

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240

**DISTRICT II**  
1301 W. Grande Ave., Artesia, NM 88210

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

**OIL CONSERVATION DIVISION**  
1220 S. St. Francis Dr.  
Santa Fe, New Mexico 87505

RECEIVED

WELL API NO.	30 015 01729
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	unknown
7. Lease Name or Unit Agreement Name	Welch State
8. Well No.	1
9. Pool name or Wildcat	Artesia, Q-GR-SA

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 TO DRILL" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> OTHER Well plugged in 1934	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 E 2310' Feet From The North Line and 250' Feet From The West Line Section 35 Township 17S Range 28E NMPM Eddy County	10. Elevation (Show whether DF, RKB, RT, GR, etc.)
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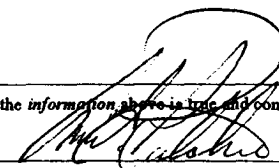
11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER Re-plug well plugged in 1934 <input checked="" type="checkbox"/>

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.

As per New Mexico Oil Conservation Division Order No. R-11720/Case No. 12709 for waterflood expansion of the Melrose Operating Company, Artesia Unit - Melrose re-plugged this well as follows:  
1-22-04 through 2-1-04: Cleared location, set anchors, remove marker & search for wellbore. Met with Tim Gunn & Van Barton w/OCD. RIH with 2 joints 8 5/8", 24#/redi-mix in order to plug well. Set reverse unit to re-plug well. Drilled out to 2700'. Release reverse unit. Went in hole with 2 7/8" to 2700', spotted 25 sx w/2% CaCl, wait on cement, tagged @ 2590'. Pull up to 2036' spot plug 25 sx plug. Shut in overnight. Went in and set 50 sx plug @ 1150. Pulled up to 640' - set 50 sx plug, pulled up to 350' - set 100 sx plug. TOH, nipples down BOP & wellhead, lay line and fill up hole with cement, fell 20', refilled casing. Used salt water gel between plugs. Cleaned up location & set marker.  
Copy of approved plugging procedure Sundry attached.

This well was not operated by Melrose Operating Company. Re-plugged to comply with waterflood expansion order.

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

SIGNATURE  TITLE Regulatory Agent DATE 2-2-04  
TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. 432 684-6381

(this space for State Use)

APPROVED BY  TITLE  DATE MAR 10 2004

CONDITIONS OF APPROVAL, IF ANY:



Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C 103  
Revised 1-1-89

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

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

DISTRICT III  
1000 Rio Brazos Rd., Santa Fe, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87501

FEB 04 2004

OCD-ARTESIA

WELL API NO.	30 015 01729
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	
8. Well No.	1
9. Pool name or Wildcat	Artesia; QN-GR-SA

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> OTHER <input type="checkbox"/>	
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 <u>E</u> <u>2310'</u> Feet From The <u>North</u> Line and <u>250'</u> Feet From The <u>West</u> Line Section <u>35</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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.

As per NMOCD Case No. 12709 requires that the "Welch State" Well #1 drilled by "Welch Brothers" in August 1934 be plugged and abandoned by Melrose Operating Company in order to proceed with the Melrose Operating Company, Artesia Unit waterflood.

Plan to P & A as follows:

25 SX @ 1900-1800' 2700' - TAG 25 SX plug @ 2036'  
50 SX @ 1150-1050'  
50 SX @ 640-540'  
100 SX @ 340-240'  
5 SX surface plug

Notify OCD 24 hrs. prior to any work done

Salt gel mud consisting of 10#  
Brine W/25# of gel per bbl  
must be placed between each plug

Records show (copies attached) that all strings of casing were pulled. Will notify OCD 48 hours before plugging.

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

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 2-13-03

TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. 915 684-6381

(this space for State Use)

APPROVED BY [Signature] DATE FEB 18 2003

CONDITIONS OF APPROVAL, IF ANY:





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

2-11-04  
P/A - NOT Ready  
for RELEASE. SEE  
INSPECTION RECORD  
/s.

**Lori Wrotenberg**  
Director  
Oil Conservation Division

OCD-ARTESIA  
FEB 10 2004  
RECEIVED

RECEIVED  
FEB 10 2004  
OCD-ARTESIA

2/27/04:

5 February 2004

Not Ready  
for Release

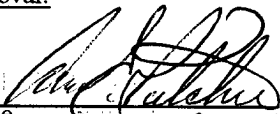
Melrose Operating Co.  
C/O West Texas Oil Reports  
P.O. Box 953  
Midland, Texas 79702

Form C-103 Report of Plugging for your Welch State # 1 E-35-17-28 API 30-015-01729  
Cannot be approved until an NMOCDD representative has made an inspection of the location and found it to be cleared to comply with OCD rules and regulations. Please check each item in the space provided to indicate that the work has been accomplished and the location is ready for final inspection.

- ☒ 1. All pits have been filled and leveled.
- ☒ 2. Rat hole and cellar have been filled and leveled.
- ☒ 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete to mark the exact location of the plugged well. (Marker must have operator name, lease name, well number and location including quarter/quarter section or unit letter, section, township, range and API well ID number permanently welded, stamped or otherwise engraved into the metal marker.)
- ☒ 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.
- ☐ 5. The dead men and tie downs have been cut and removed.
- ☐ 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.
- ☒ 7. All environmental concerns have been addressed as per OCD guidelines.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.  
When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and approval.

  
Name \_\_\_\_\_  
(as per Gary Field/Melrose)  
Regulatory Agent  
Title \_\_\_\_\_

  
Van Barton  
Field Rep. II