NEW MEXICO ENERGY, MINERALS NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Response Required - Deadline Enclosed

01-Apr-10

MELROSE OPERATING COMPANY

20333 STATE HIGHWAY 249 SUITE 310 HOUSTON.TX 77070-

LETTER OF VIOLATION **Delinquent Regulatory Filings**

Dear Operator:

Oil Conservation Division ("OCD") records indicate that you failed to file the required reports identified below, or that your filings were incomplete or inaccurate.

NON-COMPLIANT WELL DETAIL SECTION

CONE JALMAT YATES POOL UNIT No.130

Location: 13-22S-35E

30-025-38918-00-00

Original Well Type: Oil (Producing)

Well Status: New (Not Drilled /

Determination or Violation Date: 4/1/2010

Delinquent Report or Filing(s): - Logs - Other Paperwork or Filing -

Other Monitoring and Reporting

Violation

Comments: OCD Hobbs has received C-103 & C-105 completion paperwork on this well as a producer. Also required form C-103 on casing and cement, deviation survey, full set of logs and form C-104 "Requesting Allowable". Please send all paperwork to the Hobbs OCD office. If you have questions on this matter, please call Donna Mull (575) 393-6161 ext 115.

CORRECTIVE ACTION ON THIS WELL DUE BY: 5/1/2010

Please file or correct the reports identified above by the corrective action due date indicated. If you fail to file or correct the reports by that date, the OCD will take enforcement action that may include but is not limited to applying for an order assessing civil penalties and/or requiring you to plug and abandon the wells associated with those reports.

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

Hobbs OCD District Office

EMNRD - DISTRICT I OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



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04/01/2010 Mailed From88240 US POSTAGE

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