

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Month - Year
Santa Fe, NM 87505 MAY 21 2006

OCD - ARTESIA, NM NM 647

WELL API NO.: 30 015 01968

5. Indicate Type of Lease
STATE ☒ FEE

6. State Oil & Gas Lease No.
OCD - ARTESIA, NM NM 647

7. Lease Name or Unit Agreement Name
Rotary State

8. Well Number: 5

9. OGRID Number: 184860

10. Pool name or Wildcat
Artesia: Queen-Grayburg-San Andres

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 Company

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

4. Well Location

Unit Letter J : 1980 feet from the South line and 1980 feet from the East line

Section 20 Township 18S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3583'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER:

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.

As Per ACO # 122-A for Melrose Operating Company, the Rotary State, Well #5 has been put back on production as follows:

4-26-07: Clear location, set anchors. MIRU and pull 2375' of rods and pump. Shut-in overnight.

4-27-07: Go in hole with 2 3/8" tubing to 2448'. Shut-in for weekend.

4-30-07: Cleaned out paraffin build up, pumped hot water w/solvent. Circulated wellbore. Went back in hole with tubing.

5-1-07: Tested tubing to 5000 psi. Replaced 17 joints. SN @ 2381'. Existing perforations from 1968-2408'. Ran in hole with rods & pump. Prep to set flowline and pump jack.

5-10-07: Well producing making 3 bbls and 40 water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 5-17-07

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

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APPROVED BY: Accepted for record - NMOCD TITLE DATE 5/24/07

Conditions of Approval (if any):