

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

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)</p>		<p>WELL API NO. 30 025 03165</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (Injection) <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> <del>FFF</del> <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Melrose Operating Company 184860</p>		<p>6. State Oil &amp; Gas Lease No</p>
<p>3. Address of Operator c/o Box 953 Midland, TX 79702</p>		<p>7. Lease Name or Unit Agreement Name Northeast Pearl Queen Unit</p>
<p>4. Well Location Unit Letter <u>N</u> : 330 feet from the <u>South</u> line and 1650 feet from the <u>West</u> line Section 15 Township 19S Range 35E NMPM <u>Leg</u> County <u>Eddy</u></p>		<p>8. Well Number 2</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3763</p>		<p>9. OGRID Number 184860</p>
<p>10. Pool name or Wildcat Pearl Queen</p>		<p>10. Pool name or Wildcat Pearl Queen</p>

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 ☐

**SUBSEQUENT REPORT OF:**  
 REMEDIAL WORK ☒ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS ☐ PLUG AND ABANDONMENT ☐  
 CASING TEST AND CEMENT JOB ☐

OTHER:

OTHER:

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.

6-1-07: Rigged up and pulled rods & pump.

6-4-07: RIH w/shoe & ash pipe & tubing. Tagged @ 4830'. Cleaned out to 4843'. Recovered short piece of junk tubing.

6-5-07: RIH and tagged @ 4343'. Drilled to 4851'. POOH w/ 4 ft. of junk tubing.

6-6-07: RIH w/bit, cleaned out to 4888', POOH & cleaned out tubing.

6-7-07: RIH and cleaned out to 4970', RIH w/ 4 3/4" bit, tagged @ 4958'.

6-8-07: RIH w/ tubing, tagged @ 4958, milled to 4982'. POOH w/ old SN, Ran back in hole with tubing.

6-12-07: Scanned tubing, RIH w/good tubing, set SN @ 4920'.

6-13-07: Swabbed. Ran in hole with pump & rods, flushed well.

6-14-07: RU and swabbed to tank. RIH w/pump & rods, stroked pump. Well test: 3 oil, 120 water and 0 gas.

Well put back on production as part of ACO compliance order.

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: 7-13-07

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 [Signature] TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 18 2007

Conditions of approval, if any:

OC FIELD REPRESENTATIVE II/STAFF MANAGER