

Submit 3 Copies to Appropriate  
District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88218  
District III  
1000 Rio Hondo St., Alamogordo, NM 88001  
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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	WELL API NO. 30-025-38924 <input checked="" type="checkbox"/>
2. Name of Operator Melrose Operating Company <input checked="" type="checkbox"/>	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator c/o Box 953 Midland, TX 79702	6. State Oil & Gas Lease No.
4. Well Location  Unit Letter <u>N</u> ; <u>528</u> feet from the <u>South</u> line and <u>1869</u> feet from the <u>West</u> line  Section <u>12</u> Township <u>22S</u> Range <u>35E</u> NMPM Lea County	7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit <input checked="" type="checkbox"/>
	8. Well Number 178 <input checked="" type="checkbox"/>
	9. OGRID Number 184860 <input checked="" type="checkbox"/>
	10. Pool name or Wildcat: Jalmat; Tansill-Yates-7 Rvrs <input checked="" type="checkbox"/>
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3589'GR	

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:

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.

9-19-08: Spud well, drilling 12-1/4" hole.

9-20-08: Drilled to 425'; set 8-5/8", 24#, J55, STC, new casing @ 413'. Cemented w/375 sx Cl C + 2% CaCl. Circulated 45 sx to pit. WOC 12 + hrs. Pressure tested to 1000# for 30 minutes - held.

9-28-08: Reached total depth of 4180'. Ran 5-1/2", 15.5#, J55 casing to 4178'. Cemented w/500 sx lead, 50/50 poz, Cl C, 5% salt + .125#sxcf + 3#sxlcm-1, 11.8#/gal, yield 2.45. Tailed w/300 sx 50/50 poz, Cl C, 5% salt + 3#sxlcm-1 + 4/10 fl-25, 14.2#/gal, yield 1.3. Circulated 67 sx to pit, floats held. WOC, 12+/hrs. Pressure tested to 1000# for 30 minutes - held. Rig release. Waiting on 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: 10-8-08

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 PETROLEUM ENGINEER DATE OCT 23 2008

Conditions of approval, if any.