

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
Revised June 10, 2003

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

WELL API NO. 30 015 01746
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Artesia Unit
8. Well Number Well # 23
9. OGRID Number 184860
10. Pool name or Wildcat Artesia: Queen-Grayburg

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.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other (Injection) ☐

2. Name of Operator
Melrose Operating Company

3. Address of Operator
c/o P.O. Box 953, Midland, TX 79702

4. Well Location

Unit Letter L : _____ feet from the _____ line and _____ feet from the _____ line

Section 35 Township 17S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.):

12. 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 ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB

OTHER:

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6-15-06: MIT test - failed. Weld patch on 4 1/2" casing. Leaked 40 psi in 30 minutes. Well shut-in.
7-11-06: Flowed well back to tank, went in hole w/injection packer. Set RBP @ 1999'. Tested casing for 15 min. @ 500#.
7-13-06: Wireline, ran Casing Integrity log, dig out around wellhead. Hole @ 8 5/8". Welded 7-14-06. Installed wellhead & BOP.
7-15-06: Left well pressured up overnight to 500#. Leaked off 360#. TIH, retrieved RBP. Ran packer & plastic coated tubing to 1998'.
11-7-06: MIRU reverse unit. Ran Baker AD-1 packer & set RBP @ 2321'. Tested to 500 psi. Trip out of hole, testing to 500 # every 12 stands. TIH to retrieve RBP.
11-8-06: Ran chart, load & test casing - leak off 30-40 psi in 30 minutes. Reset packer, tested to 600#, no change.
11-9-06: MIT test to 500 psi. Fluid to surface. Re-set packer @ 2321', test again. Leaked off 30 psi in 30 minutes. Took chart to OCD.

No chart on file @ OCD

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

SIGNATURE [Signature] TITLE Regulatory Agent DATE 12-18-06

Type or print name Ann E. Ritchie E-mail address: ann.ritchie@wtor.net Telephone No. 432 684-6381

(This space for State use)

APPROVED BY _____ TITLE NMOCD DATE _____

Conditions of approval, if any: