| Submit 3 Copies To Appropriate District Office   | State of New Me                      |                      | Form C-103                                    |
|--|--------------------------------------|----------------------|---|
| District I   | Energy, Minerals and Natu            | ıral Resources       | June 19, 2008                                 |
| 1625 N. French Dr., Hobbs, NM 88240<br>District II   |                                      |                      | WELL API NO.                                  |
| 1301 W. Grand Ave, Artesia, NM 88 RECEIVEDISERVATION DIVISION  |                                      |                      | 30-025-38930 <b>5.</b> Indicate Type of Lease |
| ' District III   |                                      |                      | STATE X FEE                                   |
| 1000 Rio Brazos Rd., Aztec, NM 87410 D.M. (1.2. 2000) Conta E. N.M. 97505  |                                      |                      | 6. State Oil & Gas Lease No.                  |
| District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505  HOBBSOCD  |                                      |                      | Prop#25191                                    |
| 87505  | JBBSOCD                              |                      | <u>-</u>                                      |
| SUNDRY NOTICES AND REPORTS ON WELLS  |                                      |                      | 7. Lease Name or Unit Agreement Name          |
| (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.)  |                                      |                      | JALMAT FIELD YATES SAND UNIT                  |
| 1. Type of Well: Oil Well Gas Well x Other Water/Injection Well  |                                      |                      | 8. Well Number 237                            |
| 2. Name of Operator  MELROSE OPERATING CO  |                                      |                      | 9. OGRID Number 184860                        |
| 3. Address of Operator   |                                      |                      | 10. Pool name or Wildcat                      |
| 1000 W. WILSHIRE, SUITE 223, OKLAHOMA CITY, OK 73116   |                                      |                      | Jalmat, Yates, Tansell, 7-Rives               |
| 4. Well Location   |                                      |                      |   |
| Unit Letter L1980 feet from the SOUTH line and 990 feet from the WEST line _/  |                                      |                      |   |
| Section 12 Township 22S Range 35E NMPM County LEA  |                                      |                      |   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |                                      |                      |   |
|  | 3584' GL                             |                      |   |
| 12 Ch. 1   | A 1 4 D 4 T 11 4 D                   | CNT !! D             | 0.1   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   |                                      |                      |   |
| NOTICE OF INTENTION TO: SUBS   |                                      |                      | EQUENT REPORT OF:                             |
| PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK   |                                      |                      | ☐ ALTERING CASING ☐                           |
| TEMPORARILY ABANDON  |                                      |                      |   |
| PULL OR ALTER CASING   | MULTIPLE COMPL                       | CASING/CEMENT J      | <del>-</del>                                  |
| DOWNHOLE COMMINGLE   |                                      | O/ CING/OLIMENT      |   |
|  |                                      |                      |   |
| OTHER:   | 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.   |                                      |                      |   |
|  |                                      |                      |   |
| Management of the second of th |                                      |                      |   |
| Melrose will performing MIT Test on Jalmat #237 WIW on Friday, June 5 <sup>th</sup> , 2009, at 10:00 NM MST  |                                      |                      |   |
|  |                                      |                      |   |
|  |                                      |                      |   |
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| ,  |                                      |                      |   |
|  |                                      |                      |   |
|  |                                      |                      |   |
| Spud Date:   | Rig Release Da                       | te:                  |   |
|  |                                      |                      | WFX- 890                                      |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief.   |                                      |                      |   |
| increase certain that the information  | above is true and complete to the be | st of my knowledge a | nu bener.                                     |
|  |                                      |                      |   |
| SIGNATURE  | TITLEForma                           | an                   | DATE6/3/09                                    |
| Type or print nameCam Robbins E-mail address:maximum@valornet.co PHONE: _575-390-4666  |                                      |                      |   |
| For State Use Only   |                                      |                      |   |
| ADDROVED BY A SUPERVISOR III N O C COCC  |                                      |                      |   |
| APPROVED BY: 7 and 10, X-10 TITLE DATE JUNUS 2008  |                                      |                      |   |
| Conditions of Approval (if any):   |                                      |                      |   |