

Jalapeno Corporation

PO Box 1608, Albuquerque, NM. 87103

Ph: 505-242-2050 fax: 505-242-8501

March 17, 2012

Sent by Fax to 575-748-9720

Re: Emmons State # 2

660 FNL & 990 FWL

Sec. 18, T. 9S R.28 E. NMPM.

Chaves County, NM

API: 30-005-64153

OCD Artesia Office

Ladies and Gentlemen:

This is to advise you that the subject well spudded this morning around 7:00 a.m.

Though we had expected the driller (United Drilling) to drill daylights, we have now been advised that the driller intends to drill 24hrs because of a need for the rig elsewhere. Consequently, the surface casing will be run tonight and likely cemented shortly thereafter. We presently anticipate that the cementing will occur around d 8:00 p.m. this evening.

I will advise you by phone once I learn with more certainty the likely time for cementing for the surface casing. Please communicate with me by calling the following cell phone number: 575-626-8964. I would appreciate being advised of a cell number to which I should call estimated cementing time.

I follow this with a map showing the road to the location.

Thank you,


Emmons Yates

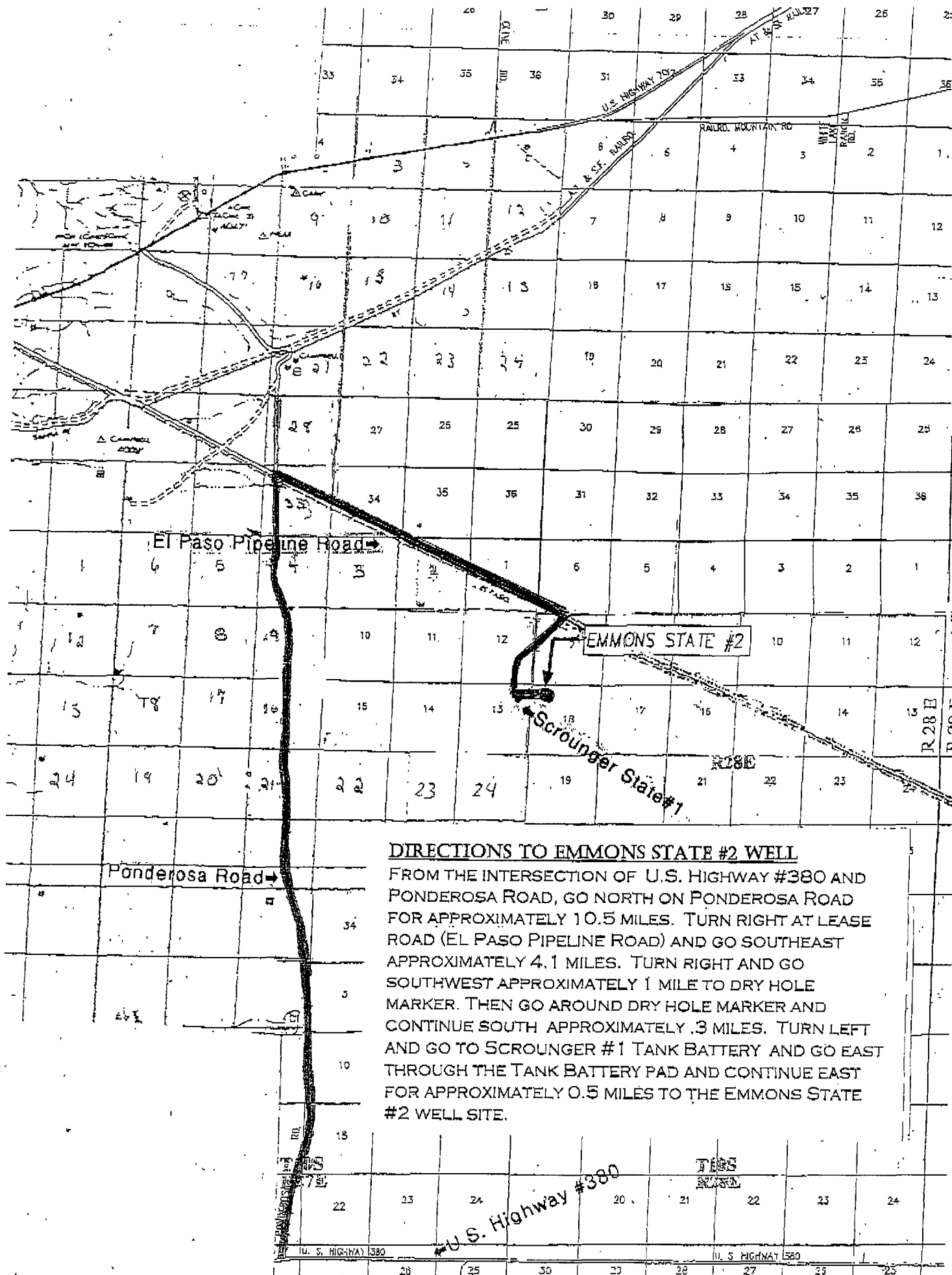
JALAPENO CORPORATION
P. O. BOX 1608
ALBUQUERQUE, NM 87103
PHONE (505)242-2050, FAX (505)242-8501

FACSIMILE TRANSMITTAL SHEET

TO: OCD FROM: Emmons Yates
COMPANY: Jalapeno Corp DATE: March 17, 2012
FAX NUMBER: _____ NUMBER OF PAGES INCLUDING COVER: _____
PHONE NUMBER: _____ SENDER'S REFERENCE NUMBER: _____
RE: EMMONS State #2 YOUR REFERENCE NUMBER: _____

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:



DIRECTIONS TO EMMONS STATE #2 WELL

FROM THE INTERSECTION OF U.S. HIGHWAY #380 AND PONDEROSA ROAD, GO NORTH ON PONDEROSA ROAD FOR APPROXIMATELY 10.5 MILES. TURN RIGHT AT LEASE ROAD (EL PASO PIPELINE ROAD) AND GO SOUTHEAST APPROXIMATELY 4.1 MILES. TURN RIGHT AND GO SOUTHWEST APPROXIMATELY 1 MILE TO DRY HOLE MARKER. THEN GO AROUND DRY HOLE MARKER AND CONTINUE SOUTH APPROXIMATELY .3 MILES. TURN LEFT AND GO TO SCROUNGER #1 TANK BATTERY AND GO EAST THROUGH THE TANK BATTERY PAD AND CONTINUE EAST FOR APPROXIMATELY 0.5 MILES TO THE EMMONS STATE #2 WELL SITE.