

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. 30-015-02025
5. Indicate Type of Lease STATE X FEE
6. State Oil & Gas Lease No.

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 (Injection)

2. Name of Operator
 Melrose Operating Company #184860

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

7. Lease Name or Unit Agreement Name
 Gulf State

8. Well Number
 2

9. OGRID Number

10. Pool name or Wildcat:
 Artesia; Queen-Grayburg-SA

4. Well Location
 Unit Letter O ; 990 feet from the South line and 2310 feet from the East line
 Section 23 Township 18S Range 28E NMPM Eddy County

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

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

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

- 06-06-07: Old well to be put back in service. TOH w/rods and pump. Shut in – shut down.
- 06-07-07: Tagged up @ 2425'. Change out grapple in overshot TIH w/overshot and jars.
- 06-08-07: Pick up bit and scrapper TIH tagged @ 2768'.
- 06-09-07: TIH w/tubing 4 stands. Swab fluid level 200' surface.
- 06-11-07: Swab well fluid level @ 800'. TIH w/rods and spaced out pump. 4 to 6 oil per day.
- 09-28-07: Installed panel and motor to battery.
- 09-29-07: Well made 28 bbls oil & 40 water.
- 10-01-07: Well made 23 bbls oil & 25 water.
- 10-15-07: Well made 2 bbls oil & 20 water. FINAL REPORT.

ACCEPTED FOR RECORD
 JAN 15 2008
 Gerry Guye, Deputy Field Inspector
 NMOCD-District II ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Ritchie TITLE Regulatory Agent DATE: 1-8-08

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 _____ TITLE _____ DATE _____

Conditions of approval, if any: