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MAY 25 2010

Submit One Copy 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

HOBBSOCD

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

March 18, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-025-08628 ✓
5. Indicate Type of Lease	STATE ☒ FEE ☐ ✓
6. State Oil & Gas Lease No.	25191 (old B-229)
7. Lease Name or Unit Agreement Name	Jalmat Field Yates Sand Unit ✓
8. Well Number	#124 ✓
9. OGRID Number	184860 ✓
10. Pool name or Wildcat	Jalmat, Tan-Yates, 7 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 ☐ Gas Well ☐ Other ✓	
2. Name of Operator MELROSE OPERATING CO ✓	
3. Address of Operator 20333 State Highway 249, Suite 310, Houston TX 77077	
4. Well Location Unit Letter <u>D</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>990</u> feet from the <u>WEST</u> line Section <u>14</u> Township <u>22S</u> Range <u>35E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3602' DF	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
MULTIPLE COMPL ☐	P AND A ☐
CASING/CEMENT JOB ☐	
OTHER: ☐	X Location is ready for OCD inspection after P&A

- X All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- X Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- X A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- X The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- X Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- X All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- X All other environmental concerns have been addressed as per OCD rules.
- X Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Cam Robbins TITLE Forman DATE MAY 7, 2010

TYPE OR PRINT NAME Cam Robbins E-MAIL: maximum@valornet.com PHONE: 575-390-4666

For State Use Only

APPROVED BY: Nash Whitaker TITLE Compliance Officer DATE 06/01/2010

Conditions of Approval (if any):