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State of New Mexico

Form C 103

Energy, Minerals and Natural Resources Department Revised 1-1-89 District Office DISTRICT I OIL CONSERVATION DIVISION WELL API NO. P.O. Box 1980, Hobbs, NM S8240 P.O. Box 2088 30 025 08648 DISTRICT II Santa Fe, New Mexico 87504-2088 P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease FEE X STATE DISTRICT III 6. State Oil& Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (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 OTHER Injection well X Cone Jalmat Yates Pool Unit 2. Name of Operator 8. Well No. Melrose Operating Company 107 3. Address of Operator 9. Pool name or Wildcat c/o P.O. Box 953, Midland, TX 79702 9l5 684-638l Jalmat Yates 4. Well Location _____ Feet From The _____ Line and ____ Feet From The Section Township **22S** 35E **NMPM** Lea County 10. Elevation (Show whether DF, RKB. RT, GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING CHANGE PLANS **TEMPORARILY ABANDON** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT **PULL OR ALTER CASING** CASING TEST AND CEMENT JOB OTHER MIT OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed As per OCD directive dated June 20, 2001, the Cone Jalmat Yates Pool Unit, Well #107 was pressure tested on 7-19-01 was witnessed and failed the required mechanical integrity test. This is shut-in well. The well will be evaluated for remedial work or P&A program to be submitted to the Oil Conservation Division.

Regulatory Agent 8-13-01 TYPE OR PRINT NAME Ann E. Ritchie (this space for State Use) APPROVED BY . CONITIONS OF APPROVAL, IF ANY