TELEPHONE NO. 915 684-6381

MAR 0 4 2003

| Submit 3 Copies to Appropriate District Office State of New Mexico Energy, Minerals and Natural Resources Department | Form C 103 Revised 1-1-89 |
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| DISTRICT I P.O. Box 1980, Hobbs, NM 88240 DISTRICT II RECENSER VATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088 | WELL API NO. 30 015 01749 |
| P.O. Drawer DD, Artesia, NM 88210 ARTESIA DISTRICT III 1000 Rio Brazos Rd., Agree, NM 87410 | 5. Indicate Type of Lease STATE FEE 6. State Oil& Gas Lease No. |
| SUNDE AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUE BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | 7. Lease Name or Unit Agreement Name |
| 1. Type of Well: Oil Well Swell OTHER OTHER OCD - ARIFSM | Artesia Unit |
| 2. Name of Operator Melrose Operating Company | 8. Well No. 10 |
| 3. Address of Operator C/O P.O. Box 953, , Midland, TX, 79702 4. Well Location | 9. Pool name or Wildcat Artesia; QN-GR-SA |
| | 52' Feet From The West Line |
| 170 2 202 | NMPM Eddy County |
| 3861' GR | |
| Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK | ALTERING CASING |
| TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT | |
| PULL OR ALTER CASING CASING TEST AND CEMENT JOB | |
| OTHER: 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. | |
| 2-18-03: Moved in and rigged up. Tripped out of hole with pump and rods. Nippled down wellhead, tripped out of hole with tubing. Rigged up Computalog Wireline Services to run cement bond log. Fluid level@ 2100', loaded hole and logged. Good bond to 1300'. Pulled out of hole. | |
| 2-19-03: Trip in hole with tubing. Nippled up wellhead, trip in hole with reconditioned pump action. | o and rods. Hung well on tagging good pump |
| Cement bond log run in compliance to Administrative of Mexico Oil Conservation Division. Artesia Unit Water | Order #WFX-768, New Flood project. |
| | |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. Regulatory Agent | 2-27-03 |

(this space for State Use)

TYPE OR PRINT NAME Ann E. Ritchie