

District II
1301 W. Grand Ave., Artesia, NM
88210

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

		WELL API NO. 30-005-63564
		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
		6. State Oil & Gas Lease No. NM-12557
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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. Lease Name or Unit Agreement Name Duncan Federal #3 15779
		8. Well Number
2. Name of Operator Jalapeño Corporation		9. OGRID Number 026307
3. Address of Operator PO Box 1608, Albuquerque, NM 87103		10. Pool name or Wildcat Wolf Lake San Andres, South
4. Well Location Unit Letter M : 329 feet from the SOUTH line and 329 feet from the WEST line Section: 07 Township: 9S Range: 28E NMPM County: Chavez		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3879'		

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 COMPLETION <input type="checkbox"/>
OTHER: SUNDRY NOTICE <input checked="" type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND <input type="checkbox"/>
CASING TEST AND <input type="checkbox"/>	ABANDONMENT
CEMENT JOB	
OTHER: <input type="checkbox"/>	

13.

This supplements information earlier reported to the OCD and BLM:

- 1) Well cemented (surface casing) 12/16/04. WOC 72 Hrs
- 2) Surface casing tested as follows: Well bailed dry and shut down overnight, 12 Hrs before drilling commenced. No entry of water was evident.
- 3) Production casing cemented 5/14/04: Well shut in for 72 Hrs.
- 4) Production casing tested as follows: Well bailed dry and shut down overnight 12 Hrs. before excess cement was drilled out. No entry of water was evident.

RECEIVED

JUL 28 2004

OCD-ARTESIA

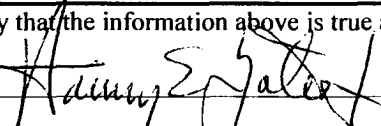
5) Well was drilled with a cable tool. Thus, there was no Deviation Survey run.

6) Enclosed please find copies of the following requested logs:

- a. Halliburton High Resolution Induction
- b. Halliburton Dual Spaced Neutron
- c. Halliburton Bond Log

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

SIGNATURE



TITLE

President

DATE

7/22/04

Type or print name Harvey E. Yates Jr. Telephone No. (505) 242-2050

(This space for State use)

APPROVED

BY

FOR RECORDS ONLY

DATE

MAY 28 2004

Conditions of approval, if any: