

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. 30 025 03198
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Northeast Pearl Queen Unit
8. Well Number 14
9. OGRID Number 184860
10. Pool name or Wildcat: Pearl: Queen
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3787

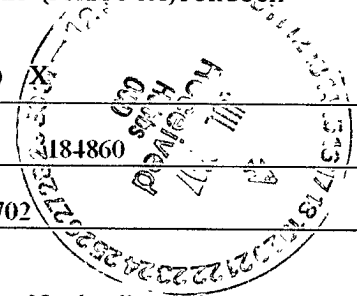
SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG-BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other (Injection)

2. Name of Operator
 Melrose Operating Company

3. Address of Operator
 c/o Box 953 Midland, TX 79702

4. Well Location
 Unit Letter G : 1980 feet from the North line and 2310 feet from the East line
 Section 23 Township 19S Range 35E NMPM Eddy County



12. 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 checked="" type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: _____
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.

2-23-07: Cleaned out 4 1/2" casing to 5081'.
 3-2-07: RIH w/ 2 7/8" float shoe, 160 joints of 2 7/8" liner set @ 5080'.
 3-5-07: Cemented with 300 sx (BJ Services), 14.3, Class C, circulated cement to surface.
 3-16-07: Tagged cement @ 5045', drilled out to 5079'. Tested to 550# - test good. Ran CBL to surface - good. RU & perforate from 4956-5052' with 70 holes. Ran 2 1/16" tubing & packer to 4900', tested casing/packer to 550# for 30 minutes - held. Acidized well with 1500 gals 15% NEFE.
 3-20-07: Hook up injection line & meter, turn well to injection @ approx 200 bbls/day.

Well put back on production as part of ACO compliance order.

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: 7-16-07

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

(This space for State use)

APPROVED BY [Signature] TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 20 2007

Conditions of approval, if any: _____