

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
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 March 25, 1999

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

WELL API NO. 30 015 01708
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 647
7. Lease Name or Unit Agreement Name: Artesia Unit
8. Well No. 26
9. Pool name or Wildcat Artesia, Queen, 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"/>	RECEIVED MAR - 2 2004
2. Name of Operator Melrose Operating Company	OCD-ARTESIA
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702	
4. Well Location Unit Letter O 330 feet from the South line and 1650 feet from the East line Section 34 Township 17S Range 28E NMPM Eddy County	
10. Elevation (Show whether DR, RKB, RT GR, etc.) 3639'	

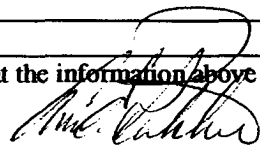
I 1. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENTJOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input checked="" 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The Artesia Unit, Well # 26 is an active injection well that is utilized when produced water is available in the Artesia Unit. Currently water is being directed to Injection wells #22, 23, 28 and #29. Well #26 will be utilized consistently as the drilling program and waterflood in expanded in 2004.

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

SIGNATURE



TITLE Regulatory Agent

DATE 2-23-04

Type or print name Ann E. Ritchie

Telephone No. 432 684-6381

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any: