

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

OIL CONSERVATION DIVISION

1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

WELL API NO.	30 015 01563
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	State 647
7. Lease Name or Unit Agreement Name	Artesia Unit
8. Well No.	2
9. Pool name or Wildcat	Artesia, Q-GR-SA

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> OTHER <input type="checkbox"/> Injection	
2. Name of Operator Melrose Operating Company	
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702 (915 684-6381)	
4. Well Location Unit Letter <u>M</u> <u>330'</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>West</u> Line Section <u>26</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3779' GR	

11. 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 type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

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.

Propose to plug and abandon Well #2 as follows:

Salt gel mud consisting of 10#
Brine W/25# of gel per bbl
must be placed between each plug

Status of well:

10" hole: 8 5/8", 24# casing @ 562' w/75 sx cement to surface.

8" hole: 4 1/2", 11.6# casing @ 2147' w/275 sx calculates to surface.

Perforations @ 2110-16'.

Plugging Proposal: 35'

CIBP @ 2050' w/ cement on top.

Current recommended surface water plug: (if required)

30' plug @ 512-612'. Perf csq. @ 612' - Place 100' of Cmt - 512-612' inside & outside of csq. - top

10' plug @ surface. Perf. Both csq. strings @ 60' Place 60' of cmt inside & outside of both csq. strings. WOC 24 HRS - TBS

We cannot plug and abandon this well until the Central Valley Electric gives us a procedure and permission to plug this well as there is a powerline going over the location. We are in the process of working with Central Valley Electric.

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 8-11-03
TYPE OR PRINT NAME Ann E. Ritchie TELEPHONE NO. 915 684-6381

(this space for State Use)

APPROVED BY [Signature] TITLE Field Rep ID DATE APPROVED AUG 20 2003

CONDITIONS OF APPROVAL, IF ANY:

OPERATOR: Melrose Operating Company			API# 30-005-01563
WELL: Artesia Unit # 2			LOCATION: M-26-17-28
SURFACE CSG-HOLE SIZE	10 3/4"	CSG. SIZE	8 5/8" SET @ 564 SX. CMT. 75 TOC. 123'
INT.CSG- HOLE SIZE	8"	CSG. SIZE	4.5" SET @ 2145' SX. CMT. 275 TOC. 623'
LONG STRING- HOLE SIZE 8" CSG. SIZE 4.5" SET @ 2145' SX. CMT. 275 TOC. 623'			
OTHER-			

