

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-10
 March 23 2010

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

WELL API NO.
 30-025-08647 ✓

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
 Cone Jalmat Yates Pool Unit

8. Well Number 102 ✓

9. OGRID Number 184860 ✓

10. Pool name or Wildcat
 Jalmat Tan-Yates-7Rvrs

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

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 Inj

2. Name of Operator
 Melrose Operating

3. Address of Operator
 20333 State Highway 249, Suite 310, Houston, Texas 77070

4. Well Location
 Unit Letter C : 660 feet from the North line and 1980 feet from the West line
 Section 24 Township 22S Range 35E NMPM County Lea

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 COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: OTHER: Convert To Inj

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

09/11/2009 MIRUPU, NDWH, unseat pump & POOH & LD 153- 3/4" Rods & 12' Pump, NDWH & NU BOP, Close well in & SDFN
 09/12/2009 RU Bo Monk, Tag, Tally & Scan 124 Jnts Tbg Out of Hole, (94-Yellow, 30-Blue) RD Scan Tool, RIH w/ 4 3/4" Bit, E it Sub
 119 Jnts 2 3/8" Tbg Found tight spot @3704', worked thru tight spot, tag TD @3913', RU Reverse Unit & Swivel, break Circ & ck an well out to 3926', pull tbg up 10 stands & Close well in & SDFN
 09/14/2009 Tag for fill, no fill, PBTD @3926', POOH w/ 126 jnt 2 3/8" tbg, LD Bit RU Weatherford WL & Run CBL & MSC Lgs, Found TOC @1950', & found holes in Csg form 500' to 3700', Needs Liner, RD WL, Close well in & SDFN
 09/15/2009 RIH w/ RBP & Pkr, Testing Csg leaks @3700', 900', 550', 2BPM @ 200#s, POOH w/ tools LD Tbg, ND BOP & NUWH w/ Tbg Sub, Close well in RD
 11/05/09 RU RIH w/ 4" FJ Liner to 3691' Cemented w/ 300 sx "C" cement. Circ cement to surface. RIH w/ bit & DC, Drill floe collar & shoe Test casing to 1000# - OK. Drill Comp Plug & chase to TD. POOH, RIH w/ 4" AD-1 Packer & 119 Jnts 2 3/8" Fiberline 1 SuperMax Tubing to 3605'

Spud Date: 04/25/55

Rig Release Date:

WFX-853

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

SIGNATURE Barry Archer TITLE Vice President DATE 03.23.2010

Type or print name BARRY ARCHER E-mail address: barcher@melroseenergy.com PHONE: 852 678 7502

For State Use Only
 APPROVED BY [Signature] DATE 3-24-10

WELL DIAGRAM

Operator - Melrose Operating Company

Lease Name - Cone Jalmat Yates pool Unit

API - 30 025 08647

Location - Unit C 660' FNL & 1980' FWL, Section 24, T 22S, R 35E NMPM Lea Country, NM

Spud - 04/25/55

Well - 102

