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inwoC-DH O] ססק-סק] ר]	Idard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] Ihole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] DI Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[A]	WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Sait Water Disposal] [IPI-Injection Pressure Increase] ified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication INSL INSP ISD One Only for [B] or [C] Commingling - Storage - Measurement
(B)	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM Injection - Disposal - Pressure Increase - Enhanced Oil Recovery Southern ONE
••	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery 75 000 - 000
• -	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply
[B]	D Offset Operators, Leaseholders or Surface Owner
[C]	Application is One Which Requires Published Legal Notice
[D]	 Offset Operators, Leaseholders or Surface Owner Application is One Which Requires Published Legal Notice Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Landa, State Land Office
(E)	□ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F]	U Waivers are Attached
OCD-Sansta Fe, / misstakenly This to Richard / uf District OCD,	SUBMITTED IS COMPLETE - Certification I under my supervision, have reviewed the applicable Rules and Regulations of the er, I assert that the attached application for administrative approval is accurate and edge and where applicable, verify that all interest (WI, RI, ORRI) is common. In of data (including API numbers, pool codes, etc.), pertinent information n is cause to have the application package returned with no action taken. : be completed by applicatividual with managerial and/or supervisory capacity.
Hank yo Ann Ki	Mus title Regulatory Agent 2-19-08 grature File Date Ichie ann. ritchie Outor. net

i.

c-mail Address

Submit 3 Copies To Appropriate District Office	State of N Energy, Minerals ar				Form C-103 Revised June 10, 2003
District I 1625 N. French Dr., Hobbs, NM 88240	Energy, minerals a	iu i iutu	nu Resources	WELL API NO.	
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVA	ATION	DIVISION	30 015 02541	
District III	1220 South S	St. Fran	ncis Dr.	5. Indicate Type STATE 2	
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe,	NM 87	7505	6. State Oil & G	
1220 S St. Francis Dr., Santa Fe, NM 87505					
	CES AND REPORTS ON			1	or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOS DIFFERENT RESERVOIR. USE "APPLIC	ALS TO DRILL OR TO DEEPE ATION FOR PERMIT" (FORM (N OR PLU C-101) FC	UG BACK TO A DR SUCH	Artesia Unit	
PROPOSALS.)		,/		8. Well Number	·····
1. Type of Well: Oil Well Gas Well	Other (Injection) X			46	
2. Name of Operator			0.0.2 0000	9. OGRID Num	ber
Melrose Operatin	g Company	JAI	N 022008	184860	
3. Address of Operator	, Midland, TX 79702	OCE	D-ARTESIA	10. Pool name of	
4. Well Location (Surface)	, Mildiand, 1A 79702			Allesia.Queel	1-Gray-San Andres 3230
	· · · · · ·	.			
Unit Letter_F_: 2310	_feet from the North li	ine and	2267 feet from	the West line	
Section 3 Township 1				County	
	11. Elevation (Show whet				
	ppropriate Box to Indi-	cate N			
NOTICE OF IN				SEQUENT RE	
	PLUG AND ABANDON		REMEDIAL WORH	<	ALTERING CASING
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PULL OR ALTER CASING	MULTIPLE		CASING TEST AN CEMENT JOB	ID	
OTHER: Scheduled Step Rate Tes	t	xx	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.

The Artesia Unit, Well #46 is out of compliance due to an average injection pressure of 500 psi. The permitted injection pressure is 425 psi. Well is shut-in as per NMOCD compliance. Well is scheduled for a step rate test on January 17, 2008 at 9 am.

		λ
I hereby certify that t	the information above is	true and complete to the best of my knowledge and belief.
SIGNATURE	Mightah	TITLE_Regulatory AgentDATE: 12-27-07
Type or print name	Ann E. Ritchie	E-mail address: ann ritchie@wtor.net Telephone No. 432 684-6381
(This space for State	use)	
APPPROVED BY Conditions of approv	<u>RICHARD</u> NGE al, if any:	TITLE COMPLANCE OFFICER DATE 1/8/08

February 15, 2008

New Mexico Oil Conservation Division 1220 S. St. Francis Dr. Hobbs, NM 88240

RE: Melrose Operating Company, Artesia Unit, Well #46, API # 30 015 01541, Section 3, T185, R28E, Eddy County, New Mexico

Please see attached the Step Rate Test performed by Cardinal Surveys Company on the above referenced well, for your review. We are respectfully requesting an administrative injection pressure increase for this well from the standard permitted injection pressure, to reflect the current status of the field as revealed in the Step Rate Test, to approximately 900 psi. We anticipate the daily injection rate to be approximately 350 bbls per day, with a maximum of 550 bbls per day.

Please let us know if you need any further information regarding this administrative request. Thank you.

Yours truly,

Ann E. Ritchie, Regulatory Agent Melrose Operating Company c/o P.O. Box 953 Midland, TX 79702 432 684-6381

Cc: Melrose Operating Company, Mike Corjay/Oklahoma City, OK

Submit 3 Copies To Appropriate District Office <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240	State of New M Energy, Minerals and Na		WELL API NO.	Form C-103 Revised June 10, 2003
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	OIL CONSERVATIO 1220 South St. Fi Santa Fe, NM	ancis Dr.	30 015 02541 5. Indicate Type STATE 2 6. State Oil & G	K FEE
SUNDRY NOTIC (DO NOT USE THIS FORM FOR PROPOS, DIFFERENT RESERVOIR. USE "APPLIC/ PROPOSALS.)		PLUG BACK TO A	 Lease Name of Artesia Unit Well Number 	or Unit Agreement Name
1. Type of Well: Oil Well Gas Well	Other (Injection) X		46	
2. Name of Operator Melrose Operating	g Company d	AN 02 2008	9. OGRID Num 184860	ber
3. Address of Operator		D-ARTESIA	10. Pool name of Artesia;Oueer	r Wildcat h-Grav-San Andres 3230
4. Well Location (Surface)		<u> </u>	· · · · · · · · · · · · · · · · · · ·	
Unit Letter F : 2310	feet from the North line a	nd 2267 feet from	the West line	
Section 3 Township 18			County	
	11. Elevation (Show whether L	DR. RKB, RT. GR. etc.)	: 'GR	
	ppropriate Box to Indicate			
	ENTION TO: PLUG AND ABANDON	SUB REMEDIAL WORI	SEQUENT RE	PORT OF: ALTERING CASING
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OTHER: Scheduled Step Rate Test	XX	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.

The Artesia Unit, Well #46 is out of compliance due to an average injection pressure of 500 psi. The permitted injection pressure is 425 psi. Well is shut-in as per NMOCD compliance. Well is scheduled for a step rate test on January 17, 2008 at 9 am.

		\mathbf{N}
I hereby certify that	the information above is	true and complete to the best of my knowledge and belief.
SIGNATURE	Mig. Julak	TITLE_Regulatory AgentDATE: 12-27-07
Type or print name	Ann E. Ritchie	E-mail address: ann.ritchie@wtor.net Telephone No. 432 684-6381
(This space for State	use)	
APPPROVED BY Conditions of approv	<u>Rilling</u> NGE val, if any:	TITLE COMPLANCE OFFICER DATE 1/8/08

Step Rate Test



Cardinal Surveys Company

January 14, 2008

Melrose Operating Artesia Unit # 46 Field: Eddy County, NM SC 56730 File # 18423 Intercept @ 561 BPD & 1912 PSIA, 992 Surf. PSIA

Downhole PSI Tool Ser. No. Surface PSI Gauge Ser. No. Tool @ 2170'

Start		End	Rate	
Time		Time	BPD	Comments
1	9:48 AM	10:15 AM		0
2	10:15 AM	10:45 AM		100
3	10:45 AM	11:15 AM		200
4	11:15 AM	11:45 AM		300
5	11:45 AM	12:15 PM		400
6	12:15 PM	12:45 PM		500
7	12:45 PM	1:15 PM		600
8	1:15 PM	1:45 PM		700
9	1:45 PM	2:15 PM		800
10	2:15 PM	2:45 PM		900
11	2:45 PM	3:00 PM		0

Melrose Operating Artesia Unit # 46 Step Rate Test 01-14-2008 Intercept @ 561 BPD & 1912 PSIA 992 Surf. PSIA Tool: @ 2170' CARDINAL

Surface, PSIA - 450 Surface Pressure, PSIA Upper Trend y = 0.265x + 1764 R² = 0.9925 AIRP PSIA Rate, BPD Lower Trend y = 0.6044x + 1573.5 $R^2 = 0.9995$ **₽:essure, PSIA** 850 750 750

- 25 700-50 = 8 200-50 = 8

Test	
Rate	
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Melrose Operating Artesia Unit # 46 Field: Eddy Co. NM



