

NEW MEXICO ENERGY, MINERALS and  
NATURAL RESOURCES DEPARTMENT

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

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

**\*Response Required – Deadline Enclosed\***

31-Mar-10

**MELROSE OPERATING COMPANY**  
20333 STATE HIGHWAY 249 SUITE 310  
HOUSTON, TX 77070-

**LETTER OF VIOLATION**  
**Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division (“OCD”) records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

***NON-COMPLIANT WELL DETAIL SECTION***

<b>CONE JALMAT YATES POOL UNIT No.303</b>	<b>Location: 24-22S-35E</b>	<b>30-025-08645-00-00</b>
<b>Original Well Type: Oil (Producing)</b>	<b>Well Status: Active</b>	
<b>Determination or Violation Date: 3/31/2010</b>	<b>Delinquent Report or Filing(s): - Other Monitoring and Reporting Violation</b>	

**Comments:** OCD Hobbs has received form C-103 with original MIT chart. To bring this well file up to current status, forms C-103 subsequent report with dates and what was done to well to convert this well to injection. Also the C-105 completion form is required when you recomplete to injection. Please send these forms to the OCD Hobbs office. If you have questions on this matter, please call Donna Mull (575) 393-6161 ext 115.

**CORRECTIVE ACTION ON THIS WELL DUE BY: 4/30/2010**

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,



Hobbs OCD District Office

EMNRD - DISTRICT I  
OIL CONSERVATION DIVISION  
1625 N FRENCH DRIVE  
HOBBS NM 88240



017H15554612  
HASLER  
**\$0.610**  
04/01/2010  
Mailed From 88240  
US POSTAGE

Melrose Operating Co  
ATT Peter Evtimov  
20333 State Hwy 249, Suite 310  
Houston TX 77077