

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88201
District III
1000 Rio Brazos Rd., Aztec, NM 87401
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.

30-005-63827

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VO 7065

7. Lease Name or Unit Agreement Name

Scrounger State

8. Well Number **2**

9. OGRID Number

26307

10. Pool name or Wildcat

Wolf Lake, South Andres

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

AUG 13 2007

3. Address of Operator

P.O. Box 1608, Albuquerque, NM 87103

OCD-ARTESIA

4. Well Location

Unit Letter **A** : **990** feet from the **North** line and **330** feet from the **East** line

Section **13** Township **9-S** Range **27E** NMPM County **Chaves**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
GR 3877'

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.

1. On 8/2/07 Jalapeno gave the OCD 24 hour notice related to cementing surface casing. It did so by facsimile and voice messages left on OCD answering machine. Harvey Yates reached Tim Gum on 8/3/07 and asked whether Jalapeno should wait on OCD official before doing cement job. Mr. Gum advised us to go forward with job.
2. Halliburton on site 8/3/07. Circulated well with fresh water. Pumped 240 sacks of Premium Plus Cement with 2% CaC12 mixed at 1.34 cu.ft/sk (calculated volume 57 bbls.). Cement rose near surface, but fell back.
3. Because the cement fell back Keltic Service, Inc. was called to run temperature survey. This they did on the morning of 8/4/07. Keltic located top of cement 35 feet from the surface. (See attached Keltic report.) Halliburton then cemented from 35 feet to surface. (See Halliburton Job Log.)

(Continued on the following page)

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 ☐.

SIGNATURE Harvey Yates TITLE President DATE 8/9/07

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

For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE AUG 20 2007

Conditions of Approval (if any):

4. During the course of the cement job discussed at 2. above, Halliburton discovered that an electrical problem prohibited information from the cement pump-truck computer being transmitted to the control truck computer. Thus, Halliburton was unable to give Jalapeno a pressure graph on site, but the Halliburton "Cementer" advised Jalapeno that Halliburton would download the data at the Halliburton Artesia office and transmit the graphs to Jalapeno. Instead, as explained in the attached letter of 8/6/07, from Bret Barrett, Halliburton Service Leader, a Halliburton technician, who, unfortunately had not been advised to download the data, cleared the memory from the pump-truck computer. Thus, Halliburton did not deliver to Jalapeno the necessary pressure graphs.
5. Because Jalapeno did not receive the pressure graphs from Halliburton, Jalapeno, on 8/8/07, had Jim's Water Service bring a "Kill Truck" with a paper recorder to pressure test the surface casing. As shown on the attached Chart, the casing held 700 p.s.i. for 35 minutes, meeting the OCD Requirements. (See JWS recording which is attached to this Sundry Notice to evidence that the casing held as required by OCD regulations.)

BELOW IS A LIST OF THE DOCUMENTS SENT WITH THIS C-103 SUNDRY NOTICE:

1. Keltic Temperature Survey Report & Graph (2 pages)
2. Letter from Bret Barrett of Halliburton dated 8/6/07 (1 page)
3. Halliburton Cement Job Log (2 pages)
4. Halliburton Cement Job Summary (2 pages)
5. Jim's Water Services Pressure Chart Recording (1 page)

A handwritten signature in black ink, located in the bottom right corner of the page. The signature is stylized and appears to be the initials "AM".

Keltic Services, Inc
Box 1857
Artesia, NM
88211

505 748 3759

Temperature Survey

Company	JALAPENO CORP.	Date	08/04/07
Well	SCROUNGER 2	Time Plug Down	1000 hrs
		Time Start Survey	700 hrs
		Time End Survey	800 hrs
Casing String	SURFACE	Depth Reached	445 ft
Cement Top	35 ft.		
Gauge	205		
Operator:	Julian	Witness:	HARVEY YATES

