

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

Minerals and Natural Resources

Form C-103

Revised June 10, 2003

RECEIVED

FEB 09 2009

HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-38921
5. Indicate Type of Lease STATE X FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit
8. Well Number 107
9. OGRID Number 184860
10. Pool name or Wildcat: Jalmat; Tansill-Yates-7 Rvrs
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3599'GR

**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 X Gas Well Other

2. Name of Operator  
Melrose Operating Company

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

4. Well Location  
Unit Letter B ; 627 feet from the North line and 2375 feet from the East line  
Section 11 Township 22-S Range 35-E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/></p> <p>OTHER:</p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS X PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB X</p> <p>OTHER:</p>
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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.

8-27-08: Ran 5-1/2", 15.5#, J55 casing to 4177'. Cemented w/500 sx lead, 50/50 poz, CI C, 5% salt + .125#sxcf + 3#sxlcm-1, 11.8#/gal, yield 2.45. Tailed w/250 sx 50/50 poz, CI C, 5% salt + 3#sxlcm-1 + 4/10 fl-25, 14.2#/gal, yield 1.3. Pressure tested to 1000# for 30 minutes - held. Rig release. 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: 1-14-09

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

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 11 2009

Conditions of approval, if any: