

Submit 1 Copy to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form O-103
 October 13, 2009

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
 30-025-38936
 5. Indicate Type of Lease
 STATE FEE
 6. State Oil & Gas Lease No.
 7. Lease Name or Unit Agreement Name
 Jalmat Field Yates Sand Unit
 8. Well Number 140
 9. OGRID Number 184860
 10. Pool name or Wildcat
 Jalmat Tan-Yates-7Rvrs

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 Gas Well Other Injector
 2. Name of Operator
 Melrose Operating
 3. Address of Operator
 20333 State Highway 249, Suite 310, Houston, Texas 77070
 4. Well Location
 Unit Letter K : 1980 feet from the South line and 2361 feet from the West line
 Section 14 Township 22S Range 35E NMPM County Lea
 11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

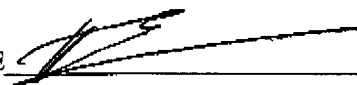
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Perf, Acid Frac <input checked="" type="checkbox"/>	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/05/08 MIRUPU, RU Weatherford WL & Perf well 3866' -- 4036' w/ 2spf, RU Cudd & Acidize well w/ 4000 gals acid
 12/16/08 RU Cudd & Frac w/ 1437 bbl frac w/ 104877# sand
 06/14/09 RIH w/ 5 1/2" AD-1 Injection packer & 2 3/8" injection tubing. Set packer @ 3796'

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Operations Engineer DATE 05/17/2010

Type or print name Petar Evtimov E-mail address: pevtimov@melroseenergy.com PHONE: 832 698 7000

APPROVED BY:  TITLE STATE NOT DATE 5-20-10

Conditions of Approval (if any):

WELL DIAGRAM

Operator - Melrose Operating Company

Lease Name - Jalmat Field Yates Sand Unit

API - 30 025 38936

Location - Unit K 1980' FSL & 2361' FWL, Section 14, T 22S, R 35E NMPM Lea County, NM

Spud - 11/19/08

Well - 140

