

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

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

Form C-103 Revised June 10, 2003

WELL API NO. 30 025 37133
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 Cone Jalmat Yates Pool Unit
8. Well Number Well # 121
9. OGRID Number 184860
10. Pool name or Wildcat Jalmat (Tansill, Yates, SRvrs)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3582' GR

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

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

4. Well Location
Unit Letter N: 1310 feet from the South line and 2630 feet from the West line
Section 13 Township 22S Range 35E NMPM Lea County

12. 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"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

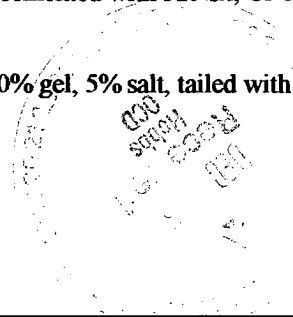
13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

11-15-05: Moved in & rigged up. Spudded 12 1/4" hole, drilled to 425'. Ran 425' of 8 5/8", 23#, J-55 casing, cemented with 325 sx, CI C + 2% CaCl. Float held OK. Circulated 100 sx to pit. WOC. Pressure tested to 1000#.

11-21-05: Reached total depth of 4150', logging.

11-22-05: Finished logging well, RIH w/ 5 1/2", 15.5#, J-55 to 4150'. Cemented with 630 sx Poz C cement, 10% gel, 5% salt, tailed with 250 sx Poz C w/2% gel, 5% salt, plug down. WOC. Released rig.

Wait on completion.



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

SIGNATURE [Signature] TITLE Regulatory Agent DATE 12-5-05

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 [Signature] TITLE PETROLEUM ENGINEER DATE DEC 13 2005
Conditions of approval, if any.