										998.4	1002.6	
				679.9	750.4	817.8	887.5					
Upper	Trend								1948.2	1978.7	2001.2	
Lower	Trend	1573.5	1631.6	1696.3	1754.8	1818.7	1872.6					
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Delta	BBL	0	2.7	4.5	9	8.5	10.6	12.8	12.9	16.6	17.8	0
Cum	BBL	0	2.7	7.2	13.2	21.7	32.3	45.1	58	74.6	92.4	92.4
Surf	PSIA	477.5	558.5	679.9	750.4	817.8	887.5	930.1	958.7	998.4	1002.6	981.2
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Melrose Operating Artesia Unit # 46 Step Rate Test 01-14-2008



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Artesia: Queen-Gra San Andres Pool Ir	yburg-	FTT3	0 km		/2 km	1 km	DATUMS NAD2	& PROJECTION		P.C MIDLAI	D. BOX 953 ND, TX 7970)2
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Artesia Unit Pilot In	jectors	1/2 MILE RADI	provide the second s	-	/2 ml.		& Rev	Vatural Gas Admini enue Dotabase I Conservation Divis		API DATE	12/23/03	MAP REFERENC
Artesia Unit Pilot C	onversions	Injection Applica	0 mi. ation	SCAL	E IN MILES					30 015 WTC	R	WTOR-EXH

Jones, William V., EMNRD

- From: Jones, William V., EMNRD
- Sent: Wednesday, March 12, 2008 9:53 AM
- To: 'Ann Ritchie'
- Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Inge, Richard, EMNRD; Bratcher, Mike, EMNRD
- Subject: IPI application for Melrose Operating Company's Artesia Unit Well No. 46 API No. 30-015-02541 Unit F Sec 3 T18S R28E Eddy County

Hello Ann:

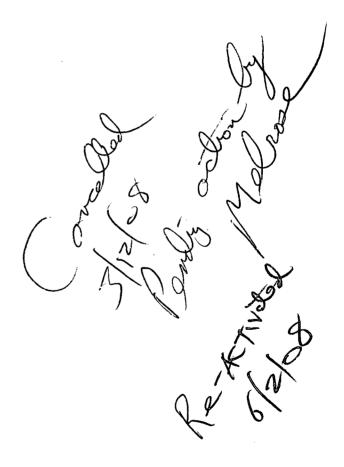
The permit to inject I found for this well (R-11720-A) allows injection into the Grayburg from 2125 to 2419. The OCD wellfile may be missing something because it only shows the original Queen/Grayburg/SA perfs starting around 1800 feet.

Please ask your client to submit Sundry's (to Artesia with copy to the engineering bureau in Santa Fe) verifying those upper perfs are squeezed or locate some other order allowing injection into those upper perfs. Also ask Melrose to look in its well file for this well and send copies of all electric logs to the OCD office in Hobbs for scanning - the OCD file shows only the CBL run recently.

Let me know the progress on this, I will hold this proposed pressure increase pending the correction of the wellfile or other clarification.

