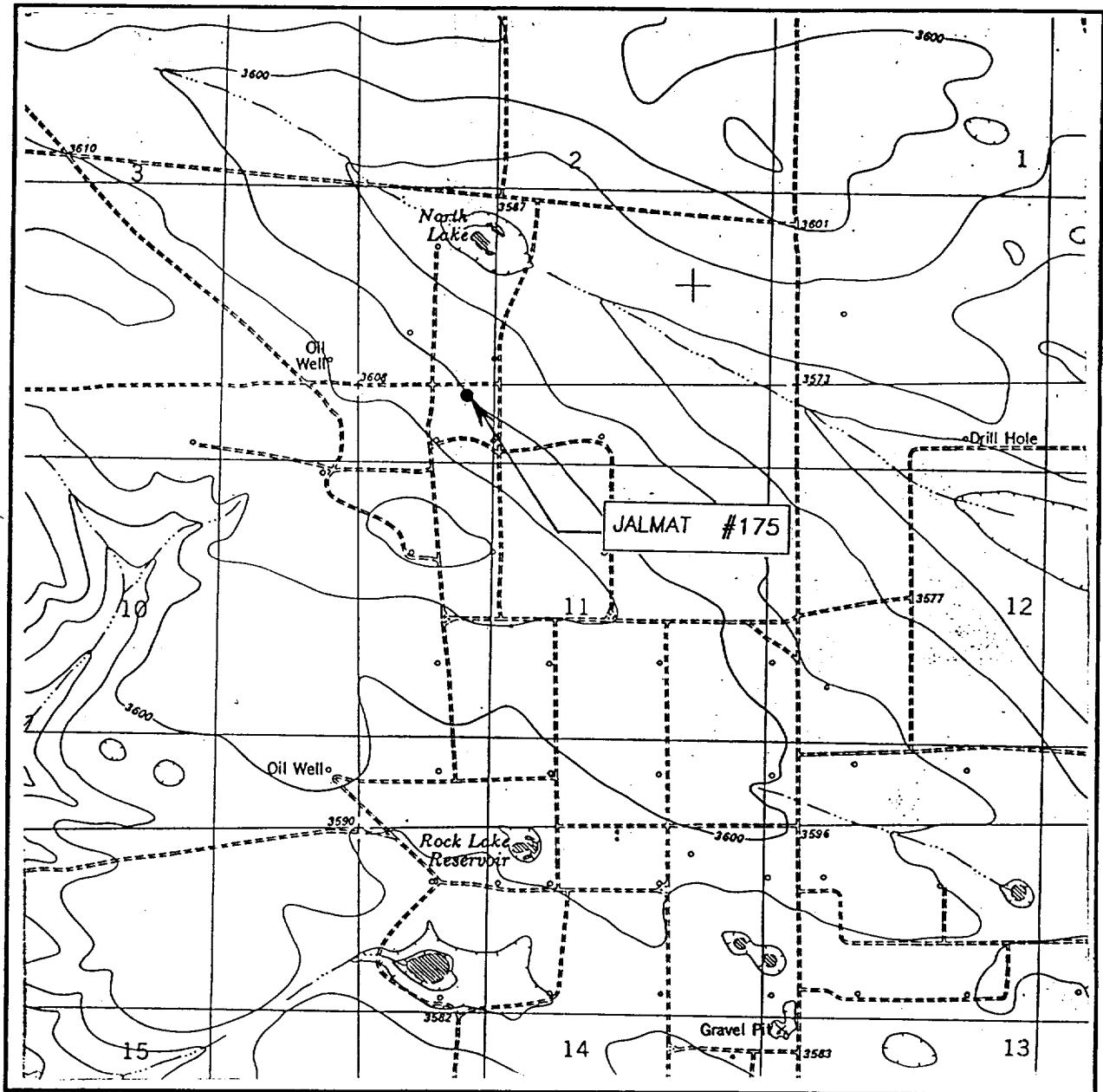
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

MARCH 05, 2001
Date Surveyed

AWB
Signature & Seal of Professional Surveyor


Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 11 TWP. 22-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 118'FNL & 1310FWL

