

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

88210

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **JALAPENO CORPORATION**

3a. Address

P.O. BOX 1608, ALB., NM 87103

3b. Phone No. (include area code)

505-241-2050

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330' FSL & 330' FEL S.12, T.9-S, R. 27-E

5. Lease Serial No.

NM 100542

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

PAISANO FEDERAL #1

9. API Well No.

30-005-63840

10. Field and Pool, or Exploratory Area

Wolf Lake, San Andres, South

11. County or Parish, State

CHAVES COUNTY, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other USE OF |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | FIBERGLASS |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | SALES TANKS |

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 recomplate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS A NEWLY DRILLED WELL. WE HAVE PREVIOUSLY SUBMITTED A BATTERY LAYOUT WITH A PREVIOUS SUNDRY NOTICE. THAT PLAN SHOWS TWO PRODUCTION OR SALES TANKS OF 300BBL EACH. WE REQUEST AUTHORITY TO USE PALMER OF TEXAS FIBERGLASS TANKS AS THESE SALES TANKS.

A. THE CRUDE OIL ON THIS LEASE IS CORROSIVE, AND USE OF FIBERGLASS TANKS GREATLY REDUCES THE POSSIBILITY THAT AN OIL SPILL FROM ONE OF THE SALES TANKS WILL OCCUR BECAUSE OF THAT CORROSION.

B. THE GAUGE TABLES FOR THE TANKS ARE BASED ON THE SIZE OF THE MANDREL OR MOLD ON WHICH THE TANK INTERIOR DIMINSIONS WERE FORMED.

C. EACH OF PALMER'S TANKS OF THE SAME SIZE HOLDS THE SAME FLUID VOLUME AT A GIVEN GAUGE HEIGHT BECAUSE EACH IS FORMED ON A MANDREL OF THE SAME SIZE.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

HARVEY E. YATES, JR.

Title **PRESIDENT**

Signature

Date

5/10/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **LARRY D. BRAY**

Assistant Field Manager,
Lands And Minerals

Date **MAY 15 2007**

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 those 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.

(Instructions on page 2)