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March 15, 2002

VIA FACSIMILE

David K. Brooks, Esq.
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-4000

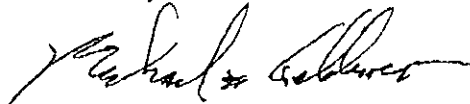
Re: Case No. 12811
Jalapeno Corporation
Louise Yates State Well No. 1 (API No. 30-005-62894)

Dear Mr. Brooks:

Enclosed please find the Form C-103 filed yesterday with the Division's district office confirming the well integrity test performed on the above-referenced well. I understand that with the completion of this test and the entry of Administrative Order SWD-830, this well will be removed from the list of "non-compliance" wells subject to hearing under Case No. 12811.

If the Division has a different opinion concerning this well and still plans to call this well for hearing under Case No. 12811, please contact my office immediately.

Sincerely,



Michael H. Feldewert

MHF/js
Enclosure

cc: Mr. Tim Gum, Oil Conservation Division - Artesia, w/o encl.
Harvey Yates, Jr., w/o encl.

Submit 3 Copies To Appropriate Districts

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Grande Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

MAR 2002 OIL CONSERVATION DIVISION

RECEIVED 1220 South St. Francis Dr.

QCD - ARTESIA Santa Fe, NM 87505

OGRID 25903 Form C-103

Revised March 25, 1999

WELL API NO.

30-005-62894

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VA 2401

7. Lease Name or Unit Agreement Name:

Louise Yates State #1

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 ☐

This well has been approved

Other to be converted to disposal

2. Name of Operator

De la Bena Corporation

3. Address of Operator

PO Box 1608

4. Well Location

Unit Letter A : 330 feet from the South line and 1980 feet from the West lineSection 7Township 9SRange 28E

NMPM

County Chaves

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

3889.6 GL

11. 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 COMPLETION ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐CASING TEST AND CEMENT JOBS ☐OTHER: Performance of well integrity Test ☒

12. 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 3/14/02 the well integrity was tested. The well held pressure for more than 30 minutes at 900 psi. See attached chart. The test was conducted by Espain Rodriguez of Jim's Water Service, packer was set at approximately 2100 FT.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE

President

DATE

3/14/02

Type or print name

HARVEY YATES JR.

Telephone No.

(505) 242-205

(This space for State use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

