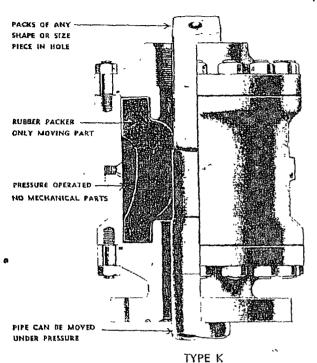
Office	Diane Minanda and National Description							
District 1 2 Energy, Minerals 1625 N French Dr., Hobbs, NM 88240	s and ivalui	ai Resources	May 27, 2004 WELL API NO.					
District II	VATION	DIVISION	30-005-63827					
1301 W Grand Ave., Artesia, NM 88210 District III 220 Sout			5. Indicate Type of Lease					
1000 Rio Brazos Rd., Aztec, NM 87410			STATE FEE					
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	c , 14141 07	303	6. State Oil & Gas Lease No. VO 7065					
SUNDRY NOTICES AND REPORTS C			7. Lease Name or Unit Agreement Name					
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEE DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FOR			Scrounger State					
PROPOSALS)								
1. Type of Well: Oil Well Gas Well Other			8. Well Number 2					
2. Name of Operator Jalapeno Corporation	H.II.	3 0 2007	9. OGRID Number 26307					
3. Address of Operator		-ARTESIA	10. Pool name or Wildcat					
P.O. Box 1608, Albuquerque, NM 87103		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Wolf Lake, South Andres					
4. Well Location		,						
Unit Letter A: 900 feet from the North	line and	<u>330</u> feet fro	om the <u>East</u> line					
Section 13 Township								
11. Elevation (Show w	hether DR,	RKB, RT, GR, etc.)	in the second					
GR 3877' Pit or Below-grade Tank Application □ or Closure □								
Pit type Depth to Groundwater Distance from no	earest fresh w	ater well Dista	ance from nearest surface water					
			nstruction Material					
12. Check Appropriate Box to In								
	ilaicate 14							
NOTICE OF INTENTION TO:	N 🗆 📗		SEQUENT REPORT OF:					
PERFORM REMEDIAL WORK PLUG AND ABANDON	REMEDIAL WORK							
TEMPORARILY ABANDON		CASING/CEMENT	LLING OPNS. □ P AND A □ F JOB □					
TOLE ON ALTEN CASINO MOLTH LE COMILE		CASING/CEMENT						
OTHER:		OTHER: 🛛						
13. Describe proposed or completed operations. (Clear of starting any proposed work). SEE RULE 1103.								
or recompletion.	roi widinpi	e Completions. Au	lacif we mode diagram of proposed completion					
•								
We have been unable to commence dr	-	_						
elect to drill the hole with a rotary rig ra								
Services Rig will drill the well to the sar	ne depth	as specified in	the application. The well will be					
drilled with air and mist.								
Attached is a convert the Pagen Player	ut Drava	stora Data Cha	art and the P.O.D. diagram which					
Attached is a copy of the Regan Blowo has been furnished to us by Conquest I			it and the B.O.P. diagram which					
has been furnished to us by Conquest	Ellelgy 3	ei vices.						
We expect to spud this well next week	and will r	notify you prior	to that time. If there is a problem					
with our change, please contact us imm			to that time. It there is a prosion.					
	, , , , , , , , , , , , , , , , , , , ,							
Therefore wife that the information above in two and someth	ata ta tha lea	at a f mary lemans dad a	and halisface at the second halisface					
I hereby certify that the information above is true and comple grade tank has been/will be constructed or closed according to NMOCI	ete to the be D guidelines [st of my knowledge], a general permit []	or an (attached) alternative OCD-approved plan .					
Valapeno Corporation								
SIGNATURE by Mum (ale)	TITLE	President	DATE7/26/07					
Type or print name: Harvey Yates Ir. E-mail add	lress: ners	onnel3@msn.com	Telephone No. <u>505-242-2050</u>					
For State Use Only								
FOR RECORDS ONL			DATHUL 3 1 2007,					
APPROVED BY:	_TITLE		DA BAF A T PAGE					
Conditions of ripproval (if any).								

EGAN FORGE & ENGINEERING COMPANY

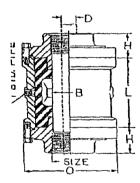
San Pedro, Calif.

REGAN BLOWOUT PREVENTERS

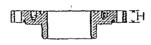
Potented



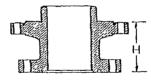
The Regan Type 'K' Blowout Preventer, normally open to the full bore of the casing to provide for free passage of bits, tools, etc., can be remotely operated to pack off the opening around any shape of pipe, kelly, or tool likely to require pack-off. The pressure required to operate the packer is usually 100-500 psi greater than well pressure. By using a resilient medium such as air, gas, or cushioned hydraulic pressure to actuate the packer, this tool becomes an ideal stripper, allowing all sorts of pipe strings to be stripped through the preventer at reasonable speeds.



Model 3—Body assembled with Model 3 flanges (Blank or threaded) When the Blawout Preventer is assembled with Model 3 flanges at both ends, it presents the standard hook-up which may be placed in any position in the cellur by employing nipples of suitable length. Conventional practice in this hook-up, calls for a welded mud line connection, either above or below the Blawout Preventer.



Model 9-Adapter Flange (Tapped for Series 900 or 1500) Designed to permit the Blowaut Preventer to be cannected to any other flanged cellar control equipment by means of studs extending from its lower face. This is especially useful in localities where deep cellars are not available, as it provides the shortest possible hook-up.

