

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. 30-005-63827
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO 7065
7. Lease Name or Unit Agreement Name Scrounger State
8. Well Number 2
9. OGRID Number 26307
10. Pool name or Wildcat Wolf Lake

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Jalapeno Corporation	JAN 28 2008 OCD-ARTESIA
3. Address of Operator P.O. Box 1608, Albuquerque, NM 87103	
4. Well Location Unit Letter <u>A</u> : <u>990</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>13</u> Township <u>9-S</u> Range <u>27E</u> <u>NMPM</u> County <u>Chaves</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Pit Closure <input checked="" type="checkbox"/>		OTHER: Pit Closure <input checked="" type="checkbox"/>	

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.

In accordance with the NMOCD instructions and guidelines, the pit closure for the Scrounger State #2 was started on 12/12/07 and was completed that same day by Shull Oil Field Services. Attached please find an updated Form C144 and a letter from Mr. Shull.

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 ☐.

SIGNATURE Harvey Yates Jr. TITLE President DATE 1/23/08

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

APPROVED BY: Gerry Guye TITLE Gerry Guye DATE JAN 29 2008
Conditions of Approval (if any): Compliance Officer

Shull Oilfield Service

P.O. Box 2422

Roswell,, NM 88202

Phone: (505) 623-0816

December 20, 2007

Jalapeno Corporation

P.O. Box 1608

Albuquerque, NM 87103

RE: Scrounger State #2
Reserve Pit Closure

On 12/12/07, Shull Oilfield Service mobilized personnel and equipment to the location. In accordance with NMOCD instructions and guidelines, the 12 mil liner was folded over and a 20 mil cap was then placed on top. Three feet of backfill material from the stockpile was then placed over the 20 mil cap. Work was completed on 12/12/07. As per NMOCD instructions no soil samples were taken, due to the depth of ground water. Red capped posts were placed at each end of the former pit to mark its location.

Yours truly,

A handwritten signature in black ink, appearing to read 'Gene Shull', written in a cursive style.

Gene Shull