

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

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.)		WELL API NO. 30 025 37498
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (Injection) <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Melrose Operating Company		6. State Oil & Gas Lease No.
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702		7. Lease Name or Unit Agreement Name Jalmat Field Sand Yates Unit
4. Well Location Unit Letter <u>P</u> <u>681'</u> feet from the <u>South</u> line and <u>631'</u> feet from the <u>East</u> line Section <u>11</u> Township <u>22S</u> Range <u>35E</u> NMPM <u>Lea</u> County		8. Well Number Well # 224
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3600'		9. OGRID Number 184860
		10. Pool name or Wildcat Jalmat (T-Y-7R)

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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB

OTHER: Spud, TD, casing ☒

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.

1-24-06: Rigged up, drilling 12 1/4" hole. Drilled to 420', circulated & ran 8 5/8", J-55, 23# casing to 405'. Cemented with 300 sx CI C + 2% CaCl, plug down, float held OK. Tested to 1500 psi. Circulated 100 sx to pit. WOC.

1-31-06: Reached total depth of 4150'.

2-1-06: Ran 5 1/2", 15.5#, J-55 casing to 4150'. Cemented with 460 sx C, 10% gel, 5% salt, tailed with 250 sx C 2% gel, 5% salt, floats held. Circulated 30 sx to pit. Released rig. WOC and completion.

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 2-28-06

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

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APPROVED BY Ann E. Ritchie TITLE PETROLEUM ENGINEER DATE MAR 1 4 2006