

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

Form C-103
Revised June 10, 2003

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

WELL API NO 30 025 20983
5. Indicate Type of Lease STATE FEE X
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Northeast Pearl Queen Unit
8. Well Number 10
9. OGRID Number 184860
10. Pool name or Wildcat: Pearl Queen

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 X Gas Well Other (Injection)
2. Name of Operator Melrose Operating Company 184860
3. Address of Operator c/o Box 953 Midland, TX 79702
4. Well Location Unit Letter D 990 feet from the North line and 330 feet from the West line Section 24 Township 19S Range 35E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3763

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 X ALTERING CASING ☐
COMMENCE DRILLING OPNS PLUG AND ☐
CASING TEST AND ABANDONMENT
CEMENT JOB

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.

5-3-07: Rigged up pulling unit. Tally work string in hole @ 4977'.

5-7-07: Rigged up wireline, logged.

5-8-07: Start in hole w 3 7/8" bit, tagged @ 4980, drilling on junk.

5-10-07: POOH w/bit, RIH w/ 3 7/8" shoe & washpipe, tag @ 4970, mill to 5003', circulate clean, pull up.

5-11-07: RIH & tag @ 5003, mill to 5013', RIH to 5028', POOH w/ washpipe.

5-14-07: RIH w/ 3 7/8" bit, tag @ 4981', clean out to 5050', rigged down.

6-7-07: Set pumping unit and hooked up electricity.

6-18-07: Ran in hole with tubing, pump & rods, SN @ 4984'.

6-22-07: Well pumping to battery.

Well test: 1 bbl oil, 98 bbls water & 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 Ann E. Ritchie 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

(This space for State use)

APPROVED BY Hay W. Wink TITLE OG FIELD REPRESENTATIVE II/STAFF MANAGER

Conditions of approval, if any:

JUL 18 2007