

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

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

WELL API NO. 30-005-63657
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA 2401
7. Lease Name or Unit Agreement Name Louise Yates State
8. Well Number 3
9. OGRID Number 26307
10. Pool name or Wildcat Wolf Lake South

**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 ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Jalapeno Corporation

3. Address of Operator  
P.O. Box 1608, Albuquerque, NM 87103

4. Well Location  
Unit Letter N : 330 feet from the South line and 2310 feet from the West line  
Section 7 Township 9-S Range 28E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3891 GR

RECEIVED

APR 26 2006

OCU-ARTESIA

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_  
Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☒  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☒

OTHER: ☐

OTHER: and reach TD ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Reached total depth of 2360, driller's depth. Logged well. Logger's depth 2356.

On 4/14/06 ran 2355ft of pipe string, including two casing packers. Pipe string is 5 1/2" casing of which approximately 800ft is 15.5lb casing and the remainder is 17lb casing. Upper packer placed 2268-2278. Lower packer placed at 2294 to 2304.

On 4/18/06 attempted to cement pipe string. Casing packers set prematurely, inhabiting capacity to cement pipe string. Perforated casing string three shots 2266-67. Cemented casing above 2266 with 250 sacks of Halliburton Light Premium Plus cement and 100 sacks of Halliburton Premium Plus cement calculated to bring cement to surface pipe.

Intend to drill out cement residue in casing after WOC and then squeeze cement below lower packer from 2305 to TD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Jalapeno Corporation  
SIGNATURE by Harvey Yates TITLE President DATE 4/21/06

Type or print name: Harvey Yates Jr. E-mail address: personnel3@msn.com Telephone No. 505-242-2050

For State Use Only

FOR RECORDS ONLY

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

APR 26 2006