ELEVATION 3604'

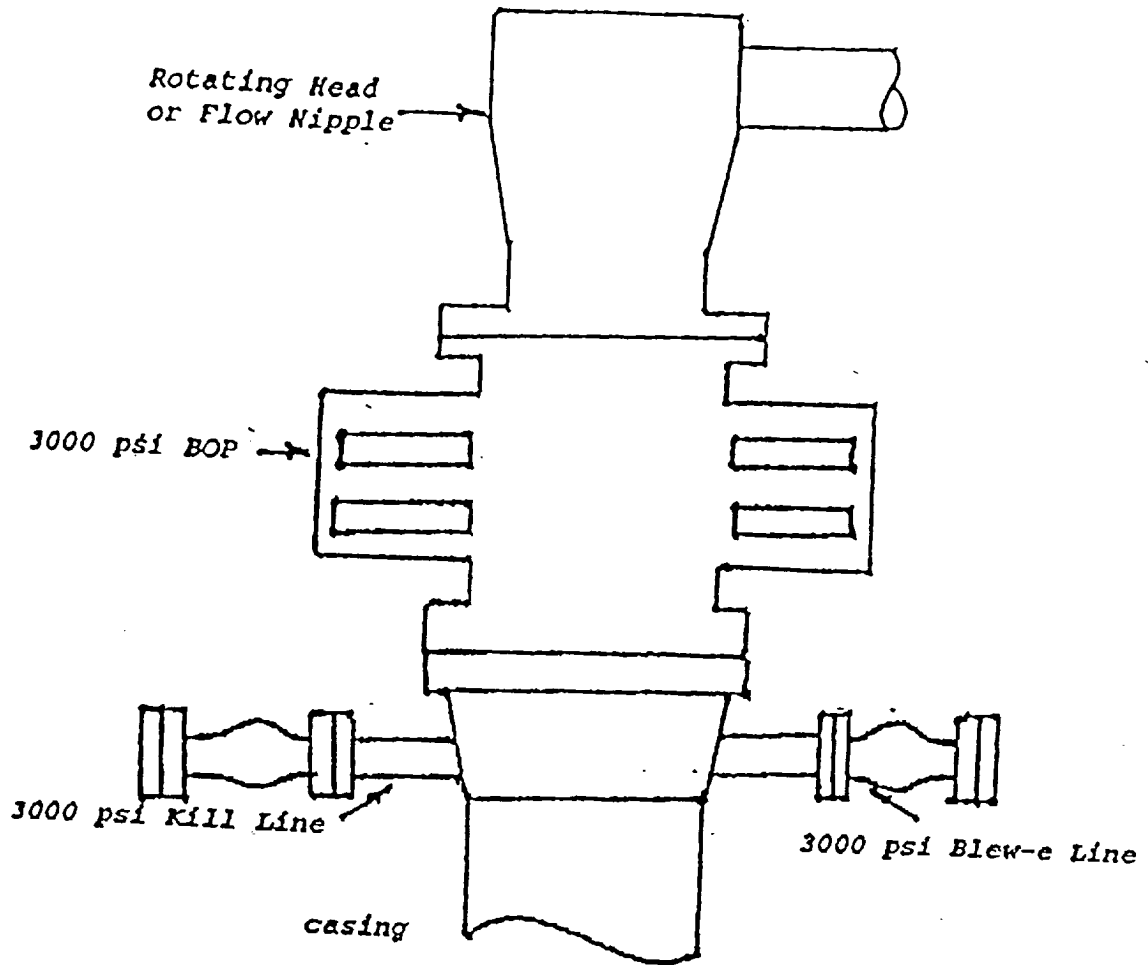
OPERATOR MELROSE OPERATING CO.

LEASE JALMAT ³

U.S.G.S. TOPOGRAPHIC MAP
OIL CENTER, N.M.

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

Blow Out Preventor Schematic



Melrose Operating Co.
INC.

Lease: Jalmat Field Yates
Sand Unit

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ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF