| Office   | New Mexico                     |   | Form C-103 |
|--|--------------------------------|---|------------|
| <u>District I</u> Energy, Minerals and Natural Resources   |                                | June 19, 2008 WELL API NO.  |            |
| 1625 N French Dr., Hobbs, NM 88240  District II  |                                | 30-025-38931  |            |
| 1301 W. Grand Ave , Artesia, NM 1310 N 200 Serval St. Francis Dr.  |                                | 5. Indicate Type of Lease   |            |
| District III 1000 R10 Brazos Rd, Aztec, NM 87419 K 1 8 2010 Santa Fe, NM 87505   |                                | STATE X FEE   |            |
| District IV 1220 S. St. Francis Dr., Santa Fe, NOBBSOCD 87505  |                                | 6. State Oil & Gas Lease No. Prop#25191                           |            |
|  |                                |   |            |
| 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.)  |                                | 7. Lease Name or Unit Agreement Name JALMAT FIELD YATES SAND UNIT |            |
| 1. Type of Well: Oil Well Gas Well x Other Water Injection Well  |                                | 8. Well Number 239 ✓  | 7          |
| 2. Name of Operator  |                                | 9. OGRID Number   | ,,, ,      |
| MELROSE OPERATING CO / 3. Address of Operator  |                                | 184860 V. 10. Pool name or Wildcat                                |            |
| 20333 STATE HIGHWAY 249, Suite 310, HOUSTON TX 77077   |                                | Jalmat, Yates, Tansell, 7-Rives                                   |            |
| 4. Well Location Unit Letter H: 2000 feet from the NORTH line and 665 feet from the EAST line  |                                |   |            |
|  |                                |   |            |
| Section 13 Township 22S Range 35E NMPM County LEA 11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |                                |   |            |
| 3595' GL   |                                |   |            |
|  |                                |   |            |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   |                                |   |            |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:  PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK ☐ ALTERING CASING ☐  |                                |   |            |
| PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON TEMPORARILY ABANDON ☐ CHANGE PLANS  |                                | NG CASING ☐   |            |
| TEMPORARILY ABANDON  |                                |   | `          |
| DOWNHOLE COMMINGLE   |                                |   |            |
|  | OTUES IN                       | ICOTION MIT   | v          |
| OTHER: OTHER: INJECTION MIT X  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.   |                                |   |            |
|  |                                |   |            |
| Performed Injection MIT, 3/12/2010, 380#s for 30 min, Witnessed by OCD/Mark Whitaker, SEE attached Chart   |                                |   |            |
| **************************************   |                                |   |            |
|  |                                |   |            |
|  |                                |   | •          |
|  |                                |   |            |
|  |                                |   |            |
|  |                                |   |            |
|  |                                |   |            |
| D. C.  | D. L D                         |   |            |
| Spud Date: Rig   | Release Date:                  |   |            |
| ALLY   | lal FX-                        | 852   |            |
| I hereby certify that the information above to true and complete the second complete t | te to the best of my knowledge | e and belief.   |            |
| <b>SECORD</b>  |                                |   |            |
| CIONATURE COR REC  | LE Former                      | DATE 3/12   | 2/00       |
| SIGNATURE 111  | LE_FOIHIAII                    | DATE  | .109       |
| Type or print name Cam Robbins E-mail address:maximum@valornet.co PHONE: _575-390-4666   |                                |   |            |
| For State Use Only   |                                |   |            |
| APPROVED BY: TITLE STAFF MGR DATE 7-15-10  |                                |   |            |
| Conditions of Approval (if any):   |                                |   |            |
|  |                                |   |            |
|  |                                |   |            |
|  |                                |   |            |