Thanks,

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505 505-476-3448



Submit 3 Copies To Appropriate District Office	State of New Me Energy, Minerals and Natu			Form C-103 May 27, 2004
District I 1625 N. French Dr., Hobbs, NM 88240	Energy, winterais and Natu	lai Resources	WELL API NO.	Nuy 21, 2004
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION	DIVISION	30 015 02541	
District III	1220 South St. Fran		5. Indicate Type of Lease STATE FEE	v
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87		6. State Oil & Gas Lease No	<u>X</u>
1220 S. St. Francis Dr., Santa Fe, NM 87505	,		0. State Off & Gas Lease No	
	CES AND REPORTS ON WELLS		7. Lease Name or Unit Agre	ement Name
	SALS TO DRILL OR TO DEEPEN OR PLU CATION FOR PERMIT" (FORM C-101) FO		Artesia Unit	
1. Type of Well: Oil Well X	Gas Well Other	D 0 4 2000	8. Well Number 46	
2. Name of Operator		R 3 1 2008	9. OGRID Number 18486	0
Melrose Operating Company 3. Address of Operator		D-ARTESIA_	10. Pool name or Wildcat	
c/o P.O. Box 953, Midland, TX	79702	-	Artesia: Queen-Gray-SA 32	30
4. Well Location	······································		/	
	0 feet from the North			
Section 3	Township 18S Ran	ge 28E	NMPM Eddy Count	y
	11. Elevation (Show whether DR,	<i>KLB</i> , <i>R1</i> , <i>GR</i> , <i>etc.</i>)	13602 GR	
Pit or Below-grade Tank Application [] o	r Closure		196 S 11 198 201 201 201 201	<u>LA LET BURGE VER </u>
Pit typeDepth to Groundwa	aterDistance from nearest fresh wa	ater well Dist	ance from nearest surface water	
Pit Liner Thickness: mil	Below-Grade Tank: Volume	bbls; Co	nstruction Material	
12. Check A	Appropriate Box to Indicate Na	ature of Notice,	Report or Other Data	
NOTICE OF IN		SUR	SEQUENT REPORT O	E .
PERFORM REMEDIAL WORK X		REMEDIAL WOR		
	CHANGE PLANS	COMMENCE DRI		
PULL OR ALTER CASING		CASING/CEMENT	I JOB	
OTHER:	. 0	OTHER:		
 Describe proposed or comp of starting any proposed wo or recompletion. 	leted operations. (Clearly state all p ork). SEE RULE 1103. For Multipl	ertinent details, and e Completions: At	d give pertinent dates, includin tach wellbore diagram of properties of the properti	g estimated date osed completion
2419'. This well was perfort this well; in the event perfort	s well is permitted under R-11720-A rated @ 1800' by a previous operato ration are open above 2125', they w Cl C cement. Melrose will WOC, th	or. Melrose will rig ill be squeezed by s	up and confirm what perforati setting a retainer 50' above the	ons are open in
I hereby certify that the information grade tank has been/will be constructed or	above is true and complete to the be closed according to NMOCD guidelines X	St of my knowledge , a general permit \Box o	e and belief. I further certify that or an (attached) alternative OCD-ap	any pit or below- proved plan [].
SIGNATURE MOT	Title	Regulatory Agent_	DATE3-20-0	8
Type or print name: Ann E. Ritchie	E-mail address: ann.ritchie@wt	or net Tolo	phone No.432 684-6381	
For State Use Only			ACCEPTED FOR RECOI	RT S
