

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

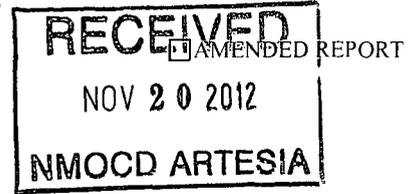
Form C-101  
Revised October 25, 2012

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address JALAPENO CORPORATION PO BOX 1608 ALBUQUERQUE, NM 87103		<sup>2</sup> OGRID Number 26307
		<sup>3</sup> API Number 30-C.5-64158
<sup>4</sup> Property Code 39553	<sup>5</sup> Property Name DAWG #1	<sup>6</sup> Well No. 001

<sup>7</sup> Surface Location

UL - Lot H	Section 21	Township 9-S	Range 27-E	Lot Idn	Feet from 2225	N/S Line NORTH	Feet From 704	E/W Line EAST	County CHAVES
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<sup>8</sup> Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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<sup>9</sup> Pool Information

WILDCAT, SAN ANDRES	WILDCAT	97839
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Additional Well Information

<sup>11</sup> Work Type NEW WELL	<sup>12</sup> Well Type OIL	<sup>13</sup> Cable/Rotary CABLE	<sup>14</sup> Lease Type STATE	<sup>15</sup> Ground Level Elevation 3858
<sup>16</sup> Multiple NO	<sup>17</sup> Proposed Depth 2100	<sup>18</sup> Formation San Andres	<sup>19</sup> Contractor Jalapeno Corporation	<sup>20</sup> Spud Date
Depth to Ground water 350ft	Distance from nearest fresh water well 5,276ft		Distance to nearest surface water 21,840ft	

<sup>21</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
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Casing/Cement Program: Additional Comments

SEE DETAILS ON FOLLOWING PAGE

<sup>22</sup> Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Pressure System Schematic	2000 PSI	2000	

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>H. Emmons Yates III</i> Printed name: H. EMMONS YATES III Title: GEOLOGICAL ANALYST E-mail Address: eyates@jalapenocorp.com Date: 11/19/12 Phone: 505-242-2050	OIL CONSERVATION DIVISION	
	Approved By: <i>T. C. Shepard</i>	
	Title: <i>Geologist</i>	
	Approved Date: <i>11/21/2012</i>	Expiration Date: <i>11/21/2014</i>
	Conditions of Approval Attached	

# Jalapeño Corporation

## DAWG #1

2225' FNL & 704' FEL

SECTION 21, T. 9-S, R. 27-E

CHAVES COUNTY, NEW MEXICO

### PROPOSED CASING & CEMENT PROGRAM:

This well will be drilled using a Cable Tool Rig. The production casing will be run from 2100' to surface and will be cemented from the top perforation up 400 or 500 feet. The reason is that production likely will come from fractures. Our experience is that if the cement is run to surface its weight pushes the cement into the productive fractures greatly diminishing the likelihood of a successful well.

(See information related to production casing and it's cementing below).

Proposed Casing and Cement Program

	Hole Size	Casing Size	Casing weight/foot	Setting Depth	Grade	Sacks of Cement	Estimated TOC
<b>Surface</b> →	12 1/4	8 5/8	24#	400'	J-55	250 SX	Surface
	Hole Size	Casing Size	Casing weight/foot	Setting Depth	Grade	Sacks of Cement	Estimated TOC
<b>Production</b> →	7 7/8	5 1/2	15.5#	2100'	J-55	275 SX	1,600'

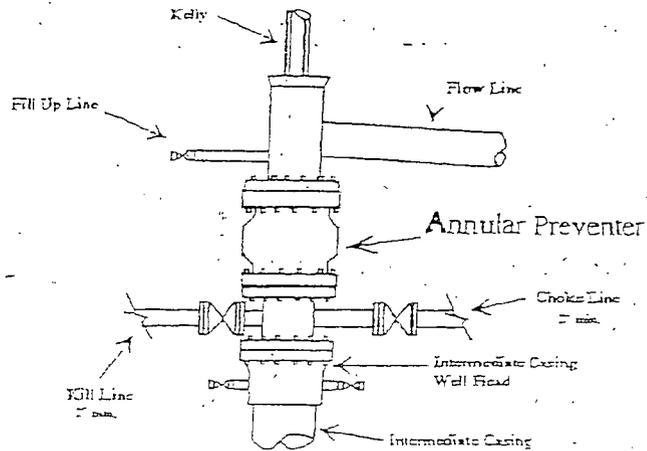
### PROPOSED BLOWOUT PREVENTION PROGRAM:

Minimum working pressure of the blowout preventer and related equipment (BOPE) will be 2000 psi.

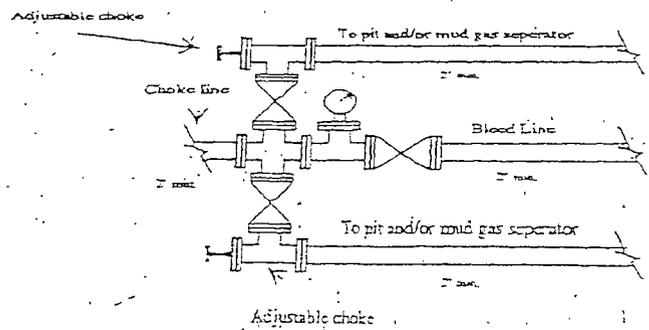
# JALAPENO CORPORATION

## DAWG #1

2,000 psi Pressure System  
Schematic

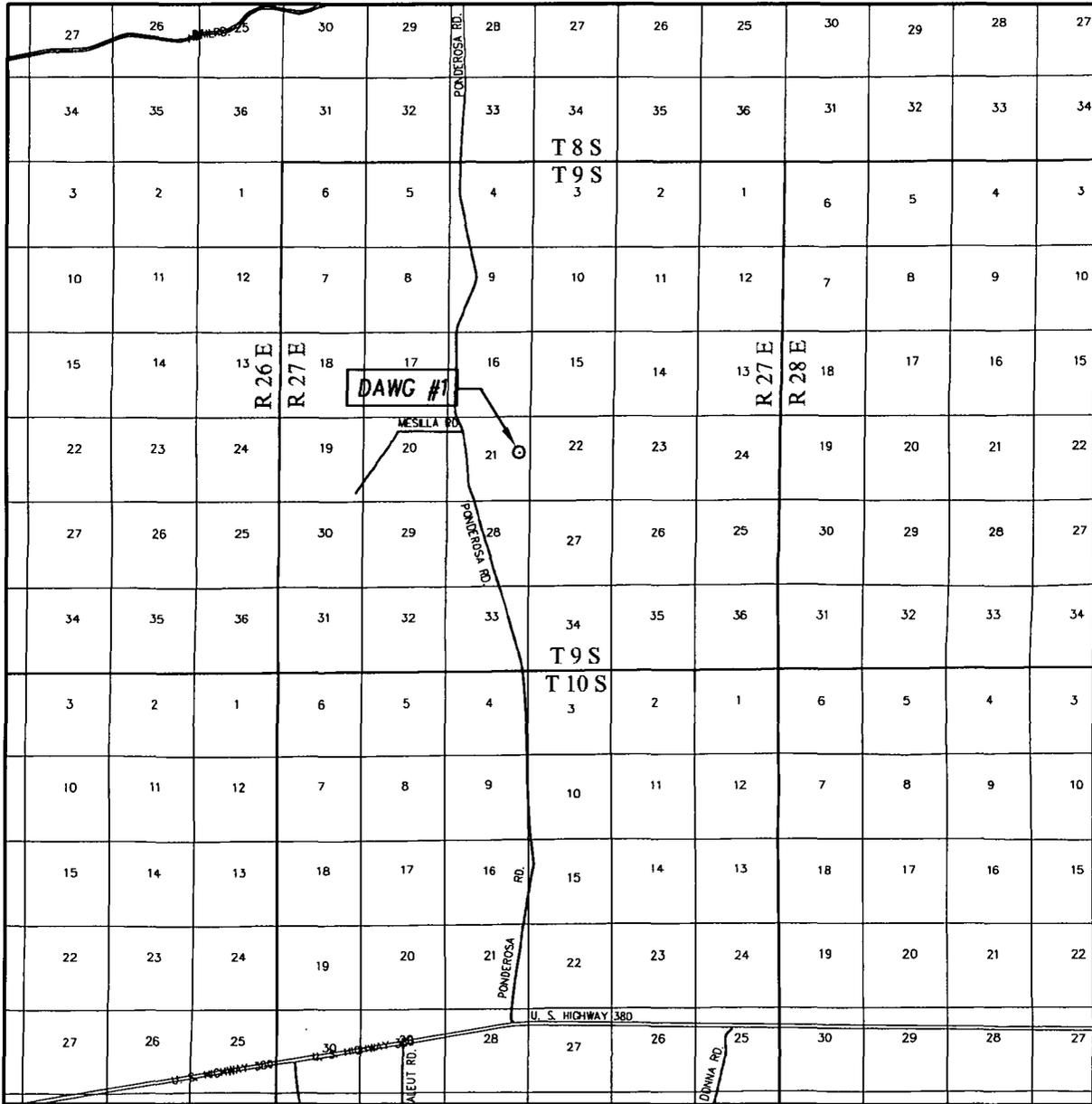


Typical 2,000 psi choke manifold assembly with at least these minimum features





# VICINITY MAP



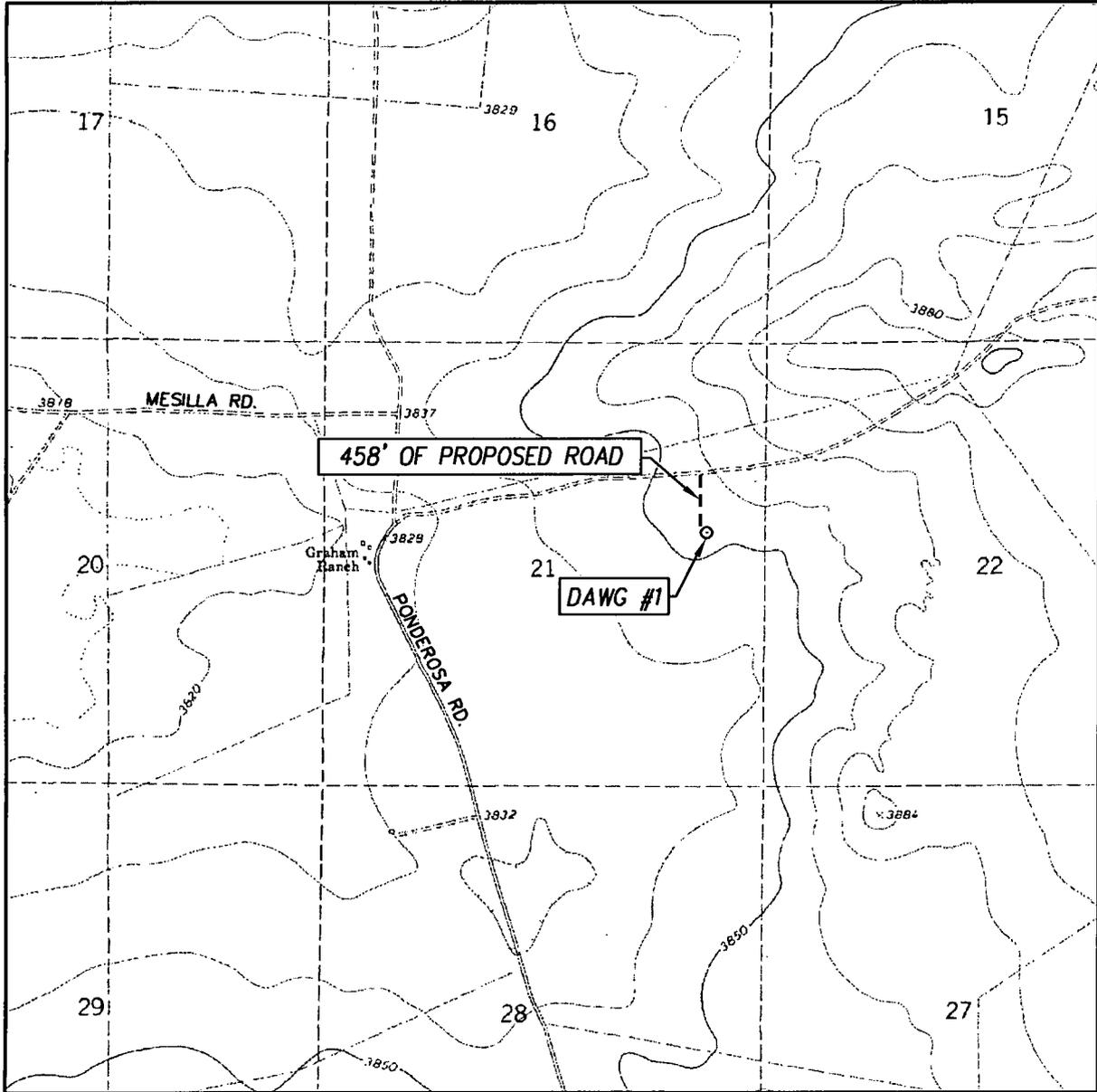
SCALE: 1" = 2 MILES

SEC. 21 TWP. 9-S RGE. 27-E  
 SURVEY N.M.P.M.  
 COUNTY CHAVES STATE NEW MEXICO  
 DESCRIPTION 2225' FNL & 704' FEL  
 ELEVATION 3858'  
 OPERATOR JALAPENO CORPORATION  
 LEASE DAWG



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117 www.jwsc.biz

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CAMPBELL, N.M. - 10'

SEC. 21 TWP. 9-S RGE. 27-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 2225' FNL & 704' FEL

ELEVATION \_\_\_\_\_ 3858'