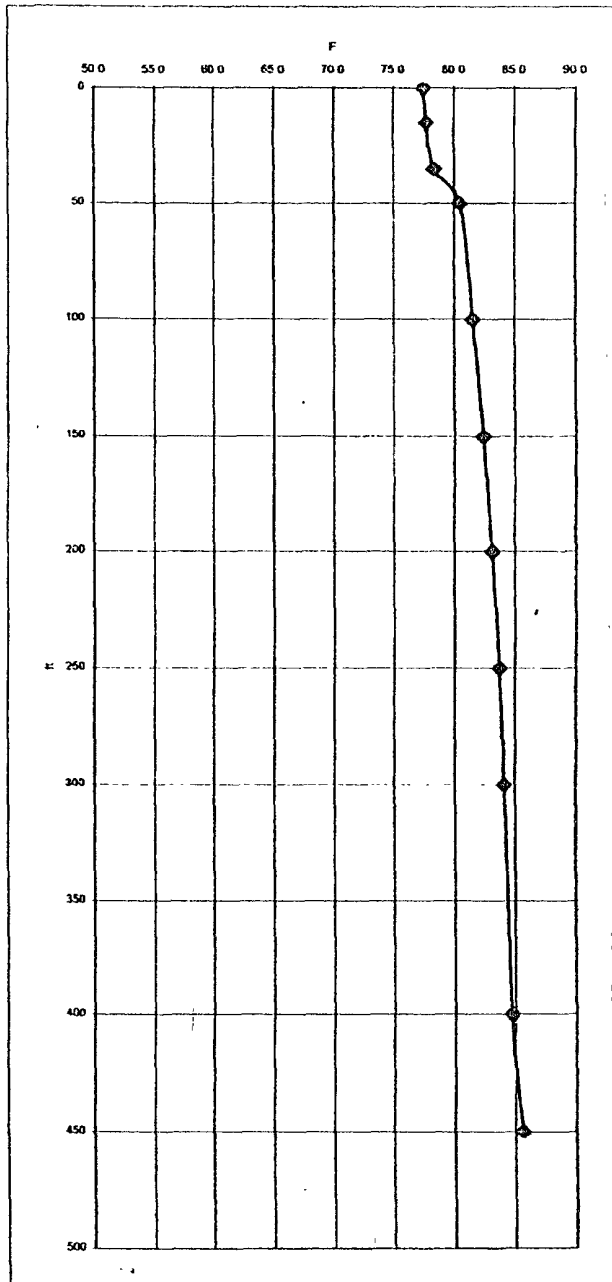
Keltic Services Inc
Temperature Survey

Company JALAPENO CORP.
Well SCROUNGER 2

Cement Top 35 ft

Date 8/4/07
Plug Down 1000 hrs
Survey Start 700 hrs
Operator Julian

Depth ft	Temp. °F	Comments
0	77.5	
15	77.7	
35	78.3	CT
50	80.5	
100	81.6	
150	82.4	
200	83.1	
250	83.7	
300	84.1	
400	84.7	
450	85.6	



Bret Barrett

From: Bret Barrett
Sent: Monday, August 06, 2007 6:31 PM
To: 'Harvey Yates'
Subject: I will try to fax this from some where else.

From: Bret Barrett
Sent: Monday, August 06, 2007 4:14 PM
To: 'Harvey Yates'
Subject: Jalapeno Corp. Scrounger State #2 Surface, Friday 8/3/2007

Harvey,

The cement unit we had on your location had a faulty cable on the data acquisition box and would not communicate with laptop computer. None the less, we made the decision to go forward with the cement job and later download data at Halliburton yard facility.

The cable was repaired this morning (Monday 8-6-07). Unfortunately, the technician had not been made aware of data to be recovered, and as part of standard maintenance, he cleared memory and all programming, deleting job data. It cannot be recovered.

I am sending copy of Job Log with times, volume, and pressures pumped. As a consequence of the loss of data, we do not have charts recording real-time data.

We pumped 40 bbls fresh water ahead, Started 240 sk.s Premium Plus W/2% CaCl₂ mixed at 14.8 #/gal & 1.34 cu. Ft./ sk (calculated volume 57 bbls), circulation was established with 16 bbls slurry pumped (total pump volume 56 bbls). We shutdown and released wooden plug from plug container with 56 bbls of slurry pumped, washed up on top of plug and continued displacement with fresh water. At 30 bbls displacement pressure was approximately 400 psi, at 34 bbls (pipe capacity) rate was already reduced to 1 bpm @ 450 psi and pressure increase to 500 psi. We shutdown, ISIP was 450 psi and holding. We did not re-pressure, I was concerned about exceeding limitations on wooden plug, pumping past plug, or pumping pipe up hole if pressure was from bridge in annulus rather than plug landing on float.

We observed circulation was not present at reduced rate prior to shutdown, although annulus was standing full until landing plug. After shutdown we released pressure and checked that float was holding.

We then called Keltic Services to run temperature survey. The top of cement was established at 35 feet from surface. We topped out with 38 sks Premium Plus w/ 2% CaCl₂ and pumped remaining 12 sks mixed to pit.

Bret Barrett, Ph: 505-746-7649
Service Leader, Production Enhancement
Halliburton Energy Services, Artesia, NM

 8/6/07

8/6/2007

The Road to Excellence Starts with Safety

Sold To #: 303075	Ship To #: 2588488	Quote #:	Sales Order #: 5258492
Customer: JALAPENO CORPORATION		Customer Rep: Yates, Harvey	
Well Name: Scrounger State	Well #: 2	API/UWI #: 30-005-63827	
Field: WOLF LAKE SOUTH	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: ??	
Job Purpose: Cement Surface Casing		Ticket Amount:	
Well Type: Development Well		Job Type: Cement Surface Casing	
Sales Person: RIPLEY, STEVE		Srvc Supervisor: GLASS, HOLLICE	MBU ID Emp #: 351172

Activity Description	Date/Time	Cht #	Rate bbl/min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Call Out	08/03/2007 12:00							
Pre-Convoy Safety Meeting	08/03/2007 15:50							
Depart from Service Center or Other Site	08/03/2007 16:00							
Arrive At Loc	08/03/2007 18:00							
Assessment Of Location Safety Meeting	08/03/2007 18:05							
Pre-Rig Up Safety Meeting	08/03/2007 18:10							
Rig-Up Equipment	08/03/2007 18:15							
Rig-Up Completed	08/03/2007 19:00							
Pre-Job Safety Meeting	08/03/2007 19:50							
Start Job	08/03/2007 20:18							
Pump Spacer 1	08/03/2007 20:25		3	40			22.0	FRESH WATER
Pump Cement	08/03/2007 20:40		2	57			40.0	240 SKS PREMIUM PLUS 2% CC @ 14.8 PPG/1.35/6.39
Shutdown	08/03/2007 21:00							DROP PLUG
Pump Displacement	08/03/2007 21:03		3	24			66.0	FRESH WATER
Other	08/03/2007 21:17		2	10			45.0	SLOW RATE
Bump Plug	08/03/2007 21:28		2		34		450.0	

Sold To #: 303075

Ship To #: 2588488

Quote # :

Sales Order # : 5258492

SUMMIT Version: 7.20.130

Saturday, August 04, 2007 04:12:00

HALLIBURTON

Cementing Job Log

Activity Description	Date/Time	Cht #	Rate bbl/ min	Volume bbl		Pressure psig		Comments
				Stage	Total	Tubing	Casing	
Check Floats	08/03/2007 21:30							FLOATS HELD
End Job	08/03/2007 21:31							DID NOT CIRCULATE CEMENT
Other	08/04/2007 09:00							ORDERED 50 SKS PREMIUM PLUS 2%CC
Other	08/04/2007 14:30							CEMENT ARRIVED ON LOCATION
Start Job	08/04/2007 14:55							TAGGED CMT AT 35FT
Pump Cement	08/04/2007 14:56		1	9		50.0		45 SKS PREMIUM PLUS 2% CC @ 14.8/1.35/6.39
End Job	08/04/2007 15:30							9 BBL CEMENT IN HOLE/ 2BBL TO PIT
Post-Job Safety Meeting (Pre Rig-Down)	08/04/2007 15:45							
Rig-Down Equipment	08/04/2007 15:50							
Pre-Convoy Safety Meeting	08/04/2007 16:30							
Depart Location for Service Center or Other Site	08/04/2007 16:40							

Sold To # : 303075

Ship To # :2588488

Quote # :

Sales Order # : 5258492

SUMMIT Version: 7.20.130

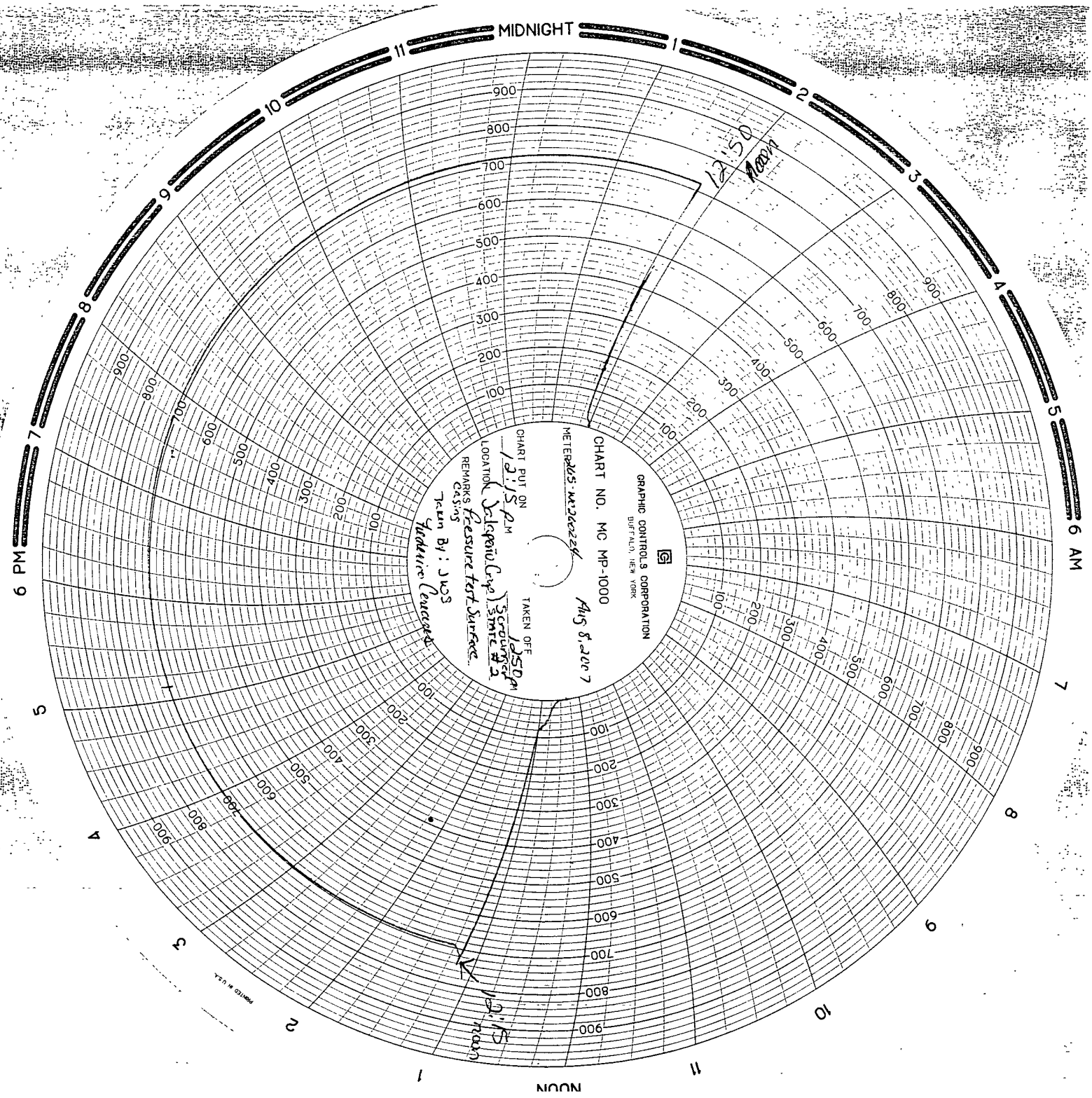
Saturday, August 04, 2007 04:12:00

Cementing Job Summary

The Road to Excellence Starts with Safety

Sold To #: 303075			Ship To #: 2588488			Quote #:			Sales Order #: 5258492				
Customer: JALAPENO CORPORATION						Customer Rep: Yates, Harvey							
Well Name: Scrounger State				Well #: 2			API/UWI #: 30-005-63827						
Field: WOLF LAKE SOUTH			City (SAP): ROSWELL			County/Parish: Chaves			State: New Mexico				
Contractor: UNITED DRILLING				Rig/Platform Name/Num: ??									
Job Purpose: Cement Surface Casing													
Well Type: Development Well				Job Type: Cement Surface Casing									
Sales Person: RIPLEY, STEVE				Srvc Supervisor: GLASS, HOLLICE			MBU ID Emp #: 351172						
Job Personnel													
HES Emp Name		Exp Hrs	Emp #	HES Emp Name		Exp Hrs	Emp #	HES Emp Name		Exp Hrs	Emp #		
GLASS, HOLLICE W			351172										
Equipment													
HES Unit #		Distance-1 way		HES Unit #		Distance-1 way		HES Unit #		Distance-1 way			
Job Hours													
Date		On Location Hours		Operating Hours		Date		On Location Hours		Operating Hours			
8-3-07		6		1		8-4-07		16					
TOTAL						Total is the sum of each column separately							
Job Times													
Formation Name						Date		Time		Time Zone			
Formation Depth (MD) Top						Called Out		03 - Aug - 2007		12:00 MST			
Form Type						On Location		03 - Aug - 2007		18:00 MST			
Job depth MD 535. ft						Job Started		03 - Aug - 2007		20:20 MST			
Water Depth						Job Completed		03 - Aug - 2007		00:00 MST			
Perforation Depth (MD) From						Departed Loc		03 - Aug - 2007		00:00 MST			
Well Data													
Description		New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft		
Open Hole					12.25					535.			
Surface Casing		New		8.625	7.921	32.		J-55		537.			
Sales/Rental/3 rd Party (HES)													
Description							Qty	Qty uom	Depth	Supplier			
PLUG,CMTG,TOP,WOODN,TWO CUP TY,8 5/8 IN							1	EA					
CLR,FLT,TROPHY SEAL,8-5/8 8RD							1	EA					
SHOE,CSG,TIGER TOOTH,8 5/8 IN 8RD							1	EA					
CENTRALIZER ASSY - API - 8-5/8 CSG X							3	EA					
CLAMP - LIMIT - 8-5/8 - HINGED -							1	EA					
KIT,HALL WELD-A							2	EA					
Tools and Accessories													
Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar					Retainer					SSR plug set			
Insert Float										Plug Container			
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	Premium Plus 2% CC	CMT - PREMIUM PLUS CEMENT (100012205)	290.0	sacks	14.8	1.35	6.39		6.39
94 lbm		CMT - PREMIUM PLUS - CLASS C REG OR TYPE III, BULK (100012205)							
2 %		CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
6.387 Gal		FRESH WATER							
Calculated Values		Pressures		Volumes					
Displacement		Shut In: Instant		Lost Returns	YES	Cement Slurry	66	Pad	
Top Of Cement		5 Min		Cement Returns	YES	Actual Displacement	34	Treatment	
Frac Gradient		15 Min		Spacers	20	Load and Breakdown		Total Job	120
Rates									
Circulating		Mixing	4	Displacement	4	Avg. Job	4		
Cement Left In Pipe	Amount	0 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					



MIDNIGHT

6 AM

7

8

9

10

11

NOON

1

2

3

4

5

6 PM

7

8

9

10

11

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

CHART NO. MC MP-1000

METERS W220224

AUG 8, 1967

CHART PUT ON

12:50 PM

TAKEN OFF

12:50 PM

LOCATION

(Liquor-Lup) 3rd floor #2

REMARKS Pressure Test Surface

CAUTION

Taken By: JWS

Machine Leucard

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