APPROVED BY:	TITLE			
Conditions of Approval (if any):				
		• •	APR 9 - 2008 .	
			Gerry Guye, Deputy Field Inspe NMOCD-District II ARTE	ctor SIA

Subject: RE: IPI application for Melrose Operating Company's Artesia Unit Well No. 46 API No. 30-015-02541 Unit F Sec 3 T18S R28E Eddy County

Thanks Ann:

It appeared to me that the upper interval was excluded from the waterflood which was certified after notice and examiner hearing - so if this well IS open and injecting into that interval without a valid permit, Melrose should immediately shut that well in and ask the OCD for advice on what to do.

Melrose could come to hearing again to raise the top of the waterflooding interval. One option is for you to start with the C-108 submitted administratively in order for the notices to go out AND for us to look at it in more detail. But I would prepare Melrose for the fact they may need to come to hearing for this - and if they are injecting out of the permitted waterflood injection interval, that would be an enforcement event - for Daniel Sanchez and his group.

You (and they) should keep researching this, because I could have missed something. If the certified waterflooding interval DOES include this upper interval, then you can then submit a C-108 for a WFX ("Waterflood Expansion") order to raise the permitted injection interval for that particular well. And Melrose can look at other wells to see if they are consistent with the waterflood order also.

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505 505-476-3448

From: Ann Ritchie [mailto:ann.ritchie@wtor.net]
Sent: Tuesday, March 18, 2008 6:40 AM
To: Jones, William V., EMNRD
Subject: Re: IPI application for Melrose Operating Company's Artesia Unit Well No. 46 API No. 30-015-02541 Unit F Sec 3 T18S
R28E Eddy County

Will,

We sent the logs from the file to be reproduced and they should be ready today · we will send to OCD office in Hobbs. I am waiting on the engineer for the status of the perforations, and reviewing all data we have concerning orders on this unit/well. In the event the upper perfs are open, I will file the C·108 · for an amended interval filing, do I file it as if it is a new well? Newspaper notice, etc.? Thank you for your help,

Ann Ritchie WEST TEXAS OIL REPORTS P.O. Box 953 Midland, TX 79702 ann.ritchie@wtor.net 432 684-6381;682-1458-fax

----- Original Message -----From: Jones, William V., EMNRD To: <u>Ann Ritchie</u> Cc: <u>Ezeanyim, Richard, EMNRD</u>; <u>Brooks, David K., EMNRD</u>; <u>Inge, Richard, EMNRD</u>; <u>Bratcher, Mike, EMNRD</u> Sent: Wednesday, March 12, 2008 10:53 AM Subject: IPI application for Melrose Operating Company's Artesia Unit Well No. 46 API No. 30-015-02541 Unit F Sec 3 T18S R28E Eddy County

Hello Ann:

The permit to inject I found for this well (R-11720-A) allows injection into the Grayburg from 2125 to 2419. The OCD wellfile may be missing something because it only shows the original Queen/Grayburg/SA perfs starting around 1800 feet.