OPERATOR JALAPENO CORPORATION

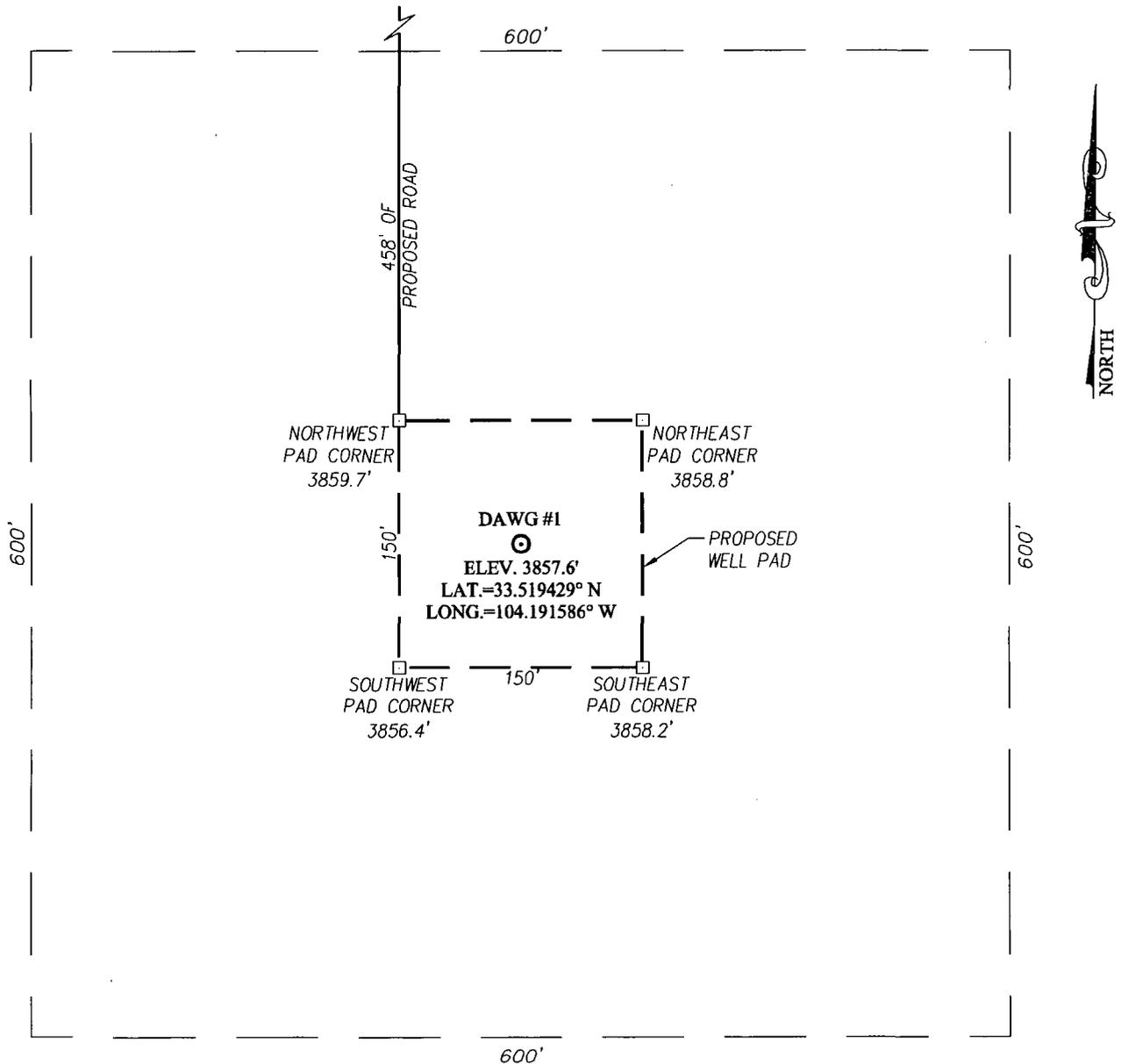
LEASE \_\_\_\_\_ DAWG

U.S.G.S. TOPOGRAPHIC MAP  
CAMPBELL, N.M.



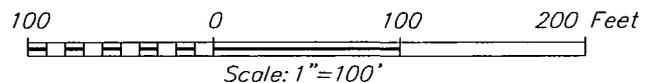
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**SECTION 21, TOWNSHIP 9 SOUTH, RANGE 27 EAST, N.M.P.M.**  
**CHAVES COUNTY** **NEW MEXICO**



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #380 AND PONDEROSA RD. GO NORTH ON PONDEROSA RD. APPROX. 7.0 MILES. TURN RIGHT AND GO EAST APPROX. 0.7 MILES TO THE ROAD SURVEY. FOLLOW ROAD SURVEY SOUTH 448 FEET TO THIS LOCATION.



**JALAPENO CORPORATION**

**DAWG #1 WELL**  
**LOCATED 2225 FEET FROM THE NORTH LINE**  
**AND 704 FEET FROM THE EAST LINE OF SECTION 21,**  
**TOWNSHIP 9 SOUTH, RANGE 27 EAST, N.M.P.M.,**  
**CHAVES COUNTY, NEW MEXICO**

PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
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Survey Date: 11/7/12	CAD Date: 11/14/12	Drawn By: AF
W.O. No.: 12111854	Rev. :	Rel. W.O.:
		Sheet 1 of 1