

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

RECEIVED
OIL CONSERVATION DIVISION
APR 29 2010
1220 South St. Francis Dr.
Santa Fe, NM 87505
HOBBSSUCD

WELL API NO. 30-025-38940
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Jalmat Field Yates Sand Unit
8. Well Number 148
9. OGRID Number 184860
10. Pool name or Wildcat Jalmat Tan-Yates-7Rvrs
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 NEW 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 H : 1940 feet from the North line and 362 feet from the East line
Section 23 Township 22S Range 35E NMPM County: Lea

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 PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐ OTHER Perf, Acid, Frac ☒

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.

10/02/09 RU Perf f/ 3638' to 3988' w/ 2spf
10/06/09 Acid w/ 4000 gals acid,
10/23/09 Frac w/ 1137bbl frac w/53219# Sand
10/27/09, RU Rising Star & squeeze upper perfs 3638' to 3784'
10/28/09, RIH w/ 4 3/4" mill tooth bit, 6- 3 1/2" DC's, drill up cement retainer & cement, pressure test squeeze "GOOD", run to TD & circ well clean, SD
03/04.10 Tally & RIH w/ 5 1/2" x 2 3/8" AD-1 Nickle Plated Injection Pkr, & 117 Jnts 2 3/8" FG Lined SuperMax Tbg, RU & Circ 90 bbls 2% KCL/606 Pkr fluid, set Pkr @3722', Test Csg/Pkr to 500#s, "Good", RUD&MO

Spud Date:

12/20/08

Rig Release Date:

01/03/09

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

SIGNATURE [Signature] TITLE JACK PLES.DEN DATE 04.16.2010

Type or print name BARLY ALCHER E-mail address: barly@melrosexergy.com PHONE: 832 678 7050

For State Use Only

APPROVED BY [Signature] TITLE STAFF MGR DATE 5-25-10

Conditions of Approval (if any):

WELL DIAGRAM

Operator - Melrose Operating Company

Lease Name - Jalmat Field Yates Pool Unit

API - 30 025 38940

Location - Unit H 1940' FNL & 362' FEL, Section 23, T 22S, R 35E NMPM Lea Country, NM

Spud - 12/21/08

Well - 148

