

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

Response Required – Deadline Enclosed

31-Mar-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

JALMAT FIELD YATES SAND UNIT No.148

Location: 23-22S-35E 30-025-38940-00-00

Original Well Type: Oil (Producing)

Well Status: New (Not Drilled /

Determination or Violation Date: 3/31/2010

**Delinquent Report or Filing(s): - Logs - Sundry Notice - Other
Paperwork or Filing - Other Monitoring
and Reporting Violation**

Comments: OCD Hobbs office has received form C-103 and original MIT chart. Paperwork also required is the C-103 with dates and what was done to convert this well to injection, C-105 completion report for injection, deviation survey, and full set of logs. If you have any questions on this matter, please call Donna Mull (575) 393-6161 ext 115.

CORRECTIVE ACTION ON THIS WELL DUE BY: 4/30/2010

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



017H15554612
HASLER
\$0.610
04/01/2010
Mailed From 88240

US POSTAGE

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