

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. 30-005-63657
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA 2401
7. Lease Name or Unit Agreement Name Louise Yates State
8. Well Number 3
9. OGRID Number 26307
10. Pool name or Wildcat Wolf Lake South

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

Jalapeno Corporation

3. Address of Operator

P.O. Box 1608, Albuquerque, NM 87103

4. Well Location

Unit Letter N : 330 feet from the South line and 2310 feet from the West line

Section 7 Township 9-S Range 28E NMPM County Chaves

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3891 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: ☐

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.

-- On Feb. 10th ran 494.52 feet of 8 5/8 surface casing of which 40 feet was 27 lb and 453 feet was 24 lb. Cemented with 415 sacks of Halliburton Premium Plus and Premium cement of which approximately 257 sacks circulated to the pit. Bumped plug then held 500+psi for 30 minutes. (see attached Halliburton report).

-- WOC 82 hours

-- On Feb. 14th drilled through plug, float valve, cement and shoe. Dry below shoe.

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 ☐.

Jalapeno Corporation
SIGNATURE Harvey Yates Jr. TITLE President DATE 2/17/06

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

For State Use Only

APPROVED BY: FOR RECORDS ONLY TITLE _____ DATE MAR 01 2006
Conditions of Approval (if any): _____

The Road to Excellence Starts with Safety

Sold To #: 303075	Ship To #: 2476904	Quote #:	Sales Order #: 4197938
Well Name: Louise Yates State	Well #: 3	API/UWI #:	
Field:	City (SAP): ROSWELL	County/Parish: Chaves	State: New Mexico
Contractor: United Drilling	Rig/Platform Name/Num: NO NUMBER		
Job Purpose: Cement Surface Casing			
Well Type: Development Well	Job Type: Cementing		
Sales Person: RIPLEY, STEVE	Srvc Supervisor: WORKMAN, TRACY	MBU ID Emp #: 343909	

Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
BOYCE, GARY S	8	325213	GLASS, HOLICE W	8	351172	HARRIS, JIMMY R	8	352331
MARTINEZ, STEVE G	8	275935	VILLANUEVA, ARNULFO M	0	104591	WORKMAN, TRACY Eugene	8	343909
WORKMAN, TRACY Eugene	0.0	343909						

Equipment

HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way
10717521	75 mile	54332	75 mile	78613C	75 mile		

Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
2.10.06	8	1						

TOTAL Total is the sum of each column separately

Job

Job Times

Formation Name	Formation Depth (MD)	Top	Bottom	Form Type	Job depth MD	Job Depth TVD	Water Depth	Wk Ht Above Floor	Perforation Depth (MD)	From	To	Called Out	Date	Time	Time Zone
				BHST	500 ft	500 ft		3 ft					10 - Feb - 2006	06:00	CST
												On Location	10 - Feb - 2006	09:00	MST
												Job Started	10 - Feb - 2006	14:15	MST
												Job Completed	10 - Feb - 2006	15:06	MST
												Departed Loc	10 - Feb - 2006	17:00	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	500		
Surface Casing	Used		8.625	8.017	28			0	500		

Sales/Rental/3rd Party (HES)

Description	Qty	Qty uom	Depth	Supplier
SHOE,CSG,TIGER TOOTH,8 5/8 IN 8RD	1	EA		
SHOE,CSG,TIGER TOOTH,8 5/8 IN 8RD	1	EA		
VLVASSY,INSR FLOAT,8-5/8 8RD, 24 lbs/ft	1	EA		
VLVASSY,INSR FLOAT,8-5/8 8RD, 24 lbs/ft	1	EA		
CENTRALIZER ASSY - API - 8-5/8 CSG X	4	EA		
CENTRALIZER ASSY - API - 8-5/8 CSG X	4	EA		
CLAMP - LIMIT - 8-5/8 - HINGED -	1	EA		
CLAMP - LIMIT - 8-5/8 - HINGED -	1	EA		
KIT,HALL WELD-A	1	EA		
KIT,HALL WELD-A	1	EA		

Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug	8.625	1	hes
Float Shoe	8.625	1	Hes		Bridge Plug					Bottom Plug			
Float Collar	8.626	1	hes		Retainer					SSR plug set			
Insert Float										Plug Container	8.625	1	hes
Stage Tool										Centralizers			

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 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	Tail- Premium Plus	CMT - PREMIUM PLUS CEMENT (100012205)	335	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	28	Shut In: Instant		Lost Returns	no	Cement Slurry	102	Pad		
Top Of Cement	surface	5 Min		Cement Returns	yes	Actual Displacement	28	Treatment		
Frac Gradient		15 Min		Spacers		Load and Breakdown		Total Job	130	
Rates										
Circulating	6	Mixing	6	Displacement	4	Avg. Job	5			
Cement Left In Pipe	Amount	40 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						

The Road to Excellence Starts with Safety

Sold To #: 303075	Ship To #: 2476904	Quote #:	Sales Order #: 4197938
Customer: JALAPENO CORPORATION		Customer Rep:	
Well Name: Louise Yates State		Well #: 3	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: NO NUMBER	
Job Purpose: Cement Surface Casing			Ticket Amount: \$ 14,815.27
Well Type: Development Well		Job Type: Cementing	
Sales Person: RIPLEY, STEVE		Srvc Supervisor: WORKMAN, TRACY	MBU ID Emp #: 343909

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	02/10/2006 05:00							
Safety Meeting - Service Center or other Site	02/10/2006 07:00							
Depart from Service Center or Other Site	02/10/2006 07:30							
Arrive at Location from Service Center	02/10/2006 09:00							
Safety Meeting - Pre Rig-Up	02/10/2006 09:03							
Rig-Up Equipment	02/10/2006 09:03							
Rig-Up Completed	02/10/2006 09:03							
Safety Meeting - Assessment of Location	02/10/2006 09:10							
Safety Meeting - Pre Job	02/10/2006 14:00							
Start Job	02/10/2006 14:15							
Pump Spacer 1	02/10/2006 14:17		5		10		60	H2O AHEAD
Pump Lead Cement	02/10/2006 14:20		6		22		150	pumpu and mix 80sk thixotropic.
Pump Tail Cement	02/10/2006 14:25		6		80		170	pump and mix 335sk premium plus.
Drop Top Plug	02/10/2006 14:41							
Pump Displacement	02/10/2006 14:42		3.5		10		60	h20
Bump Plug	02/10/2006 15:00		2		28		160	Bump plug at 500 over and held 500psi for 30 minutes.
Check Floats	02/10/2006 15:04							Floats held.
End Job	02/10/2006 15:05							circulated 257 sk to pit

Sold To # :

Ship To # :

Prpsl #:

Sales Order # :

7.00.248

SUMMIT Version:

Friday, February 10, 2006 03:31:00

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Safety Meeting - Pre Rig-Down	02/10/2006 15:15							
Rig-Down Equipment	02/10/2006 15:30							
Rig-Down Completed	02/10/2006 16:30							
Safety Meeting - Departing Location	02/10/2006 16:40							
Depart Location for Service Center or Other Site	02/10/2006 17:00							
Return to Service Center from Job	02/10/2006 19:30							

Sold To # :

Ship To # :

Prpsl #:

Sales Order # :

7.00.248

SUMMIT Version:

Friday, February 10, 2006 03:31:00