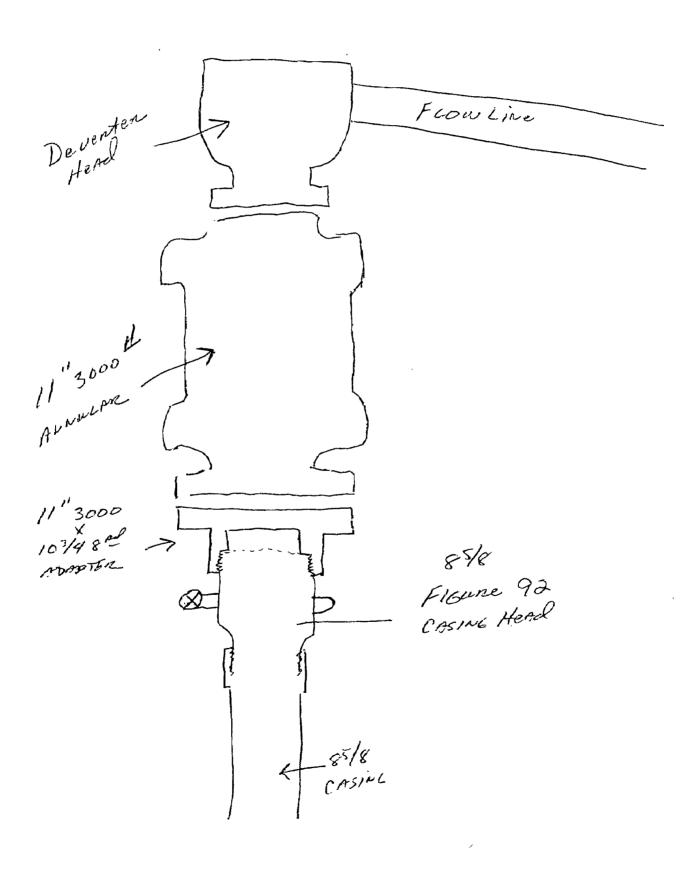


Model 5-Spool (Series 900 or 1500 Flange down) Spool is for the purpose of flanging direct to any other type of Blowout Preventer or to a master gate This model is furnished with two 2" vents

DATA CHART FOR REGAN TYPE K BLOWOUT PREVENTER HOUSINGS

3000 LB. TEST Size B.O.P.	Bare B	D—Dia. Pipe Rubber Tested on 10 3000#	Recommended Hange Dia, Pipe to be Packed-Off			Length	DMMENSION H ON FLANGES .									
			Max.	Min.	Diam. O		Model 3	Model 4	Model 5x900	Model 5x1500	Model 6x900	Model 6x1500	Model 7	Model 9x900	Model 9x1508	Model 11
6%-7 8%	6% 7% 8% 10% 11% 12% 13%	2% 2% 3% 3% 4% 4% 4% 4%	61/4 77/4 82/4 10 10/4 11/4 12/4 13/4	214 214 214 214 214 214 214 214	17 2114 2414 2714 30 30 30 32 3414	14 17 1914 21 22 25 28 30	614 6 614 614 614 614 714 714	19 19 19 19 20 20 20 18 20 20 20 4	104 115/4 125/4 125/4 125/4 125/4 1311/1	11 % 12% 6 1315/16 1315/16 1315/16 141/16 141/16 15/1	1914 1914 1914 211 1914 2114 2214	201/16 2011/16 2011/16 221/16 211/16 231/16 231/16	21 21 21 21 21 22 22 22 20 21 21 21	71/2 8 71/2 9 61/4 61/4		614 6 614 614 614 614 714
*6000 LB. TEST	Bore B		Recommended Range Dia, Pipe to be Packed-Off		Length	DIMENSION H ON FLANGES										
Size B O.P.			Max.	Min.	Diam.	Body	Model 3	Model 4	Model 5x900	Model 5x1500	Model 6x900	Model 6x1500	Model 7	Model 9x900	Model 9x1500	Model II
6¼-7. 8¼ 9¼ 11½ 0 5. 11½ N.S. 13¼	6% 7% 8% 10 10% 11% 12% 13%	2 ½ 2 ½ 3 ½ 3 ½ 4 ½ 4 ½ 4 ½ 4 ½	5¼ 7% 8% 10 10% 11% 12% 13%	21/4 21/4 21/4 21/4 21/4 21/4 21/4 21/4	19 22 25% 29% 33% 33% 36%	14 17 19½ 21 22 25 28 30	614 714 714 614 714 714 8	19% 20 20% 21 21% 21% 21% 21%	11% 12%, 13%, 14%, 14%, 14%, 15%,	121/16 1313/16 1413/16 1513/16 167/16 167/16 173/16 183/16	1836 195/16 195/16 2013/16 213/16 213/16 213/16 213/16	191/4 201/16 211/46 221/16 231/16 231/16 2315/16 2411/16	21% 22 22% 23 23% 23% 21% 21% 23%	10 10 7 7	ii 11 7 7	6¼ 7¼ 7¼ 6¼ 7¼ 7¼ 8 8

Note: Information on 16" and 18%" Type "K" Blowout Preventer will be furnished upon special request.
*6000# lest pressures apply to housings only, rubbers are tested to 3000# per sq. in The 6000# test housing is intended for use where used in connection with other high pressure equipant used above Type "K" blowout preventer.



.

.

.

.