

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NM OIL CONSERVATION
ARTESIA DISTRICT

Form C-101
Revised July 18, 2013

JUL 27 2015

☐ AMENDED REPORT

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|--|
| 1. Operator Name and Address JALAPENO CORPORATION PO BOX 1608 ALBUQUERQUE, NM 87103 | | 2. OGRID Number 26307 |
| 3. Property Code 315127 | | 4. Property Name LIZARD 20 STATE |
| 5. API Number 30-005-64290 | | 6. Well No. 001 |

7. Surface Location

| | | | | | | | | | |
|----------------------|----------------------|------------------------|----------------------|---------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| UL - Lot C | Section 20 | Township 9-S | Range 27-E | Lot Idn | Feet from 1650 | N/S Line NORTH | Feet From 660 | E/W Line WEST | County CHAVES |
|----------------------|----------------------|------------------------|----------------------|---------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|

9. Pool Information

| | |
|--|---------------------------|
| Pool Name WOLFLAKE; SAN ANDRES, S. | Pool Code 65075 |
|--|---------------------------|

Additional Well Information

| | | | | |
|-------------------------------------|-----------------------------------|--|---|--|
| 11. Work Type NEW WELL | 12. Well Type OIL | 13. Cable/Rotary CABLE | 14. Lease Type STATE | 15. Ground Level Elevation 3861' |
| 16. Multiple NO | 17. Proposed Depth 2100 | 18. Formation SAN ANDRES | 19. Contractor JALAPENO CORPORATION | 20. Spud Date 9/1/15 |
| Depth to Ground water 135 | | Distance from nearest fresh water well appr. 4.5 miles | | Distance to nearest surface water appr. 4.25 miles |

☐ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surface | 12 1/4 | 8 5/8 | 24# | 400' | 250 sx | Surface |
| Production | 7 7/8 | 5 1/2 | 15.5# | 2100' | 275 sx | 1600' |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

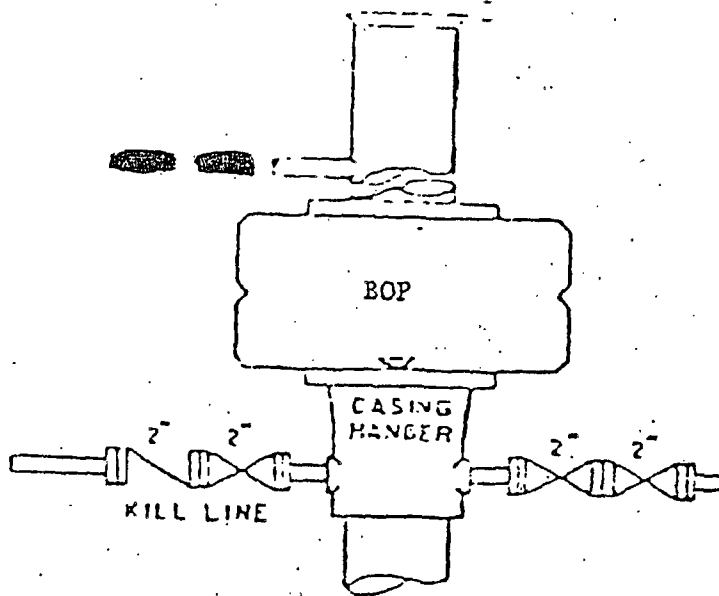
| Type | Working Pressure | Test Pressure | Manufacturer |
|---------------------------|------------------|---------------|--------------|
| Pressure System Schematic | 2000 PSI | 2000 | |

| | | | |
|--|--|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>H. Emmons Yates III</i> | | OIL CONSERVATION DIVISION Approved By: <i>[Signature]</i> Title: <i>Dist. R Supervisor</i> Approved Date: <i>8/14/15</i> Expiration Date: <i>8/14/2017</i> | |
| Printed name: H. Emmons Yates III Title: Vice President E-mail Address: eyates@jalapenocorp.com Date: 7/15/15 Phone: 505-242-2050 | | Provide sundry designating closed loop system to be utilized or provide Form C144 pit permit prior to beginning of drilling operations <i>[Signature]</i> | |

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

ACK JWS/SC W.O. 15.11.0692

LIZARD 20 STATE #1

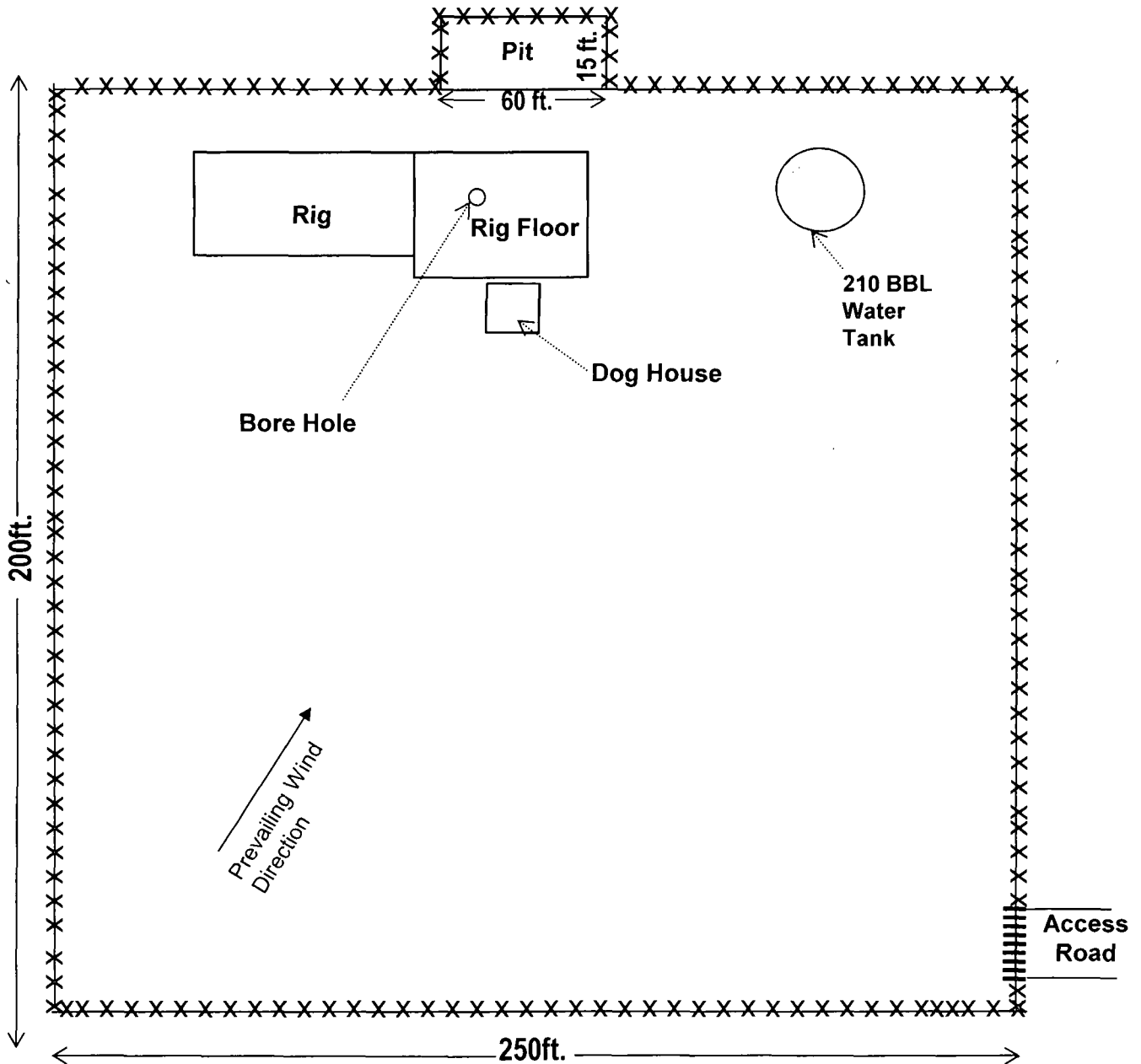
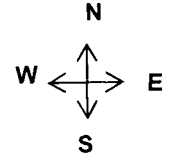


ANNULAR BOP STACK

PRESSURE 2000#

PDF ARRANGEMENT

JALAPENO CORPORATION
LIZARD 20 STATE #1



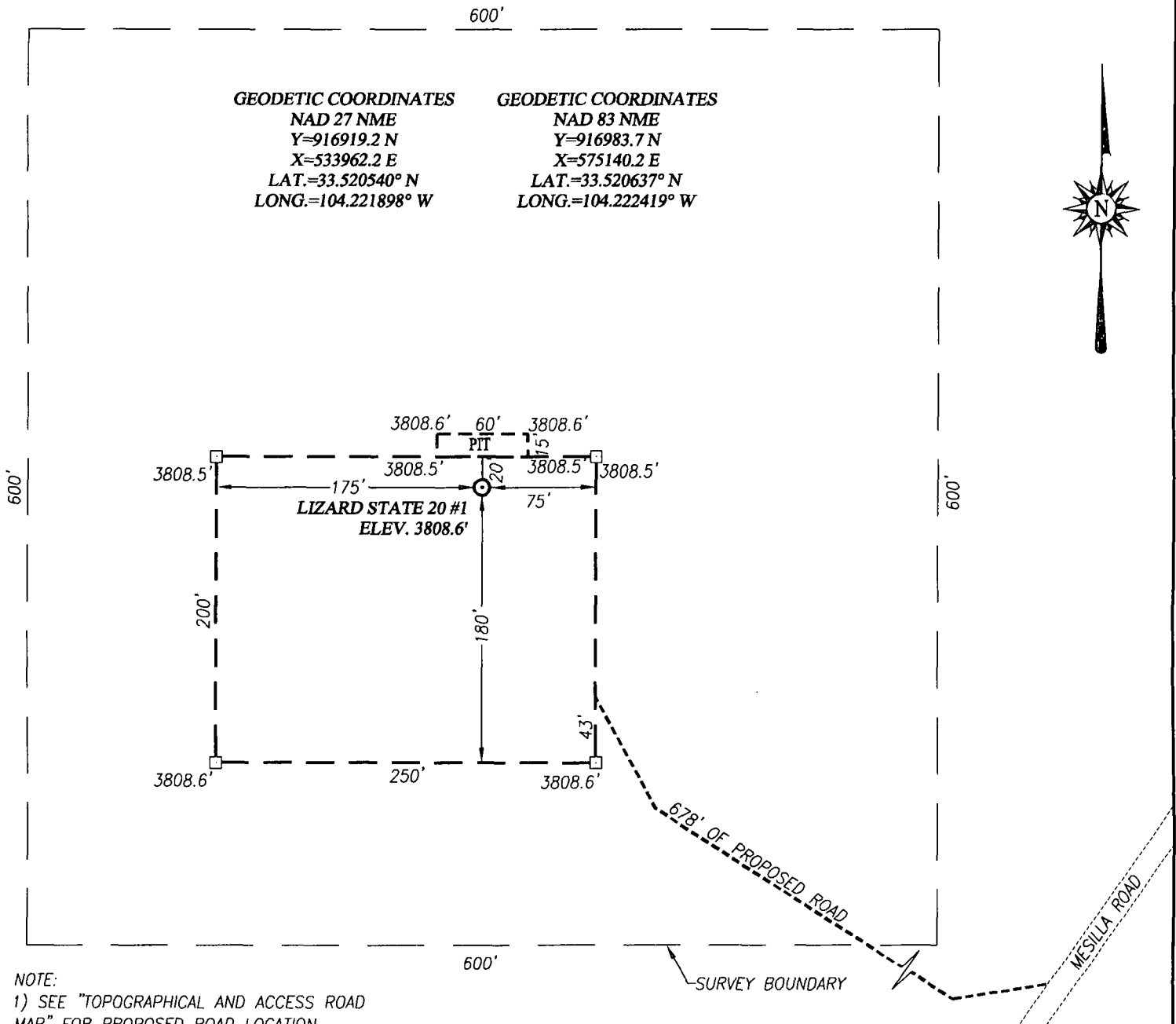
LEGEND

- ...xxx... Fence
- ...||||| Cattle guard

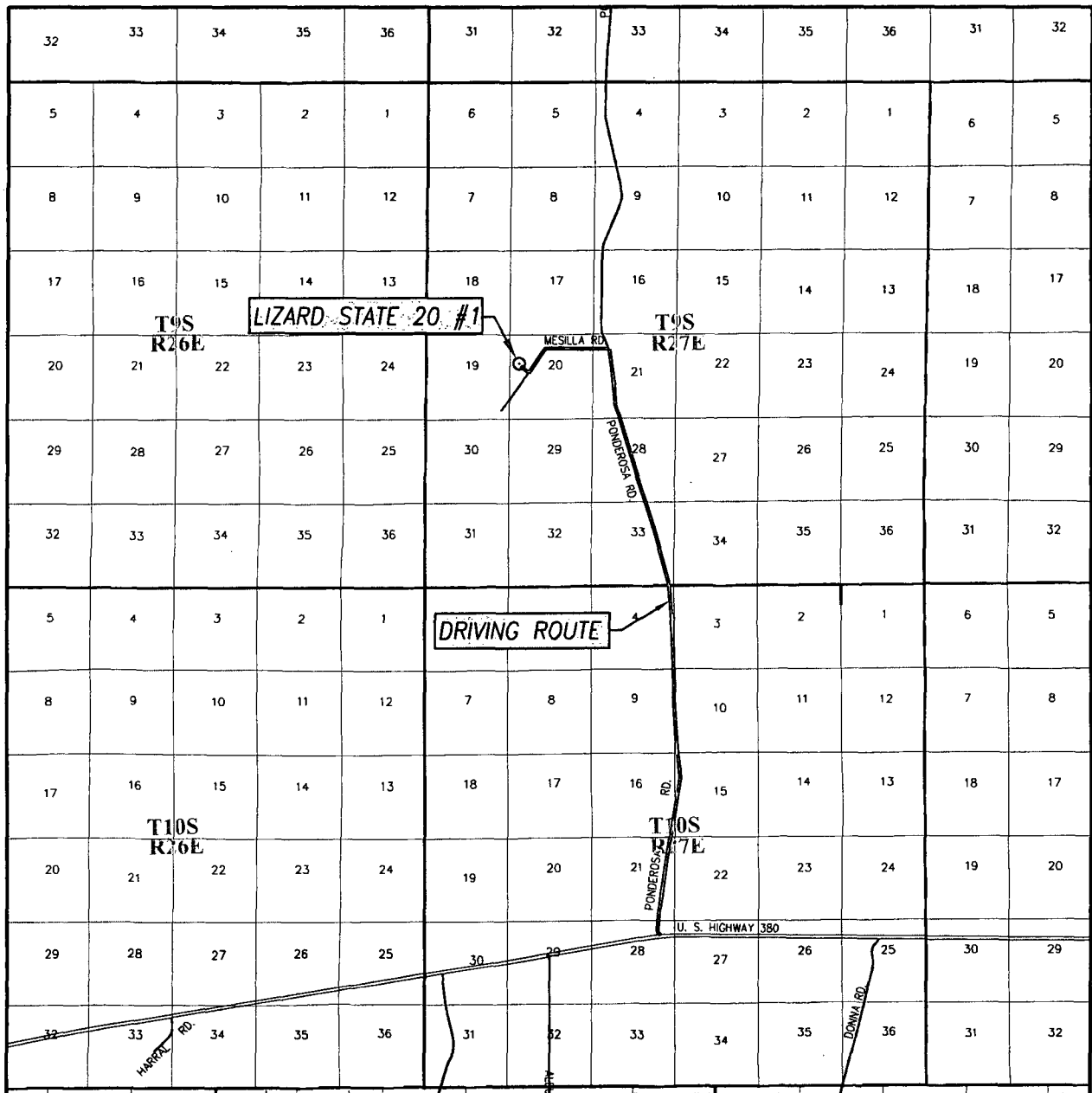
SEC. 20 TWP. 09S RGE. 27E
COUNTY CHAVES STATE NEW MEXICO
DESCRIPTION 1650 FNL & 660 FWL

NOT TO SCALE

WELL SITE PLAN



VICINITY MAP



SCALE: 1" = 2 MILES

DRIVING ROUTE: SEE TOPOGRAPHICAL AND ACCESS ROAD MAP

SEC. 20 TWP. 9-S RGE. 27-E

SURVEY N.M.P.M.


COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1650' FNL & 660' FWL

ELEVATION 3809'

OPERATOR JALAPENO CORPORATION

LEASE LIZARD STATE 20



PROVIDING SURVEYING SERVICES
SINCE 1946


JOHN WEST SURVEYING COMPANY

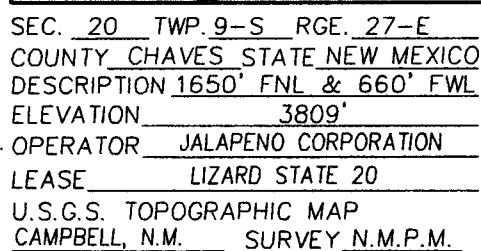
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Permit Conditions of Approval

API: 30-005-64290

Lizard State #1

| OCD Reviewer | Condition |
|---|---|
|  | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string. |



CONTOUR INTERVAL:
CAMPBELL, N.M. - 10'
L-E RANCH, N.M. - 10'

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000