

Submit 3 Copies  
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., Hobbs, NM 88240  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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DEC 12 2008

HOBBSOCD

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

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| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)          |  | WELL API NO.<br>30-025-38939 ✓   |
| 1. Type of Well:<br>Oil Well X Gas Well Other ✓  |  | 5. Indicate Type of Lease<br>STATE X FEE                               |
| 2. Name of Operator<br>Melrose Operating Company ✓   |  | 6. State Oil & Gas Lease No.   |
| 3. Address of Operator<br>c/o Box 953 Midland, TX 79702  |  | 7. Lease Name or Unit Agreement Name<br>Jalmat Field Yates Sand Unit ✓ |
| 4. Well Location<br><br>Unit Letter <u>B</u> ; <u>660</u> feet from the <u>North</u> line and <u>1700</u> feet from the <u>East</u> line<br><br>Section <u>23</u> Township <u>22S</u> Range <u>35E</u> NMPM Lea County |  | 8. Well Number<br>146 /  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3587'GR  |  | 9. OGRID Number<br>184860 ✓  |
|  |  | 10. Pool name or Wildcat:<br>Jalmat; Tansill-Yates-7 Rvrs ✓            |

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 X PLUG AND ABANDONMENT ☐

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.

12-03-08: Spudded well, drilling 12-1/4" hole. Reached TD of 420'.

12-04-08: Ran 8-5/8", 24#, J55, STC, new casing @ 417'. Cemented w/375 sx Cl C + 2% CaCl. Circulated 47 sx to pit. Pressure tested to 1000# for 30 minutes - held. WOC 12 + hrs.

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: 12-8-08

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

(This space for State use)

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