

**RECEIVED**  
JUN 26 2015  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
NM 12557

6. If Indian, Allottee or Tribe Name  
N/A

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
Jalapeno Corporation

3a. Address  
PO BOX 1608  
ALBUQUERQUE, NM 87103

3b. Phone No. (include area code)  
505-242-2050

7. If Unit of CA/Agreement, Name and/or No.  
N/A

8. Well Name and No.  
Duncan Federal #11

9. API Well No.  
30-005-64211

10. Field and Pool or Exploratory Area  
WILDCAT, SAN ANDRES

11. County or Parish, State  
CHAVES COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. The proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

We are requesting permission to move our cable tool rig off of location and to move in an air rotary rig. The reason that this is necessary is that we have encountered an unexpected salt water zone at 588'. This water zone is causing cave-ins and has slowed our cable tool drilling operations below an acceptable rate. We plan to leave the current BOP system in place, which has already passed the 2000PSI pressure test, and leave it completely closed in order to secure the Duncan Federal#12 borehole. Once the new air rig is on location, it will simply use the same BOP system that is already in place. Because of the short notice of our situation Jalapeno Corporation requests 30 days time in order to allow the drilling contractor time to prepare to move on to the Duncan Federal#12 location. We hope to move them in sooner but cannot guarantee how quickly this can happen on such short notice. We believe that with the fresh water zone already cemented behind 8 5/8" casing and then sealed off by our BOP that the Duncan #12 will be as secure and safe as possible while we are waiting for the air rig to move in. We have attached the drilling rig equipment details and if you have any questions, contact Emmons Yates at 505-980-0703.

**APPROVED FOR 30 MONTH PERIOD**  
**ENDING JUL 22 2015**

**Accepted for record**  
URS **7/23/15**

14. Thereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Jun Barrack

Title Oil and Gas Operations Associate

Signature *Jun Barrack* Date 06/18/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by **/S/ DAVID R. GLASS** Title **PETROLEUM ENGINEER** Date **JUN 23 2015**

Office **ROSWELL FIELD OFFICE**

**Approved For 30 Day Period Ending JUL 22 2015. Approval Of Any Additional Time To Move The Air Rig On Location Will Require Justification.**

for any person knowingly and willfully to make to any department or agency of the United States any false statement or omission within the jurisdiction.

## RIG INVENTORY

### Rig Engine

Cummins QSL Tier3, 340 HP Engine

### Drawworks

Failing 400 HP Double Drum powered by 7/8 Trip Line & 7/8 Kelly Drum Hoist Line.  
Foster Makeup Cathead with driller air controls

### Transmissions

325 HP Fuller T95 Transmission  
500 HP Fabco Power Take Off

### Winchline

2000' 3/8 cable hydraulic 500'/min wireline

### Brakes

Parkersburg Hydromatic Water Brake-1600HP

### Derrick

Ewbank Mast 55\* 130000 lb Hookload Capacity Equipped with Crown out Safety Shut Down. Able to handle Range 3 casing and tubular.

### Traveling Blocks

66 ton McCissick 6 line tripping block, 66 ton EDSI 6 line Kelly block

### Swivel

53GA King Swivel, with a 2000 psi 2 1/2" rotary hose and hinge hoses from pumps to 2 1/2" inch scheduled hard line.

### Rotary Table

Ewbanks 18"-200HP, 2 Master bushing inserts, 2 Kelly bushing inserts.

### Rotary Clutch

Model Series Twin Disk 211- 232 HP

### Lighting

Rig comes equipped with derrick lights strategically mounted.

### Water Tanks

1 steel 500 BBL fresh water tank

### Air Compressors & Related Equip

2-Ingersol Rand 1200 CPM \* 350 PSI, 1 GD Injection Pump and 1 GD Air Booster 2100 cpm \* 500 PSI

### Drill String

20 6" Drill Collars, 2 8" Drill Collars and 4500' of 4 1/2" drill pipe