

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  
Energy, Minerals and Natural Resources

Form C-103  
Revised June 10, 2003

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30 015 02541
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Artesia Unit
8. Well Number 46
9. OGRID Number 184860
10. Pool name or Wildcat Artesia: Queen-Gray-San Andres 3230

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 (Injection) ☒

2. Name of Operator

Melrose Operating Company

JAN 02 2008

3. Address of Operator

c/o P.O. Box 953, Midland, TX 79702

OCD-ARTESIA

4. Well Location (Surface)

Unit Letter F : 2310 feet from the North line and 2267 feet from the West line

Section 3 Township 18S Range 28E NMPM Eddy County

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

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 COMPLETION ☐

OTHER: Scheduled Step Rate Test ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING ☐

COMMENCE DRILLING OPNS PLUG AND ABANDONMENT

CASING TEST AND 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.

The Artesia Unit, Well #46 is out of compliance due to an average injection pressure of 500 psi. The permitted injection pressure is 425 psi. Well is shut-in as per NMOCD compliance. Well is scheduled for a step rate test on January 17, 2008 at 9 am.

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: 12-27-07

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

(This space for State use)

APPROVED BY RICHARD INGE TITLE COMPLIANCE OFFICER DATE 1/8/08

Conditions of approval, if any: