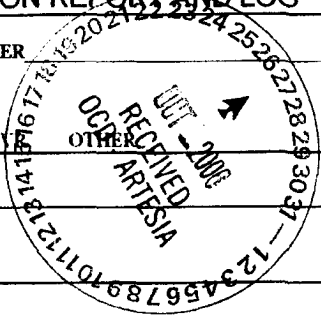


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources	Form C-105 Revised June 10, 2003
	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	WELL API NO.: 30 015 347015

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name  Artesia Unit (Property Code 26081)
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESY OTHER	
2. Name of Operator Melrose Operating Co. (184860)	8. Well No.: #104
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702	9. Pool name or Wildcat: Artesia; Queen-Grayburg-San Andres 03230



4. Well Location  
 Unit Letter J : 2375' Feet From The South Line and 1385' Feet From The East Line  
 Section 3 Township 18S Range 28E NMPM Eddy County

10. Date Spudded 7-18-06	11. Date T.D. Reached 7-25-06	12. Date Compl. (Ready to Prod.) 9-21-06	13. Elevations (DF& RKB, RT, GR, etc.) 3646' GR	14. Elev. Casinghead
15. Total Depth: 3210'	16. Plug Back T.D.:	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools: X Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name Grayburg-San Andres: 2434-2615', 2958-64'				20. Was Directional Survey Made No
21. Type Electric and Other Logs Run: GR/CCL			22. Was Well Cored: No	

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB. FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	490'	12 1/4"	400 sx	None
5 1/2"	15.5#	3210'	7 7/8"	700 sx	None

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	2818"	

26. Perforation record (interval, size, and number): Grayburg San Andres: 2434-44, 2464-70, 2476-80, 2606-10, 2613-15, 2958-64 w/2 shot per ft.	27. ACID. SHOT. FRACTURE. CEMENT. SQUEEZE. ETC. DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED 2434-2964'      3500 gals 15% HCL 81,000# 16/30 sand. 25# gel
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**28. PRODUCTION**

Date First Production: 9-22-06		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping			Well Status (Prod. or Shut-in) Producing		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
9-25-06	24			35	25	30	714
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
 Sales \_\_\_\_\_ Test Witnessed By: \_\_\_\_\_

30. List Attachments  
 Logs, inclination & C-104

Signature:

Printed Name: Ann E. Ritchie      Title: Regulatory Agent      Date: 10-19-06

E-mail Address: ann.ritchie@wtor.net

**INSTRUCTIONS**



30-015-34715

WELL NAME AND NUMBER Artesia Unit # 104  
LOCATION Lot -J, Section 3, T18S, R28E, 2300 FSL, 1385 FEL, Eddy County  
OPERATOR Melrose Operating  
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>1/4 @ 490'</u>	_____	_____
<u>1/4 @ 832'</u>	_____	_____
<u>1 @ 1335'</u>	_____	_____
<u>1 @ 1839'</u>	_____	_____
<u>1 @ 2333'</u>	_____	_____
<u>1/2 @ 2833'</u>	_____	_____
<u>1/2 @ 3210'</u>	_____	_____
_____	_____	_____

Drilling Contractor- UNITED DRILLING, INC.

By: *Luisa Garcia*  
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 26 day of July, 2006.

*Doyle R. de*  
Notary Public

Chaves N.M  
County State

My Commission Expires:  
10-8-08