

Submit 3 Copies To Appropriate District
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-103
Revised June 10, 2003

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30 015 3470+ 15
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 Artesia Unit
8. Well Number Well # 104
9. OGRID Number 184860
10. Pool name or Wildcat Jalmat: Tansil-Yates-Seven Rivers

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 (Injection) <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>J</u> : <u>2375'</u> feet from the <u>South</u> line and <u>1385'</u> feet from the <u>East</u> line Section <u>3</u> Township <u>18S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.): <u>3636'</u>	

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

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.

7-18-06: Rigged up and spudded 12 1/4" hole. Drilled to depth of 490'. Circulated hole. Ran 8 5/8", 24#, J-55 new casing to 490'. Cemented with lead slurry of 200 sx Cl C, 2% CaCl, 1/4# celloflake, 1/4# gilsonite. Tailed with 200 sx Cl C, 2% CaCl. Circulated 56 sx to pit. WOC. Tested BOP to 1000 psi.

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

SIGNATURE [Signature] TITLE Regulatory Agent DATE 8-28 -06

Type or print name Ann E. Ritchie E-mail address: ann.ritchie@wtor.net Telephone No. 432 684-6381

(This space for State use)

Accepted for record - NMOCD
APPROVED BY [Signature] TITLE [Signature] DATE 9/7/06
Conditions of approval, if any: