

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grande Ave., Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

WELL API NO.	30 025 36498
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	Jalmat Field Yates Sand Unit
8. Well No.	193
9. Pool name or Wildcat	Jalmat, (Tansill, 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	
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>M</u> <u>1310'</u> Feet From The <u>South</u> Line and <u>330'</u> Feet From The <u>West</u> Line Section <u>11</u> Township <u>22S</u> Range <u>35E</u> NMPM <u>Lea</u> County	
10. Elevation (Show whether <u>DF</u> , <u>RKB</u> , <u>RT</u> , <u>GR</u> , etc.) <u>3583' GR</u>	

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

12. 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.
(450')
2-6-04: Rigged up, spudded well, drilling 12 1/4" hole. Ran 8 5/8", 24#, J-55 casing, cemented with 400 sx PP 2% CaCl2.
2-11-04: Reached total depth of 4200'. Logged. Ran 4196' of 5 1/2" 17#, J-55 casing, cemented with 450 sx inerfill C and 350 sx PP, 5% Lap-1, 4% CFR-3, 3lbm salt, .25 d-air 3000. Circulated 100 sx to pit. WOC. Waiting on completion.



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

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 2-20-04
TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. 432 684-6381

(this space for State Use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE MAY 17 2004
CONDITIONS OF APPROVAL, IF ANY: