APPROVED BY ---

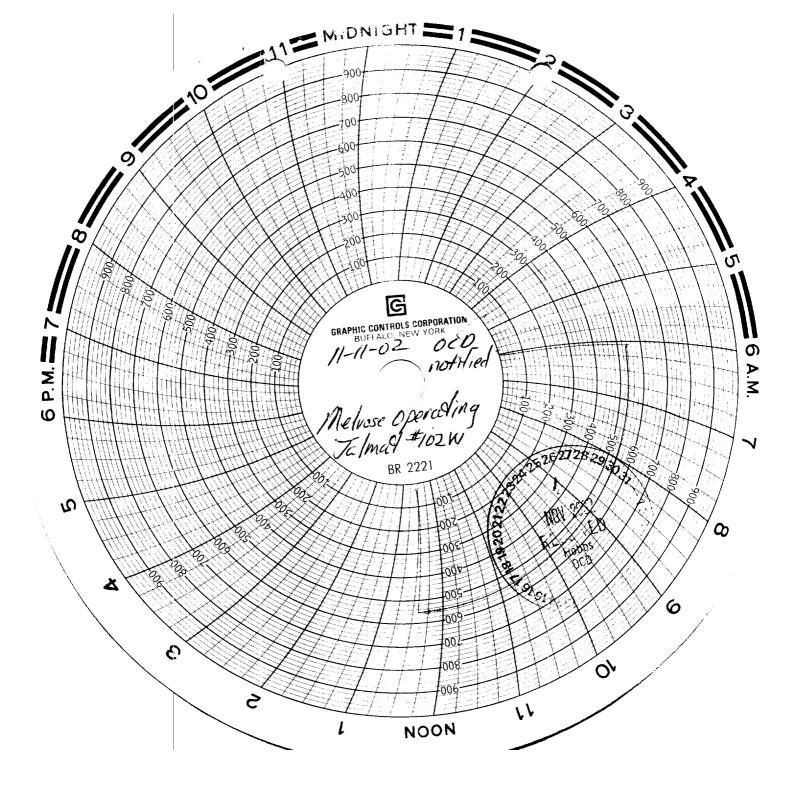
CONITIONS OF APPROVAL, IF ANY:

## State of New Mexico Energy, whinerals and Natural Resources Department

Form C 103 Revised 1-1-89

OIL CONSERVATION DIVISION DISTRICT I WELL API NO. 30 025 08647 25566 P.O. Box 1980, Hobbs, NM S8240 P.O. Box 2088 Santa Fe, New Mexico 87504-2088 DISTRICT II 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE DISTRICT III 6. State Oil& Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 E 8322 7. Lease Name or Unit Agreement Name 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 Jalmat Field Yates Sand Unit OTHER 8. Well No. 2. Name of Operator Melrose Operating Company 102 9. Pool name or Wildcat 3. Address of Operator Jalmat (Tansill, Yates, Seven Rivers) c/o P.O. Box 953. Midland, TX, 79702 4. Well Location 330 South East \_ Feet From The \_ Line and Feet From The **NMPM** Lea Township 35E 10. Elevation (Show whether DF, RKB. RT, GR, etc.) 1111111111111111111111111111111111111 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON ALTERING CASING REMEDIAL WORK PERFORM REMEDIAL WORK CHANGE PLANS PLUG AND ABANDONMENT COMMENCE DRILLING OPNS. **TEMPORARILY ABANDON** CASING TEST AND CEMENT JOB PULL OR ALTER CASING OTHER Mechanical Integrity test to T/A OTHER: 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 11-11-02: Pressure test well to 540# - pressure stabilized for 30+minutes. Chart attached. 2 3/8" tubing & packer set @ 3754'. Request permission to move well from active injection to T/A status. Jalmat Field Yates Sand Unit is still under evaluation for waterflood expansion. I hereby certify that the information above is true and complete to the best of my knowledge and belief. 11-22-02 TELEPHONE NO. 915 684-6381 TYPE OR PRINT NAME Ann E. Ritchie (this space for State Use)

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