

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.
 30-005-63762

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 VA 2401

7. Lease Name or Unit Agreement Name
 Scrounger State

8. Well Number 1

9. OGRID Number
 26307

10. Pool name or Wildcat
 Wolf Lake

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 A : 412 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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

Wednesday 10/19/05, set 503.45 feet of 8 5/8" J55 24# casing with shoe (approx 500' threads off) of surface casing and cemented with 360 sacks of cement, of which approximately 101 Sacks circulated to the pit. (see attached Halliburton Cementing Job Logs). Shut in waiting on cement.

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 Jennifer L. Morris TITLE Operations Assistant DATE 10/20/05

Type or print name: Jennifer L. Morris E-mail address: personnel3@msn.com Telephone No. 505-242-2050

For State Use Only

APPROVED BY: _____ TITLE _____ DATE NOV 02 2005

Conditions of Approval (if any):

FOR RECORDS ONLY

ALLIANTON

Cementing Job Log

The Road to Excellence Starts with Safety

Sold To #: 300075	Ship To #: 2456188	Quote #:	Sales Order #: 4005257
Customer: JALAPENCO CORPORATION		Customer Rep: Yates, Harvey	
Well Name: Scrubger State	Well #: 1	API/UWI #: 30-005-63762	
Field:	City (SAP): ROSWELL	County/Parish: Chaves	State: New Mexico
Legal Description:			
Lat: North 0 deg. 0 min. 0 secs.		Long: East 0 deg. 0 min. 0 secs.	
Contractor: United Drilling		Rig/Platform Name/Num: NO NUMBER	
Job Purpose: Cement Surface Casing			Ticket Amount: \$ 15,840.86
Well Type: Development Well		Job Type: Cementing	
Sales Person: GUNNELS, BOBBY Dean		Srv Supervisor: BURNS, STANLEY P	MBU ID Emp #: 104472

Activity Description	Date/Time	Cm	Rate	Volume		Pressure		Comments
				Stage	Total	Temp	Casing	
Arrive at Location from Service Center	10/19/2005 13:00							
Safety Meeting - Assessment of Location	10/19/2005 13:05							
Safety Meeting - Pre Job	10/19/2005 15:10							
Start Job	10/19/2005 15:23							
Pump Spacer 1	10/19/2005 15:25		3	100			50	Circulate Well
Pump Lead Cement	10/19/2005 16:50		5	23			75	Pump 80 sks Prem. @ 14.4#
Pump Cement	10/19/2005 18:55		5	29			75	Pump 80 sks HLP+ @ 12.5#
Pump Tail Cement	10/19/2005 19:59		5	48			200	Pump 200 sks F+ @ 14.8#
Drop Top Plug	10/19/2005 17:12							Shut down and release plug.
Pump Displacement	10/19/2005 17:13		4	29			600	Displace with H2O. Well trying to bridge off. Pressure running about 400 psi to high.
Bump Plug	10/19/2005 17:25						1100	Plug down, float held. Circulated 101 sks to the pit. Leave well shut in.
End Job	10/19/2005 17:27							
Safety Meeting - Departing Location	10/19/2005 18:00							
Depart Location for Service Center or Other Site	10/19/2005 18:15							