

Subm
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. 30-025-38937 ✓
5. Indicate Type of Lease STATE X FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit ✓
8. Well Number 142 ✓
9. OGRID Number 184860 ✓
10. Pool name or Wildcat: Jalmat; Tansill-Yates-7 Rvrs ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3573'GR

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
2. Name of Operator Melrose Operating Company /
3. Address of Operator c/o Box 953 Midland, TX 79702
4. Well Location Unit Letter I ; 1980 feet from the South line and 600 feet from the East line Section 14 Township 22S Range 35E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER:	SUBSEQUENT REPORT OF: REMEDIAL WORK ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS X PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB X 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.

AMENDED: TD & Casing

- 10-21-08: Spudded well, drilling 12-1/4" hole.
10-22-08: Drilled to 425'; set 8-5/8", 24#, J55, STC, new casing @ 423'. Cemented w/375 sx Cl C + 2% CaCl. Circulated 44 sx to pit. Pressure tested to 500# for 30 minutes - held. WOC 12 + hrs.
10-27-08: Reached total depth of 4185'. Ran 5-1/2", 15.5#, J55 casing to 4175'. 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 89 sx to pit - float held. WOC 24 + 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: 12-11-08

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

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APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE DEC 17 2008
Conditions of approval, if any: