

Submit 3 Copies To Appropriate
District Office

District II
1301 W. Grand Ave., Artesia, NM
88210

State of New Mexico
Energy, Minerals and Natural Resources

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

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JUL 30 2004

OED-ARTESIA

Form C-103
March 4, 2004

| | | |
|---|--|--|
| | | WELL API NO. 30-005-63564 |
| | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| | | 6. State Oil & Gas Lease No. NM-12557 |
| 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 | | 7. Lease Name or Unit Agreement Name Duncan Federal #3 15779 |
| | | 8. Well Number |
| 2. Name of Operator Jalapeño Corporation | | 9. OGRID Number 026307 |
| 3. Address of Operator PO Box 1608, Albuquerque, NM 87103 | | 10. Pool name or Wildcat Wolf Lake San Andres, South |
| 4. Well Location Unit Letter M : 329 feet from the SOUTH line and 329 feet from the WEST line Section: 07 Township: 9S Range: 28E NMPM County: Chavez | | |
| | | 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3879' |

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

NOTICE OF INTENTION TO:

| | |
|---|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input type="checkbox"/> |
| OTHER: SUNDRY NOTICE | <input checked="" type="checkbox"/> |

SUBSEQUENT REPORT OF:

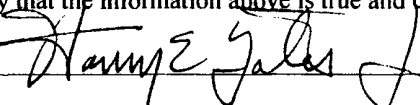
| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND <input type="checkbox"/> |
| CASING TEST AND <input type="checkbox"/> | ABANDONMENT |
| CEMENT JOB | |
| OTHER: <input type="checkbox"/> | |

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.

As indicated by Operator on Form C-104, page 2, filed 7/02/04 for the above referenced well, Operator is submitting Form C-116, GAS-OIL RATIO TEST The test was performed on 7/15/04 and 7/16/04 by Keltic Services.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE



TITLE President

DATE 07/19/04

Type or print name Harvey E Yates Jr.

Telephone No. (505) 242-2050

(This space for State use)

APPROVED

BY

TITLE RECORDS ONLY

DATE

AUG 06 2005

Conditions of approval, if any:

Submit 2 copies to Appropriate

District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Azusa, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088Form C-11b
Revised 1/1/89

GAS - OIL RATIO TEST

| Operator JALAPENO CORPORATION | | | | Pool WOLF LAKE SAN ANDRES SOUTH | | | | County CHAVES | | | | | | | | |
|--|----------|----------|---|---|-----|------------------------------------|--------|-------------------------------------|------------|---|----------------------|------------------|----------|--------|---------|---------------------------|
| Address PO BOX 1602, ALBUQUERQUE, NM 87103 | | | | TYPE OF TEST - (X) <input checked="" type="checkbox"/> | | Scheduled <input type="checkbox"/> | | Completion <input type="checkbox"/> | | Special <input checked="" type="checkbox"/> | | | | | | |
| LEASE NAME | WELL NO. | LOCATION | | | | DATE OF TEST | STATUS | CHOKE SIZE | TSG PRESS. | DAILY ALLOWABLE | LENGTH OF TEST HOURS | PROD DURING TEST | | | | GAS - OIL RATIO CU FT/BSL |
| | | U | S | T | R | | | | | | | WATER BBL | GRAY OIL | GL BBL | GAS MCF | |
| DUNCAN FEDERAL NM # 12557 API # 30-005-63564 | 3 | N | 7 | 9S | 28E | 7-15-04 7-16-04 | | 14/64 14/64 | 165 165 | 1 | 24 24 | 32 | 24.5 | 110 | 135 | 1.2/1 |
| | | | | | | | | | | | | 33 | 24.5 | 103 | 130 | 1.3/1 |

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 371, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Larry A. Mossbarger
Signature

Larry Mossbarger, Keltic Services Inc
Printed name and title

7-19-04

(505) 748-3759

Date

Telephone No.

