

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.<br>30 025 21114                                       |
| 5. Indicate Type of Lease<br>STATE FEE X                           |
| 6. State Oil & Gas Lease No.                                       |
| 7. Lease Name or Unit Agreement Name<br>Northeast Pearl Queen Unit |
| 8. Well Number<br>9  |
| 9. OGRID Number<br>184860  |
| 10. Pool name or Wildcat:<br>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 A : 990 feet from the East line and 990 feet from the North line  
Section 23 Township 19S Range 35E NMMPM Edg 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:                        |  | SUBSEQUENT REPORT OF:      |   |
|--|--|----------------------------|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/>    | REMEDIAL WORK X            | ALTERING CASING <input type="checkbox"/>      |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS                                 | COMMENCE DRILLING OPNS     | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPLETION <input type="checkbox"/> | 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.

3-20-07: Rigged up, fished rods & pump., POOH & scanned tubing. Tagged 74' of fill, perforations covered.  
3-22-07: RIH w/ 3 7/8" bit, tagged @ 4998'. Clean out and circulated to surface, POOH, RIH w/ wireline, ran CBL to locate holes.  
3-23-07: RIH w/RBP to isolate leak @ 350'.  
3-26-07: Backed off 4 1/2" casing @ 352'. RIH w/ 360' new 4 1/2", screw back in to top of old casing, torque up, 60K tension.  
3-28-07: Cleaned well out to 5072'. Start swab testing.  
3-30-07: RIH w/pump, rods, waiting on electricity.  
3-31-07: Repaired electric line.  
4-2-07: Well producing to tank battery.

Well Test: 1 bbls oil, 85 bbls 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

(This space for State use)

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

Conditions of approval, if any: