

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 12 2017

State of New Mexico
Energy, Minerals & Natural Resources Department
RECEIVED
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

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 Huerfano 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-64302	Pool Code 50670	Pool Name Racetrack, SA
Property Code 319745	Property Name HARPERLOU 18 FEE	Well Number 3
OGRID No. 26307	Operator Name JALAPENO CORPORATION	Elevation 3776'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	18	10-S	28-E		1923	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

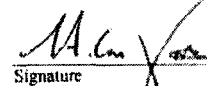
Dedicated Acres 40 ac.	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p align="center"> GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 890539.3 N X= 564729.1 E LAT.=33.447905° N LONG.=104.121124° W </p>	<p align="center"> GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 890604.2 N X= 605907.0 E LAT.=33.448006° N LONG.=104.121642° W </p>
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OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unCHAVESsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

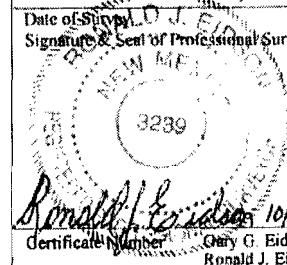

Signature _____ Date **10/12/17**
Printed Name **H. Enman Yates III**
E-mail Address **eyates@jalapeno.com**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 4, 2017

Date of Survey _____
Signature & Seal of Professional Surveyor:



Certificate Number _____ Gary G. Eidson 12641
Ronald J. Eidson 3239

ACK JWSC W O : 17 11 09:44

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JALAPENO CORPORATION'S PLAN OF DEVELOPMENT

TOWNSHIP 10 SOUTH RANGE 28 EAST

Jalapeno Corporation plans to spud an initial test well before the end of 2017. We will contract Gene Shull to build a 200' by 200' well pad with a 767' access road running directly east off of the closest existing road. The initial test well, The HARPERLOU 18 FEE#3, will be located in Section 18 of 10s 28e and it will be 1923' FNL and 330' FEL.

The HARPERLOU will be drilled to an estimated depth of 2320' in order to test the Slaughter zone of the San Andres formation. We plan to use a cable tool rig to drill this well. However, if the situation calls for it, we may use an air rotary drilling rig. We will drill a 12 1/4" surface hole and run 320' of 24# 8 5/8" surface casing. We will then circulate cement around the surface casing and bring the cement to surface in order to protect the fresh water column. After we have successfully tested the BOP to 2000#'s, we will continuously drill a 7 7/8" borehole to a depth of 2320'. If we encounter hydrocarbons in commercial quantities, we will run 15# 5 1/2" production casing and circulate the cement 600' above the top perforation. We will then perforate the productive zones and acidize them. After we are done completing the well, we will put the well on pump. The tank battery of the HARPERLOU will be located on the East side of the well pad and will vary in size depending on the strength of the well.

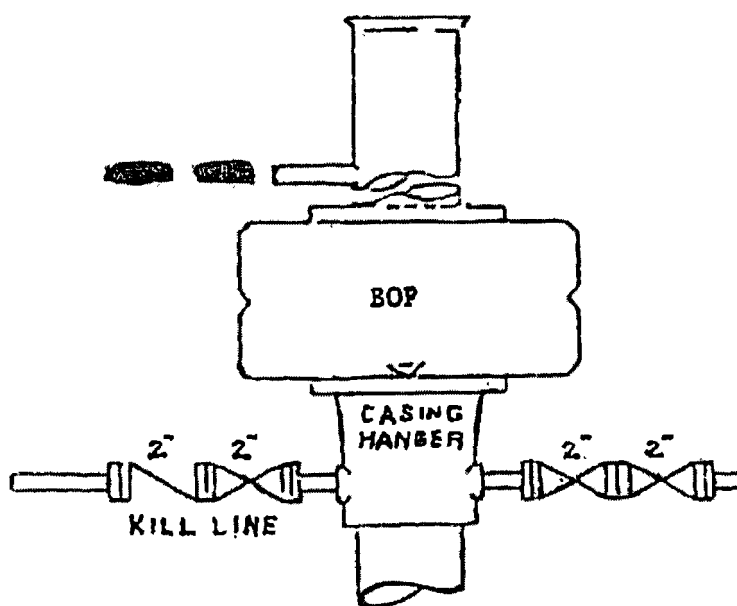
If the HARPERLOU#3 is successful, we will follow the same procedure and drill another well in unit I of Section 18. If the initial well is unsuccessful, we will P&A the borehole and reclaim the well pad. We will then analyze the results of the HARPERLOU#3 and decide if we still wish to drill a follow up well in unit I.

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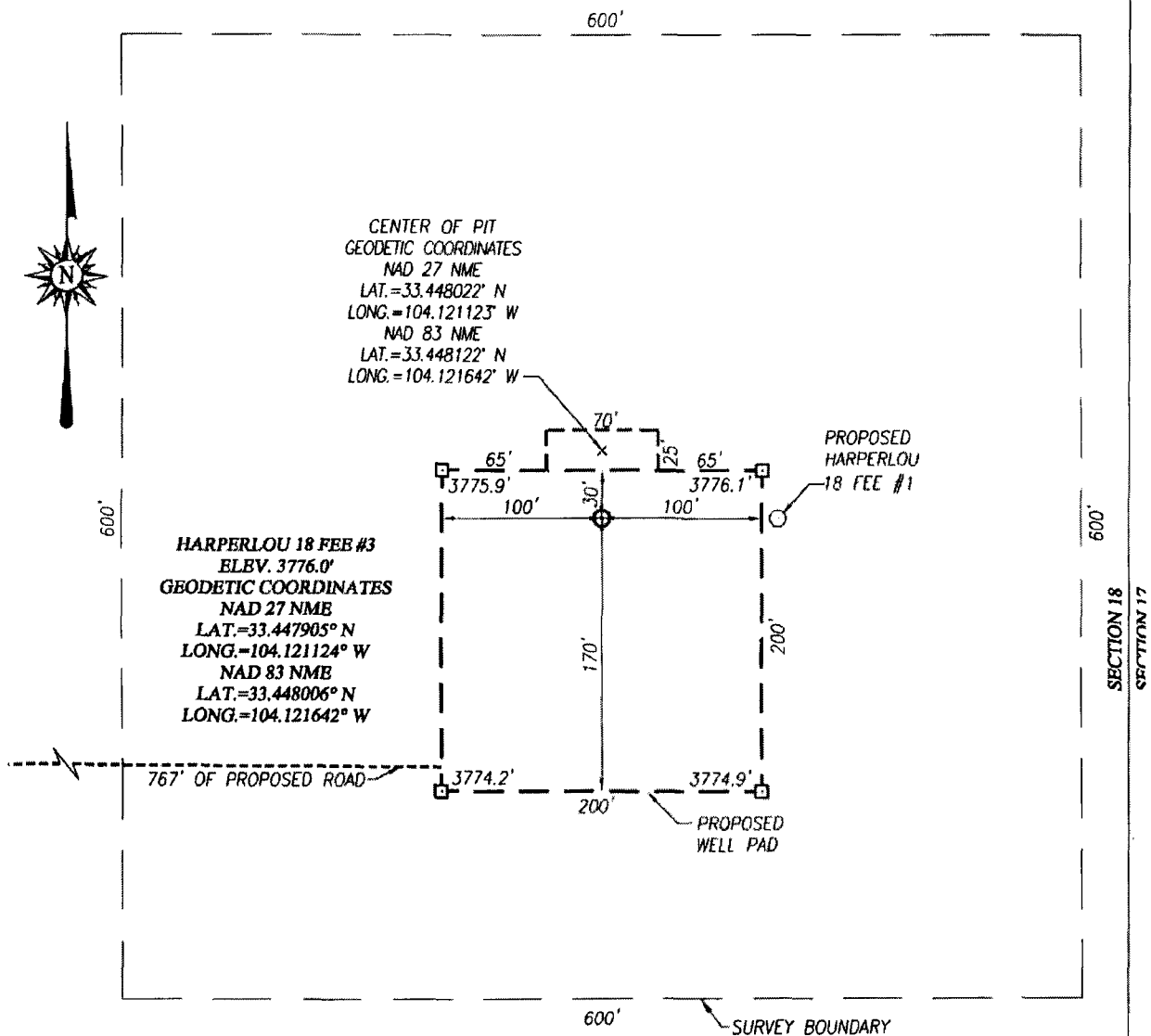
JALAPENO CORPORATION
HARPERLOU 18 FEE #3



ANNULAR BOP STACK

PRESSURE 2000 #

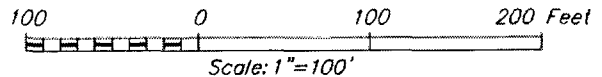
WELL SITE PLAN



NOTE:
SEE "TOPOGRAPHICAL AND ACCESS ROAD MAP"
FOR PROPOSED ROAD LOCATION.

DIRECTIONS TO LOCATION:

FROM INTERSECTION OF U.S. HWY. 380 AND PONDEROSA, GO
EAST ON U.S. HWY. 380 APPROX. 3.2 MILES. TURN LEFT AND
GO NORTH ON DIRT ROAD APPROX. 2 MILES TO PROPOSED
ROAD SURVEY. FOLLOW ROAD SURVEY EAST APPROX. 767 FEET
TO THE WEST EDGE OF PAD.



JALAPENO CORPORATION

HARPERLOU 18 FEE #3 WELL LOCATED 1923 FEET FROM THE
NORTH LINE AND 330 FEET FROM THE EAST LINE OF
SECTION 18, TOWNSHIP 10 SOUTH, RANGE 28 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO

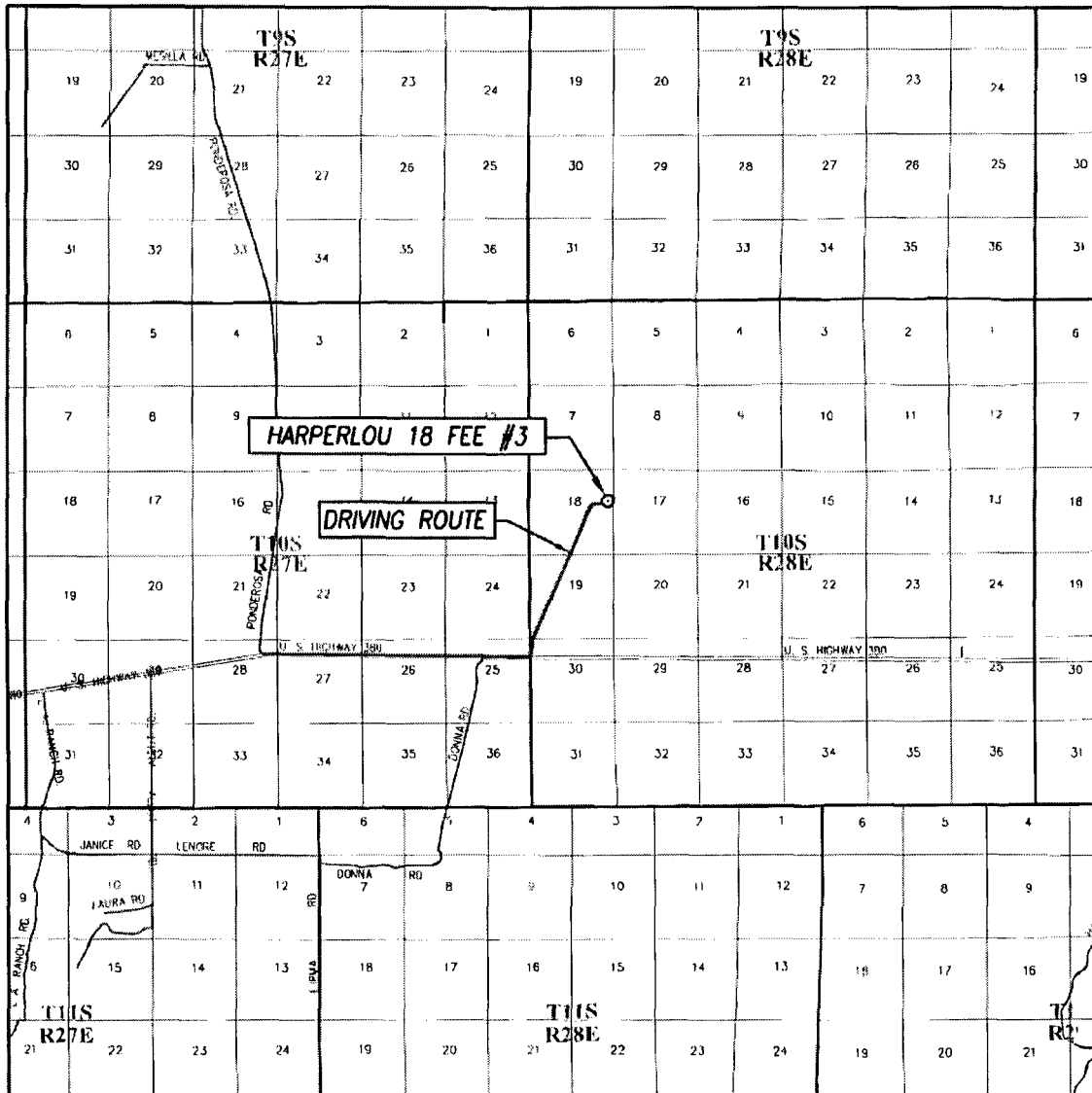


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBES, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Survey Date: 10/04/17	CAD Date: 10/10/17	Drawn By: ACK
W.O. No.: 17110944	Rev: 10/11/17	Rel. W.O.:

Sheet 1 of 1

VICINITY MAP



SCALE: 1" = 2 MILES

DRIVING ROUTE: SEE TOPOGRAPHICAL AND ACCESS ROAD MAP

SEC. 18 TWP. 10-S RGE. 28-E

SURVEY N.M.P.M.


COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1923' FNL & 330' FEL

ELEVATION 3776'

OPERATOR JALAPENO CORPORATION

CHAVESSE HARPERLOU 18 FEE

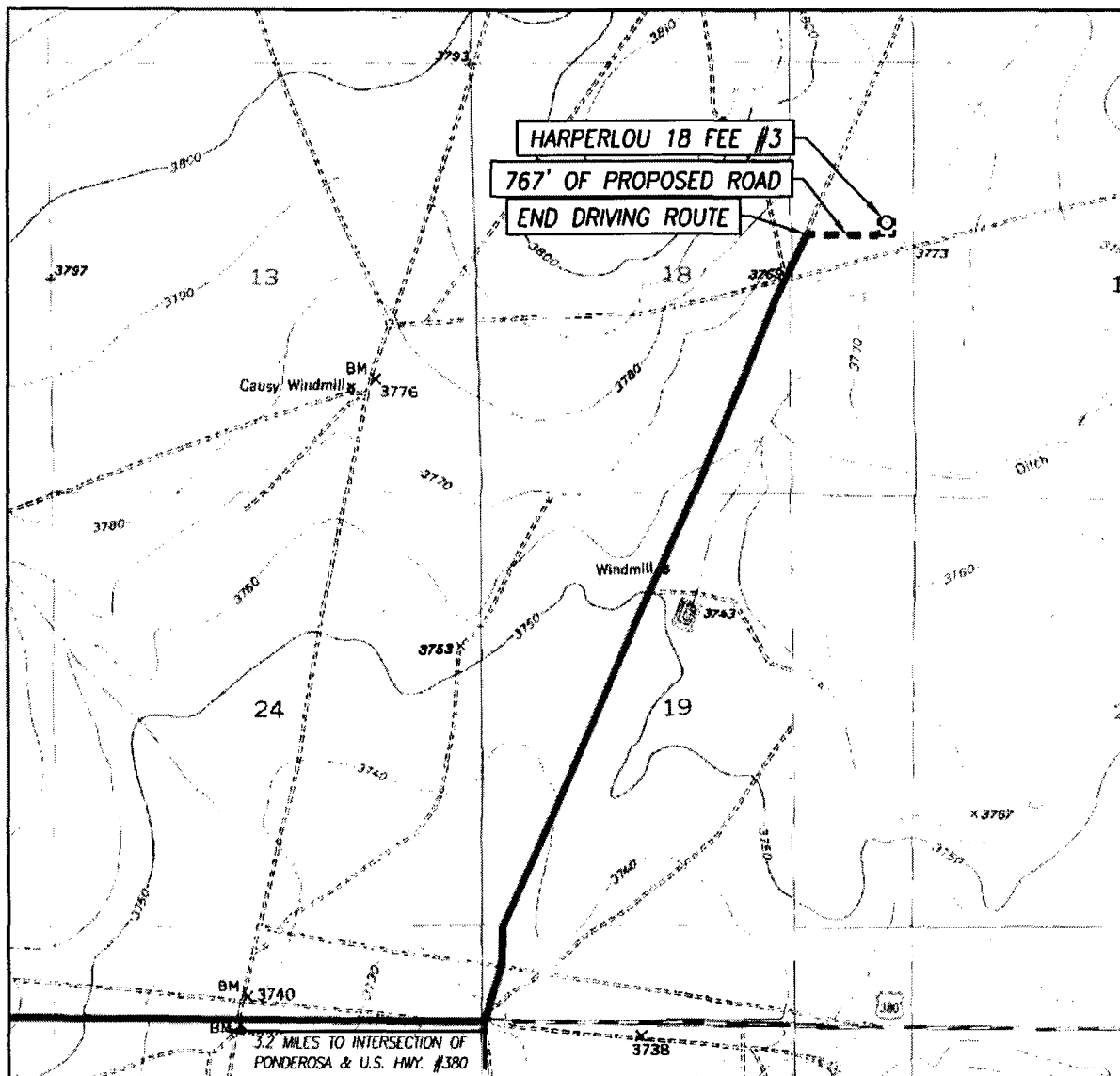


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TOPOGRAPHIC AND ACCESS ROAD MAP



SCALE: 1" = 2000'

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

SEC. 18 TWP. 10-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1923' FNL & 330' FEL

ELEVATION 3776'

OPERATOR JALAPENO CORPORATION

CHAVESSE HARPERLOU 18 FEE

U.S.G.S. TOPOGRAPHIC MAP
SARDINE MOUNTAIN, N.M.

DIRECTIONS TO LOCATION:

FROM INTERSECTION OF U.S. HWY. 380 AND PONDEROSA, GO EAST ON U.S. HWY. 380 APPROX. 3.2 MILES. TURN LEFT AND GO NORTH ON DIRT ROAD APPROX. 2 MILES TO PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY EAST APPROX. 767 FEET TO THE WEST EDGE OF PAD.



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