

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**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.

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

5. Lease Serial No.

NM-12557

6. If Indian, Allottee or Tribe Name

N/A

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

N/A

8. Well Name and No.

Duncan Federal #10

9. API Well No.

30-1005-63777

10. Field and Pool, or Exploratory Area

Wolfe Lake San Andres South

11. County or Parish, State

Chaves County

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

Jalapeno Corp

3a. Address

PO Box 1608, Alb., NM 87103

3b. Phone No. (include area code)

505-242-2050

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

330' FNL & 2310' FWL Sec. 18, TWP 9S, R28E

RECEIVED

JAN 05 2006

OCCUPANCY

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Ran surface casing and cemented
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

We substitute this report for the one submitted on 12/15/05.

On 12/13/05 ran 495 ft of 8 5/8" 24lb surface casing plus shoe and float valve. Cemented it with 360 sacks of cement as follows: 80 sacks of Halliburton Premium, 80 sacks of Halliburton Light Premium Plus and 200 sacks of Premium Plus. Approximately 160 sacks circulated to the pit. The BLM's J.R. Hogwood was on location and witnesses the process.

Attached are copies of the Halliburton job report evidencing that the casing held pressure as required.

The well was WOC from Dec. 13th to Dec. 19th - six days

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

Jalapeno Corporation by

Title President

Date

12/30/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 303075		Ship To #: 2466423		Quote #:		Sales Order #: 4101073	
Customer: JALAPENO CORPORATION				Customer Rep: Yates, Harvey			
Well Name: Duncan Federal			Well #: #10		API/UWI #:		
Field:		City (SAP): Roswell		County/Parish: Chaves		State: New Mexico	
Contractor: United Drilling			Rig/Platform Name/Num: United Drilling #31				
Job Purpose: Cement Surface Casing							
Well Type: Development Well			Job Type: Cementing				
Sales Person: RIPLEY, STEVE			Srvc Supervisor: WOOD, CHARLES			MBU ID Emp #: 363035	

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
BURNS, JARRED Wayne	7.0	359190	DAVIS JR, BARRY	6.0	362738	FANNETT, JUSTIN Wayne	7.0	331112
WOOD, CHARLES G	7.0	363035						

Equipment

HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way
10243538	75 mile	10547550	75 mile	10565350	75 mile	10708073	75 mile
78657	75 mile						

Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
12-13-05	7	1						

Total is the sum of each column separately

Job

Job Times

Formation Name							Date	Time	Time Zone
Formation Depth (MD)		Top		Bottom		Called Out	13 - Dec - 2005	08:00	CST
Form Type		BHST				On Location	13 - Dec - 2005	11:00	MST
Job depth MD		510 ft		Job Depth TVD	510 ft	Job Started	13 - Dec - 2005	15:00	MST
Water Depth		Wk Ht Above Floor			0	Job Completed	13 - Dec - 2005	15:43	MST
Perforation Depth (MD)		From		To		Departed Loc	13 - Dec - 2005	16:45	MST

Well Data

Description	New / Used	Max pressure	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
12-1/4" Hole				12.25				0	510		
Surface Casing	Used		8.625	8.017	28			0	510		

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe	8 5/8	1	HES	510	Packer					Top Plug	8 5/8	1	HES
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar	8 5/8	1	HES	465	Retainer					SSR plug set			
Insert Float										Plug Container	8 5/8	1	HES
Stage Tool										Centralizers	8 5/8	4	HES

Miscellaneous Materials

Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc	%
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty	

Fluid Data

Stage/Plug #: 1

Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft3/sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
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Summit Version: 303075

Prpsl #:

7.00.248

Tuesday, December 13, 2005 16:00:00

2466423

4101073

Stage/Plug #: 1									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft ³ /sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	Scavenger Thixotropic Cement - 80 sks	CMT - PREMIUM CEMENT (100003687)	080	sacks	14.4	1.6	7.18		7.18
7.183 Gal		FRESH WATER							
5 lbm		GILSONITE, BULK (100003700)							
0.25 lbm		FLOCELE - 3/8, 25 LB SK (100005049)							
12 %		CAL-SEAL 60, 100 LB BAG (100005051)							
2 %		CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
2	Lead Halliburton Light Premium Plus	HALLIBURTON LIGHT PREMIUM PLUS - SBM (14241)	080	sacks	12.5	2.0	10.99		10.99
10.994 Gal		FRESH WATER							
0.25 lbm		FLOCELE - 3/8, 25 LB SK (100005049)							
3 %		CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
3	Tail- Premium Plus	CMT - PREMIUM PLUS CEMENT (100012205)	200	sacks	14.8	1.35	6.37		6.37
6.365 Gal		FRESH WATER							
2 %		CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
Calculated Values		Pressures		Volumes					
Displacement	30	Shut In: Instant		Lost Returns	NO	Cement Slurry		Pad	
Top Of Cement		5 Min		Cement Returns	YES	Actual Displacement	30	Treatment	
Frac Gradient		15 Min		Spacers	20	Load and Breakdown		Total Job	
Rates									
Circulating	3	Mixing	5	Displacement	5	Avg. Job	5		
Cement Left In Pipe	Amount	45 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					

Cementing Job Log

Sold To #: 303075	Ship To #: 2466423	Quote #:	Sales Order #: 4101073
Customer: JALAPENO CORPORATION		Customer Rep: Yates, Harvey	
Well Name: Duncan Federal	Well #: #10	API/UWI #:	
Field:	City (SAP): Roswell	County/Parish: Chaves	State: New Mexico
Legal Description:			
Lat: N 0 deg. OR N 0 deg. 0 min. 0 secs.		Long: E 0 deg. OR E 0 deg. 0 min. 0 secs.	
Contractor: United Drilling	Rig/Platform Name/Num: United Drilling #31		
Job Purpose: Cement Surface Casing		Ticket Amount: \$ 16,236.86	
Well Type: Development Well	Job Type: Cementing		
Sales Person: RIPLEY, STEVE	Srvc Supervisor: WOOD, CHARLES	MBU ID Emp #: 363035	

Sold To # : Ship To # : Prpsl #: 7.00.248 Sales Order # : 7.00.248
SUMMIT Version: Tuesday, December 13, 2005 04:00:00

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Bump Plug	12/13/2005 15:43		0	0		0	1045	
Check Floats	12/13/2005 15:44							FLOATS HELD
End Job	12/13/2005 15:45							CIRCULATED 80 SX THIXOTROPIC 80 SX LEAD CMT
Post-Job Safety Meeting (Pre Rig-Down)	12/13/2005 15:50							
Rig-Down Equipment	12/13/2005 16:00							
Rig-Down Completed	12/13/2005 16:45							
Pre-Convoy Safety Meeting	12/13/2005 17:00							
Depart Location for Service Center or Other Site	12/13/2005 17:20							

Sold To # :

Ship To # :

Prpsl #: 7.00.248

Sales Order # :

7.00.248

SUMMIT Version:

Tuesday, December 13, 2005 04:00:00

Jalapeno-Duncan Fed 10-Surface