Please ask your client to submit Sundry's (to Artesia with copy to the engineering bureau in Santa Fe) verifying those upper perfs are squeezed or locate some other order allowing injection into those upper perfs. Also ask Melrose to look in its well file for this well and send copies of all electric logs to the OCD office in Hobbs for scanning - the OCD file shows only the CBL run recently.

Let me know the progress on this, I will hold this proposed pressure increase pending the correction of the wellfile or other clarification.

Thanks,

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505 505-476-3448

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This inbound email has been scanned by the MessageLabs Email Security System.

Diffice	State of New Mexico	Form C-103
District I	Energy, Minerals and Natural Resources	May 27, 2004
625 N. French Dr., Hobbs, NM 88240		WELL API NO.
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION	30 015 02541
District III	1220 South St. Francis Dr.	5. Indicate Type of Lease STATE FEE X
000 Rio Brazos Rd., Aztec, NM 87410 District IV	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
220 S. St. Francis Dr., Santa Fe, NM 7505	· · · · · ·	
SUNDRY NOTICE	S AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	S TO DRILL OR TO DEEPEN OR PLUG BACK TO A 'ION FOR PERMIT" (FORM C-101) FOR SUCH	
PROPOSALS.)	ION FOR PERMIT (FORM C-101) FOR SUCH	Artesia Unit
. Type of Well: Oil Well X Gas	Well Other	8. Well Number: 46
2. Name of Operator	· · · · · · · · ·	9. OGRID Number: 184860
Melrose Operating Company		10. Deal name Wildard
3. Address of Operator t/o Box 953, Midland, TX 79702		10. Pool name or Wildcat Artesia; Queen-Grayburg-San Andres
Well Location		
-	fact from the Marth Barriel	Cast Grow the Wast Par
Unit Letter F :	feet from the North line and	feet from theline
Section 3	Township 18SRange 28E1. Elevation (Show whether DR, RKB, RT, GR, etc)	NMPM Eddy County
	1. Dievalion (Snow whether DR, KKB, K1, GR, eld	
t or Below-grade Tank Application 🗌 or C	losure	
t typeDepth to Groundwater	Distance from nearest fresh water well Di	istance from nearest surface water
t Liner Thickness: mil		Construction Material
	propriate Box to Indicate Nature of Notice	
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Submit 3 Copies To Appropriate District	C ()		r	G 102
Office	State of New Mexico		r	Orm C-103 May 27, 2004
District I 1625 N. French Dr. Hobbs, NM 88240	Energy, Minerals and Natural Resources		WELL API NO.	May 27, 2004
District 11	OUL CONSERV	ATION DIVISION	30 015 02541	
1301 W. Grand Ave-, Artesia, NM 88210 District III		St. Francis Dr.	5. Indicate Type of Lease	52
1000 Rio Brazos Rd., Aztec, NM 87410 District IV	· · · · · · · · · · · · · · · · · · ·	, NM 87505	STATEFEE6. State Oil & Gas Lease No.	\boxtimes
1220 & St. Francis Dr., Santa Fe, NM		-	0. State Off & Gas Lease No.	:
87505 SUNDRY NOTIO	CES AND REPORTS ON	WELLS	7. Lease Name or Unit Agreer	nent Name
(DO NOT USE THIS FORM FOR PROPOS DIFFERENT RESERVOIR. USE "APPLICA	SALS TO DRILL OR TO DEEP	EN OR PLUG BACK TO A	Artesia Unit	1
PROPOSALS.) 1. Type of Well: Oil Well X	Gas Well 🔲 Other	- F	8. Well Number 46	
2. Name of Operator			9. OGRID Number	
	rating Company		184860 I 0. Pool name or Wildcat	
3. Address of Operator C/o P.O. Box 953, Midland, TX 79	2702	•	1 0. Pool name or whicat Artesia; queen-Gray-SA 3230	
4. Well Location	102		Articsia, queen-Oray-SA 5250	
	(310' feet from the N	North line and 2267	feet from the West	line
Section 3	Township 185		NMPM Eddy County	
· · · · · · · · · · · · · · · · · · ·	I 1. Elevation (Show wh	ether DI~ RKB, RT GR, etc)		
Pit or Below-erade Tank Application	3602' GR			
Pit type Depth to Groundwa		rest fresh water well Dista	nce from nearest surface water	
Pit Liner Thickness: Inil	Below-Grade Tank: Volu		truction Material	
	nnronriate Box to Ind	licate Nature of Notice, I		·····
			-	
NOTICE OF IN	•		EQUENT REPORT OF	
PERFORM REMEDIAL WORK	PLUG AND ABANDON CHANGE PLANS	REMEDIAL WORK COMMENCE DRIL		
PULL OR ALTER CASING	MULTIPLE COMPL			است
			mor no-forationa	677
OTHER: 13. Describe proposed or compl	eted operations (Clearly)	OTHER: Squeeze		estimated date
			ch wellbore diagram of propos	
NMOCD R-11720-A.				
3-26-08: MIRU, release packer and	I TOH w/plastic coated tu	bing.	,	
3-27-08: Set RBP @ 1940' & test to			746', set packer. Pumped dowr	1 tubing 2 1/2
bbls per minute @ 1000 psi. Releas 3-28-08: Halliburton pumped 100 s			500 cala flowabak: numped 20	
cement w/3% CaCl at 14.8#/gal. Pr				
cement to pit. TOH w/tubing.				
3-31-08: GIH w/4 3/4" bit mill; tag				1 1104
4-1-08: Tag top cement 1746', pick hrs.	up swivel, drilling on ret	amer to 1866'. Closed BOP p	ressured up on csg to 500#-pro	ssure held 24
4-2-08: Latched onto RBP, POH. R	an plastic coated 2 3/8" t	ubing w/ AD-1 packer to 187	5'. Top perforation @ 1946'.	
	*	U		
			··- <u>-</u>	
I hereby certify that the information grade tank has been/will be constructed for				
SIGNATURE Min Cur	This I	ITLERegulatory Agent	DATE4-14	-08
Type or print name Ann E. Ritchie]	E-mail address: ann.ritchie@y	vtor.net Telephone No.	
For State Use On 1v			432 684-6381	
ADDROVED BY	т	יודו ב	<u>452 004 0501</u>	

