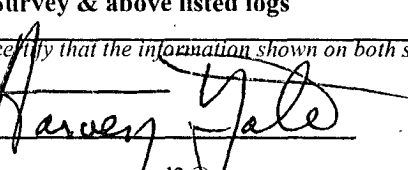


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505		<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>		<b>Form C-105</b> Revised June 10, 2003  <b>WELL API NO.: 30-005-63827</b>	
		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>  State Oil & Gas Lease No. <b>VO 7065</b>			
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>					
1a Type of Well. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____  b Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF WELL OVER BACK RESVR <input type="checkbox"/> OTHER				7. Lease Name or Unit Agreement Name  <b>Scrounger State</b>	
2 Name of Operator <b>Jalapeno Corporation</b>				8. Well No <b>2</b>	
3 Address of Operator <b>PO Box 1608, Albuquerque, NM 87103</b>				9. Pool name or Wildcat <b>Wolf Lake South</b>	
4 Well Location Unit Letter <u>A</u> : <u>990'</u> Feet From The <u>North</u> Line and <u>330'</u> Feet From The <u>East</u> Line  Section <u>13</u> Township <u>9S</u> Range <u>27E</u> NMPM County <u>Chavez</u>					
10 Date Spudded <b>7/30/07</b>		11. Date T.D. Reached <b>8/15/07</b>		12. Date Compl. (Ready to Prod) <b>Plugged 8/30/07</b>	
13 Elevations (DF& RKB, RT, GR, etc ) <b>3875 GL</b>		14 Elev. Casinghead <b>N/A</b>			
15. Total Depth <b>2280</b>		16. Plug Back T.D. <b>Surface</b>		17. If Multiple Compl How Many Zones? <b>None</b>	
18. Intervals Drilled By		Rotary Tools <b>Conquest Energy Serv.</b>		Cable Tools	
19. Producing Interval(s), of this completion - Top, Bottom, Name <b>none</b>					20. Was Directional Survey Made <b>Yes by driller - see attached</b>
21 Type Electric and Other Logs Run <b>Laterology Array Micro-CFL/GR, Compensated Neutron &amp; Deviation Report</b>					22 Was Well Cored <b>No</b>
<b>23. CASING RECORD (Report all strings set in well)</b>					
CASING SIZE		WEIGHT LB /FT		DEPTH SET	
<b>8 5/8"</b>		<b>24 lb</b>		<b>535 ft</b>	
HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED	
<b>12 1/2"</b>		<b>290 sacks</b>		<b>8.4 sacks</b>	
<b>24. LINER RECORD N/A</b>					
SIZE		TOP		BOTTOM	
<b>N/A</b>		<b>N/A</b>		<b>N/A</b>	
SACKS CEMENT		SCREEN			
<b>N/A</b>		<b>N/A</b>			
<b>25. TUBING RECORD</b>					
SIZE		DEPTH SET		PACKER SET	
<b>N/A</b>		<b>N/A</b>		<b>N/A</b>	
AMOUNT AND KIND MATERIAL USED					
<b>28. PRODUCTION</b>					
Date First Production <b>N/A</b>		Production Method (Flowing, gas lift, pumping - Size and type pump) <b>N/A</b>			Well Status (Prod or Shut-in) <b>N/A (P&amp;A)</b>
Date of Test <b>N/A</b>		Hours Tested <b>N/A</b>		Choke Size <b>N/A</b>	
Prod'n For Test Period		Oil - Bbl <b>N/A</b>		Gas - MCF <b>N/A</b>	
Water - Bbl <b>N/A</b>		Gas - Oil Ratio <b>N/A</b>			
Flow Tubing Press. <b>N/A</b>		Casing Pressure <b>N/A</b>		Calculated 24- Hour Rate	
Oil - Bbl. <b>N/A</b>		Gas - MCF <b>N/A</b>		Water - Bbl. <b>N/A</b>	
Oil Gravity - API - (Corr) <b>N/A</b>					
29 Disposition of Gas (Sold, used for fuel, vented, etc.) <b>No gas</b>					Test Witnessed By
30 List Attachments <b>Deviation Survey &amp; above listed logs</b>					
31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief					
Signature 		Printed Name <b>Harvey E. Yates, Jr.</b>		Title <b>President</b>	
E-mail Address: <b>personnel3@msn.com</b>		Date <b>9/24/07</b>			

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates <b>500</b>	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers <b>N/A</b>	T. Devonian	T. Menefee	T. Madison
T. Queen <b>900</b>	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg <b>1168</b>	T. Montoya	T. Mancos	T. McCracken
T. San Andres <b>1582</b>	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

## OIL OR GAS SANDS OR ZONES

No. 1, from ...2180 .....to.....TD ..... No. 3, from.....to.....  
 No. 2, from.....to..... No. 4, from.....to.....

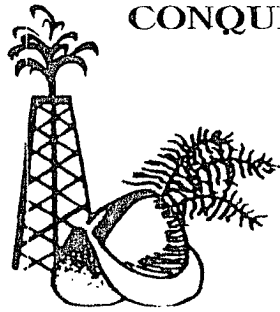
## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

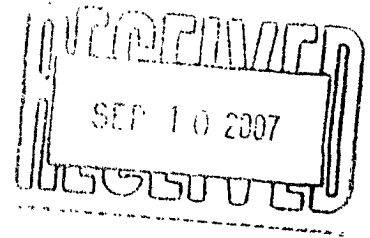
From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	430	430	Alluvium				
430	500	70	Shale				
500	900	400	Red beds, Anhydrite & Salt				
900	1102	102	Red sand, Shale & Salt				
1102	1168	66	Grey sand, Shale				
1168	1582	414	Shale sequence, Dirty grey sand				
1582	2180	598	Limestone, Anhydrite				
2180	TD	?	Dolomite, limestone				



**CONQUEST ENERGY SERVICES, LLC**

3105 East 2nd Street  
P.O. Box 1581  
Gillette, Wyoming 82717-1581  
Phone (307) 685-4210  
Fax (307) 685-4211

Email conquest@vcn.com



**CONQUEST ENERGY SERVICES, LLC – RIG 14**

**OPERATOR:** Jalapeno Corporation  
**WELL/LEASE:** Scrounger State #2  
**COUNTY:** Chaves County, New Mexico  
Sec 13, T9S – R27E  
990' FNL & 330' FEL

**STATE OF NEW MEXICO  
DEVIATION REPORT**

<u>Depth</u>	<u>Deviation</u>
525'	1/2
1012'	3/4
1512'	3/4
2012'	3/4
2275'	3/4

Conquest Energy Services, LLC

Matt Murphy – Managing Member

The foregoing instrument was acknowledged by me on this 5<sup>th</sup> day of September, 2007 by Matt Murphy, Managing Member of Conquest Energy Services, LLC.

My Commission Expires: 2-10-2011

  
Notary for Chaves County, NM