N.M. Oil Cons. DIV-Dist. 2

Form 3160-5 (April 2004) Month - Year APR 1 0 2007 OCD - ARTESIA, NM UNITED SATES W. Grand
DEPARTMENT OF AME INTERIOR M. SERVICE LAND MARKET MANY STATES OF THE PROPERTY OF THE PRO

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

5. Lease Serial No. NM 100542

Fillial.

SUNDRY NOTICES AND REPORTS ON WELL

Do not use this form for proposals to drill or to re-enter and phonologically like Form 2160 - 3 (APP) for such proposals

5. If Indian, Allottee or Tribe Name

abandoned w	ell. Use Form 3160 - 3	(APD) for such pro	posais.			
SUBMIT IN TRIPLICATE- Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Oil Well Gas Well Other 2. Name of Operator JALAPENO CORPORATION					8. Well Name and No. PAISANO FEDERAL #1 9. API Well No.	
3a Address P.O. BOX 160	3b. Phone No. (include area code) 505-242-2050		30-005 10. Field an	-63840 d Pool, or Exploratory Area		
4. Location of Well (Footage, Sec., T., R, M., or Survey Description) 330' FSL & 330' FEL S.12, T.9-S, R. 27-E				Wolf Lake, San Andres, South 11. County or Parish, State CHAVES COUNTY, NM		
12. CHECK A	PPROPRIATE BOX(ES) T	O INDICATE NATUR	E OF NOTICE, I	REPORT, OF	R OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
✓ Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (S Reclamation Recomplete Temporarily A Water Disposa	bandon	Water Shut-Off Well Integrity Other SURFACE	
13. Describe Proposed or Comple	ted Operation (clearly state all pe	rtinent details, including esti	mated starting date of	any proposed we	ork and approximate duration thereof.	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS TO REPLACE THE SUNDRY NOTICE THAT WAS DATED 3/26/07 WHICH HAD AN INCORRECT SPUDDING DATE OF 7/23/07.

Spudded well on 3/23/07 by setting conductor pipe. However, because of abnormal rainfall unable to get water truck to location which are required for further drilling. If roads dry somewhat, expect to drill surface hole and run 500 ft of surface easing and cement it on the 28th or the 29th. We will give you further notice once the timing is known.

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:			ACCEPTED FOR RECOR
14. I hereby certify that the foregoing is true and contains (Printed/Typed)	orrect		
ARVEY E. YATES, JR.		PRESIDENT	APR 5 2002
Signature A aven a	Date	04/02	/2007
THIS SPACE	CE FOR FEDERAL OR	STATE OFFICE US	GARY GOURLEY PETROLEUM ENGINEER
Approved by		Title	Date
Conditions of approval, if any, are attached. Approval certify that the applicant holds legal or equitable title to which would entitle the applicant to conduct operations	those rights in the subject lease	Office	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1. States any false, fictitious or fraudulent statements or re	212, make it a crime for any person epresentations as to any matter within	knowingly and willfully to maits jurisdiction.	ske to any department or agency of the United
			

(Instructions on page 2)