

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87...
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis
Santa Fe, NM 87505

Form C-103
May 27, 2004

RECEIVED

JUN 23 2010

HOBBSD

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|---|
| WELL API NO. 125-08595 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No. 25191 |
| 7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit |
| 8. Well Number #106 |
| 9. OGRID Number 184860 |
| 10. Pool name or Wildcat Tansil, Yates, 7-Rivers |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) |

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|--|--|
| 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 checked="" type="checkbox"/> Inj | |
| 2. Name of Operator Melrose Operating | |
| 3. Address of Operator 20333 State Highway 249, Suite 310, Houston TX 77077 | |
| 4. Well Location Unit Letter C : 660 feet from the North line and 1650 feet from the West line Section 11 Township 22S Range 35E NMPM County Lea | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

| | |
|--|--------------------------|
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type | Depth to Groundwater |
| Pit Liner Thickness: | Below-Grade Tank: Volume |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|---|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | 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.

MIRUPU, Bleed pressure off to tank, NDWH & NU BOP, unset Packer, POOH, RIH Testing Packer & Tubing for leaks, Circulate Packer fluid & retest Packer/Casing to 500# for 30 minutes. If well Test put back on Injection after approval.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Cam Robbins TITLE Forman DATE June 22, 2010

Type or print name Cam Robbins E-mail address: maximum@valornet.com Telephone No. 575-390-4666

For State Use Only

APPROVED BY: [Signature] TITLE STAFF MGR DATE 6-24-10

Conditions of Approval (if any):

Jim