

RECEIVED**OIL CONSERVATION DIVISION**

FEB 16 2009

HOBBSUCD

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-38916

5. Indicate Type of Lease

STATE X FEE

6. State Oil & Gas Lease No.

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 J ; 1970 feet from the South line and 2062 feet from the East line

Section 13 Township 22-S Range 35-E NMPM Lea County

7. Lease Name or Unit Agreement Name

Cone Jalmat Yates Pool Unit

8. Well Number

127

9. OGRID Number

184860

10. Pool name or Wildcat:

Jalmat; Tansill-Yates-7 Rvrs

11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3585' 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 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.

2-05-09: Spud well, drilling 12-1/4" hole.

2-05-09: Drilled to 421'; set 8-5/8", 24#, J55, STC, new casing @ 409'. Cemented w/375 sx Cl C + 2% CaCl. Circulated 52 sx to pit. WOC 12 + hrs. Pressure tested to 1000# for 30 minutes - held.

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: 2-11-09Type 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 FEB 19 2009

Conditions of approval, if any: