Submit 3 Copies To Appropriate District Form C-103 State of New Mexico Office Revised March 25, 1999 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 87240 30 025 08648 District 11 OIL CONSERVATION DIVISION 81 1 South First, Artesia, NM 872 1 0 5. Indicate Type of Lease District I I I 1220 S. St. Francis Dr. STATE X I 000 Rio Brazos Rd., Aztec, NM 8741 0 FEE Santa Fe, NM 87505 **District IV** 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (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 Cone Jalmat Yates Pool Unit PROPOSALS.) 1. Type of Well: Other Injection Oil Well Gas Well 2. Name of Operator 8. Well No. Melrose Operating Company # 107 3. Address of Operator 9. Pool name or Wildcat c/o P.O. Box 953, Midland, TX 79702 Jalmat (Tansill, Yates, Seven Rivers) 4. Well Location D 660 Unit Letter feet from the North 660 line and feet from the West line 24 Township 22S Section Range 35E NMPM Lea County 10. Elevation (Show whether DR, RKB, RT GR, etc.) 3582' GL I 1. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND **ABANDONMENT PULL OR ALTER CASING MULTIPLE** CASING TEST AND X COMPLETION **CEMENTJOB** OTHER: OTHER: 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 recompilation. 2/23/04 - 2/24/04 MIRUPU Bleed PSI, NDWH & NUBOP RU reverse unit RIH w/ 4 3/4" bit& 6 3 1/2" DC's & 2 3/8 tbg, taag fill @ 3790' drill out fill to 3868' circ clean PUH above perfs & holes, close well in, SION 2/25/04 Cont'd to clean out fill to 3968' circ well clean, POOH LD workstring, DC's & bit, ND BOP take off T flanged wellhead, pickup 5 1/2" spear, latch onto 5 1/2" csg & attempt to unset slips 8 5/8" csg, moved when picked up on 5 1/2" csg SION 2/26/04 Dig out around wellhead & 8 5/8" csg 8 5/8" csg rotted off at 10', spear 5 1/2" csg cut off bad 8 5/8" stack out 5 1/2 weld on 8 5/8" bell nipple, install 8 5/8" X 5 1/2" wellhead, pull 5 1/2" csg up to csg weight & set 5 slips, build riser for 8 5/8" wellhead, finish cover up hole around well, NU BOP, prepare to run 4" csg 2/27/04 RIH w/99 its 4" FL4S NL Atlas Bradford 11.34#, set shoe @ 3956', set slips on 4" Ru Haliburton & cement liner, flush w/ 120 bbls fresh red dye, Cemnet w/300 sxs Hal-lite & 100 sxs pre-pus, flush to 40' from shoe, float held ok, circ cement to surface. Close well in, SION 3/1/04 RIH w/sandline & depthometer, tag cement @ 3737' NU tst csg to 500# for 30 min. NMOCD witnessed test, took chart to Hobbs, NMOCD office passed, ok, hooked up inj line - well back on. 000 Hopps I hereby certify that the information above is true and complete to the best of my knowledge and belief. DATE 4-20-04 **SIGNATURE** TITLE Regulatory Agent Type or print name Ann E. Ritchie Telephone No. 432 684-6381 (This space for State use) TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER

Conditions of approval, if any:

DATEMAY 0.3 2004