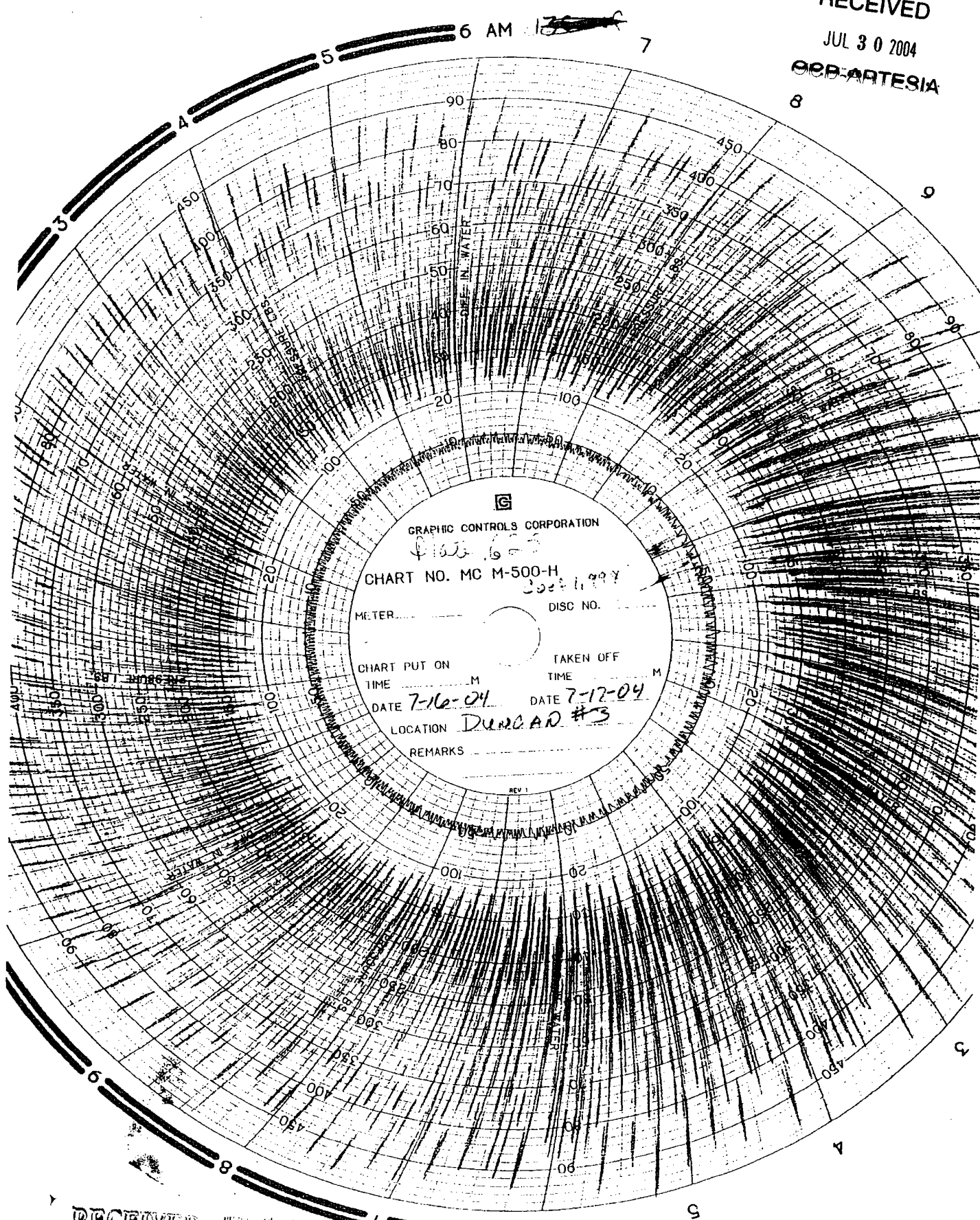
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