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to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C 103
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

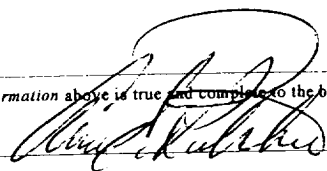
WELL API NO. 30 025 08644
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cone Jalmat Yates Pool Unit
8. Well No. 202
9. Pool name or Wildcat Jalmat, Tansill, Yates, Seven Rivers

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 <input type="checkbox"/> Gas Well <input type="checkbox"/> OTHER Injection <input checked="" type="checkbox"/>
2. Name of Operator Melrose Operating Co.
3. Address of Operator c/o P.O. Box 953, Midland, TX 79702 915 684-6381
4. Well Location Unit Letter B 660 Feet From The NORTH Line and 1980 Feet From The East Line Section 24 Township 22S Range 35E NMPM Lea County
10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

12. 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.
After failed casing integrity test of 9-18-02, propose to rig up within the next 30 days & pull tubing and replace bad joints & re-schedule with Oil Conservation Division the mechanical integrity test.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
SIGNATURE 	TITLE Regulatory Agent
DATE 10-18-02	TELEPHONE NO. 915 684-6381
TYPE OR PRINT NAME Ann E. Ritchie	
(this space for State Use)	
APPROVED BY	DATE OCT 28 2002
CONDITIONS OF APPROVAL, IF ANY:	

ORIGINAL SIGNED BY
GARY W. WINK
OC FIELD REPRESENTATIVE II/STAFF MANAGER