APPROVE	D BY:	
Conditions	of Approval	(if any):

Submit 3 Copies To Appropriate Dis Office	State of the		Form C-10
District I	Energy, Minerals and	I Natural Resources	May 27, 200 WELL API NO.
 1625 N. French Dr., Hobbs, NM 882 District II 			30 015 02541
1301 W. Grand Ave., Artesia, NM 8			5. Indicate Type of Lease
 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87- 	1220 South St	t. Francis Dr.	STATE FEE X
District IV	Santa Fe, N	M 87505	6. State Oil & Gas Lense No.
1220 S. St. Francis Dr., Santa Fe, NN	4		
87505 SUNDRY	NOTICES AND REPORTS ON W	VELLS	7. Lease Name or Unit Agreement Name
	ROPOSALS TO DRILL OR TO DEEPEN		r. sease name of one section same
	APPLICATION FOR PERMIT* (FORM C	-101) FOR SUCH	Artesia Unit
PROPOSALS.) 1. Type of Well: Oil Well	Gas Well 🗌 Other X		8. Well Number: 46
2. Name of Operator			9. OGRID Number: 184860
Melrose Operating Company			5. OCIAL MARICE, 304000
3. Address of Operator			10. Pool name or Wildcat
c/o Box 953, Midland, TX 79	702		Artesia: Queen-Grayburg-San Andres
4. Well Location	—		
		orth line and	feet from the West line
Section 3	Township 18S		NMPM Eddy County
Beerlow 3	11. Elevation (Show wheth		
		CTEACED CALLS IN CAL	
Pit or Below-grade Tank Applicatio	an 🗍 or Closure 🔲		
 Pit type Depth to Gre	aundwater Distance from nearest	fresh water well Di	istance from nearest surface water
Pit Liner Thickness:	mil Below-Grade Tank: Volum		Construction Material
	····		
12. Ch	eck Appropriate Box to Indic	ate Nature of Notice	, Report or Other Data
NOTICE O	F INTENTION TO:	SUE	BSEQUENT REPORT OF:
PERFORM REMEDIAL WOR		REMEDIAL WO	
TEMPORARILY ABANDON			
FULL OR ALTER CASING			
OTHER:]	OTHER:	
			nd give pertinent dates, including estimated d
	ed work). SEE RULE 1103. For	Multiple Completions: A	Attach wellbore diagram of proposed completi
or recompletion. 4-30-08: Rigged up, Flowed well 1	back. Release Baker AD-1 packer. TO	LI DILL & cet DED (3: 100)	\$
5-1-08: TIH w/nacker & test RBP	Dumped 2 sx sand. TIH to 1862'. Ha	lliburton pumped 25 sx Mic	croMatrix cement. Spot across perfs @ 1840-1850'
300' cement in casing. Pulled up t	o 1400°. Closed BOP. Pressured up ca	sing to 2000 psi bled to 190	00 psi & held after 30 minutes. Will shut in till 5/5/
5-5-08: TIH w/bit, tagged cement	@ 1680', drilled out to 1875'. Closed	BOP & pressure test to 500) psi, would not hold.
5-6-08: TIH wash sand off RBP, p	bick up overshot for RBP. Milling.		
5-7-08: Milled across perfs from I	200-1800 . 10/1 WSINING MILL.	Patch 1825_65° stroke the	ough patch w/setting tool. TOH, shut-in.
			asing to 500 psi for 30 minutes. Held, Rigged dow
and cleaned location.		~~	
Work performed to comply with V	WFX.		
Thereby certify that the inform	minn shows is true and complete t	the best of my knowled	ge and belief. I further certify that any pit or belo
grade tank has been/will be construe	cted or closed according to NMOCD gain	lelines X, a general permit []] or an (attached) alternative OCD-approved plan
SIGNATURE	Muc. Lutsha TI	LE: Regulatory Agent_	DATE: 6-2-08
÷		1 1 - Charles and 1983-1 - 1	>1 +>> 204 2301 014 720 0030
	Auchie E-mail address: ann.rite	measuring relepho	ne No. 432 684-6381/214 762 0830
For State Use Only			
APPROVED BY:	TIT		DATE

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Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210 <u>District II1</u>	State of New Energy, Minerals and I OIL CONSERVATE 1220 South St.	Natural Resources	Form C-103 Revised June 10, 2003 WELL API NO. 30 015 02541 5. Indicate Type of Lease STATE X FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	Santa Fe, NN	A 87505	6. State Oil & Gas Lease No.
SUNDRY NOTICE (DO NOT USE THIS FORM FOR PROPOSAL DIFFERENT RESERVOIR. USE "APPLICAT PROPOSALS.)		R PLUG BACK TO A	7. Lease Name or Unit Agreement Name Artesia Unit
1. Type of Well: Oil Well X Gas Well Other	(Injection)	RECEIVED	8. Well Number Well # 46 9. OGRID Number
2. Name of Operator Melrose Operating Company		DEC 1 5 2005	184860
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702		OUDATTERIA	10. Pool name or Wildcat Artesia, Queen, Gray, SA
4. Well Location Unit Letter_F: 2310_feet from theNorth_line and2267feet from theWestline JAN 2 3 2006			
Section 3 Township			day County OCD-ARTERIA
11. Elevation (Show whether DR, RKB, R1, (R, erc.) 3662' GR			
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data			
		SUB REMEDIAL WOR	SEQUENT REPORT OF: K X ALTERING CASING
	HANGE PLANS	COMMENCE DRI	
	IULTIPLE	CASING TEST AN CEMENT JOB	
OTHER:		OTHER: Cement	t Bond Log X

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.

11-14-05: Rigged up Precision Energy Services, ran CBL, CCL log as per Artesia Unit Waterflood Order No. R-11720-A. Log attached. Estimated cement top @ 284'.

)	
I hereby certify that the information above is	true and complete to the best of my knowled	lge and belief.
SIGNATURE	TITLE_Regulatory Agent_	DATE_12-05-05_
Type or print name Ann E. Ritchie	E-mail address: ann.ritchic@wtor.net T	elephone No. 432 684-6381
(This space for State use)		
APPPROVED BY	TITLE	DATE
Conditions of approval, if any:	Accepted for record - NMC	- A