

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC
Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NM 12557
6. If Indian, Allottee or Tribe Name N/A

| | | |
|--|---|--|
| SUBMIT IN TRIPLICATE -- Other instructions on page 2. | | 7. If Unit of CA/Agreement, Name and/or No. N/A |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. DUNCAN FEDERAL #12 |
| 2. Name of Operator JALAPENO CORPORATION | | 9. API Well No. 30-005-64277 |
| 3a. Address PO BOX 1608 ALBUQUERQUE, NM 87103 | 3b. Phone No. (include area code) 505-242-2050 | 10. Field and Pool or Exploratory Area WILDCAT, SAN ANDRES, SOUTH |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2145' FNL & 694' FWL SEC. 18, T-9S, R-28-E | | 11. County or Parish, State CHAVES COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Spudded well |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

7/5/2015 - Gave verbal 24 hour notice to BLM of our intent to spud on 7/6/15 the Duncan Federal #12.

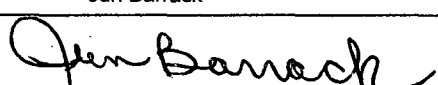
7/6/2015 - Spudded well @ 12 pm. Drilled 12 1/4" hole down to 75' GL.

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 23 2015

RECEIVED

LDD 7/30/15
Accepted for record
NMOC

| | | |
|--|--|--|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Jun Barrack | | Title Oil and Gas Operations Associate |
| Signature  | | Date 07/07/2015 |

ACCEPTED FOR RECORD SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-----------------------------|------|
| Approved by /S/ DAVID R. GLASS JUL 20 2015 | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office ROSWELL FIELD OFFICE | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.