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MAR 26 2009

HOBBSD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-38922
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 249
9. OGRID Number 184860
10. Pool name or Wildcat: Jalmat; Tansill-Yates-7 Rvrs
11. Elevation (Show whether DR, RKB, RT, GR, etc.): 3593'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 ; 2030 feet from the South line and 330 feet from the East line

Section 11 Township 22-S Range 35-E NMPM Lea County

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 PLANSPULL 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

2-13-09: Spud well, drilling 12-1/4" hole.

2-13-09: Drilled to 435'; set 8-5/8", 24#, J55, STC, new casing @ 413'. Cemented w/375 sx Cl C + 2% CaCl. Circulated 50 sx to pit. WOC 12 + hrs. Pressure tested to 1000# for 30 minutes - held.

2-20-09: Reached total depth of 4165'. Ran 5-1/2", 15.5#, J55 casing to 4165'. Cemented w/400 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. WOC 24 + hrs. Pressure tested to 1000# for 30 minutes. 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: 3-23-09Type 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 MAR 30 2009

Conditions of approval, if any: