District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

JAN 28 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Jalapeno Corporation Telephone: 505-242-2050 e-mail address: personnel3@msn.com

Address: P.O. Box 1608, Albuquerque, NM 87103

Facility or well name: Louise Yates State #3 API #: 30-005-63657 U/L or Qtr/Qtr N Sec 7 T 9-S R 28-E

County: Chaves Latitude 33°.32'27.41" N Longitude 104°07' 47.57" W NAD: 1927 ☒ 1983 ☐

Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit	**Below-grade tank**
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 5600 bbl	Volume: ____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) **No water encountered prior to selling surface casing.**	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more XX	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No XX	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) **Pecos Rive 10 + miles**	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more XX	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: **The 12 mil plastic will be folded over the top and on top of that 20 mil will be placed. Then 3 feet of stockpiled dirt will be placed on top of the 20 mil and the dirt will be reseeded. Because of the depth of the surface water, it is our understanding that no soil samples are required. This well is being plugged. It was drilled with air to 2290 ft and then with cable tools to 2340 ft. No mud system was used. Basic Well Service will plug the well in mid November. We want to close the pit shortly thereafter.**

IN ACCORDANCE WITH THE NMOCD INSTRUCTIONS AND GUIDELINES, THIS PIT WAS CLOSED ON 12/18/07 BY SHULL FIELD SERVICES. HY

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described 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 ☐.**

Date: 1/23/08

Printed Name/Title: Harvey E. Yates, Jr. - President Signature: Jalapeno Corporation by: Harvey E. Yates Jr.

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title Gerry Guye Compliance Officer Signature Gerry Guye Date: JAN 29 2008