Recomered

### JALAPENO CORPORATION

### PO Box 1608, Albuquerque, NM 87103

phone: (505) 244-0464; facsimile: (505) 242-8501

February 7, 2002 **SENT CERTIFIED** 

OIL CONSERVATION UN

David K. Brooks Assistant General Counsel Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Tim Gum District II Supervisor Oil Conservation Division 1301 W. Grand Ave. Artesia, NM 88210

#### Gentlemen:

On January 23rd this company received from Mr. Brooks a notice that a hearing has been scheduled for February 22, 2002 in which the OCD will seek assessment of civil penalties for this company's failure to bring into compliance one well, the Louise Yates State # 1.

We request that you remove Jalapeno from the hearing docket for the reason that it is not out of compliance in regard to the subject well. The following is a recent history in regard to the well:

Last year on August 7th, after having retrieved information off the OCD web site related to Jalapeno's operated wells, I wrote Mr. Gum a letter, a copy of which is enclosed. In the letter I requested that the OCD information be corrected as to several wells including the Louise Yates State # 1. Mr. Gum's response was included in a letter of August 8th addressed to me c/o of Cibola Energy Corporation. A copy of Mr. Gum's letter is enclosed.

Mr. Gum's response stated that the Commission was not requesting that the well be plugged, only that it be brought into compliance. Because I did not understand why the well was considered to be out of compliance (we were working to determine whether it would make a disposal well), I called Mr. Gum. As you will see from my note made on Mr. Gum's letter, I understood him to say that we should file a Sundry Notice notifying the OCD that the well was

going to be converted to a disposal well and, thereafter, we should file the related application with the Santa Fe OCD office.

A few days later, on August 16th, pursuant to Mr. Gum's statement, the required Sundry Notice was filed with the Artesia OCD office. (A copy of Anne Riggs' cover letter together with a copy of the Sundry Notice are enclosed.) Because an approved copy of the August 16th Sundry Notice had not been returned to us by the Artesia OCD office, Anne Riggs sent, on January 24, 2002, a second notice to Artesia. (A copy of her second Sundry Notice and related cover letter are enclosed.) Today, February 7, 2002, we finally received from the OCD in Artesia a copy of the August 16, 2001 Sundry Notice which was stamped by the OCD: "December 31", "For Record Only." The mail receipt stamp on the Sundry Notice indicates that the OCD office had received the Notice on August 20, 2001 -- more than <u>five</u> months before it was returned to Jalapeno. (I enclose a copy of the returned Sundry Notice as well as a copy of the return envelope which was mailed to Jalapeno from Artesia on February 5th.)

While preparing the "Application" to convert the well to a disposal well, Anne Riggs, because she had not previously prepared such an application, at various times discussed with Mr. Catanach, of the Santa Fe OCD office, various questions related to the Application. I also discussed the pending application with Mr. Catanach.

The above history indicates clearly that even though the OCD is now attempting to hold Jalapeno liable for being non compliant regarding the Louise Yates State # 1, the OCD itself, prior to the issuance of Mr. Brooks' letter, was well aware that Jalapeno was in the process of preparing an application to convert the well to a disposal well and was itself quite tardy (noncompliant?) in acknowledging our submission of the Sundry Notice requested by Mr. Gum in August 2001 to bring the well into compliance.

On January 30th the advertisements required by the Application were commissioned at the Roswell newspaper. On February 1, 2002, copies of the completed Application to convert the Louise Yates State # 1 to a water disposal well were mailed to the Artesia OCD office, to Mr. Catanach at the Santa Fe OCD office, and to the BLM, State Land Office, and affected parties. (A copy of the return receipt from the Artesia OCD and the Santa Fe OCD office are enclosed.)

I request that you remove this company from your docket February 22nd and that you change your records to show that Jalapeno is fully compliant in regard to the Louise Yates State # 1.

Yours truly, 2 /ale

Harvev E. Y*a*ttes, Jr.

Louise yaves State#1

JALAPENO CORPORATION OCD - Com

Box 1608. Album.

PO Box 1608, Albuquerque, NM 87103 File or Danc 94#4

phone: (505) 242-2050; facsimile: (505) 242-8501

August 7, 2001

Tim W. Gum District II Supervisor Oil Conservation Division 1301 W. Grand Ave. Artesia, NM. 88210

New Mexico Oil Conservation Division. 1220 S. St. Francis Dr. Santa Fe, New Mexico 87504

Dear Mr. Gum:

We recently got information off of the OCD web site related to the wells operated by Jalapeno Corporation. ( See, attached the web site information.) That information is not correct in regard to several wells. We would appreciate your updating the OCD information to correct it.

**DUNCAN FEDERAL 4Y:** This company, rather than Cibola Energy Corporation, operates the subject well. (See the attached change of operator form which was approved by the BLM on January 27, 2000.) We would appreciate your adding the 4Y to this company's list of wells and deleting it from your list of Cibola operated wells. You will notice from the web site information that the OCD shows the other Duncan Federal wells, which were included on the same change of operator form, as being operated by Jalaneno.

Several years ago, when Cibola did operate this well, it filed with the OCD in Santa Fe an application to convert this well to a water disposal well. That permission was granted, subject to Cibola's doing certain work on surrounding wells to make sure those bore holes were protected from disposed water. The required work was done, but the time limit set under the QCD Order allowing water disposal, had expired before the work was completed. After Jalapeno assumed operations of the well we again contemplated requesting renewed authority from the OCD to, inject water into the Duncan 4Y. However, a further examination of the well logs, as well as the results of a pressure test which was conducted on the well, have led us to conclude that the injection pressures would be too great to justify using the Duncan 4Y as a disposal well. Consequently, we decided to plug this well. An application to plug the well was approved by the BLM on June 27, 2001 and Basic Services, a Texas plugging company, has agreed to plug it. (We enclose a copy of the approved plugging application.) We were advised by Basic that they would have a rig in the area either around August 15th or September 5th, and that the well would be plugged then.

A casing integrity test was conducted on the well on November 30, 2000. Both the OCD and the BLM were notified prior to the test that it would be conducted. Neither chose to send a

witness. We enclose a copy of the Sundry Notice filed with the BLM as well as a copy of the pressure chart.

ROX #3 (15856): This well was plugged on April 24, 1995. (Please see attached the plugging report approved by Ken Livingston of the OCD on September 15, 1995.) We would appreciate your having the well removed from the OCD web site.

WHITNEY # 1 & WHITNEY # 5 (13909): Your records show that the Whitney # 1 has not been producing. Though the Whitney # 1 was down for an extended period, it was put back on production in 2000, and produced into a common tank battery with the Whitney # 5. (Enclosed is a copy of a letter from the oil purchaser, Phillips, evidencing that the well was producing.) Because of confusion arising from the fact that the Whitney 1 was producing into the same tank as the Whitney 5, the person doing the C-115s failed to indicate that the Whitney 1 was contributing part of the production. When this mistake was discovered, corrected C-115s were filed. In any case, both of these wells were sold to Paloma Blanca Well Service Co. effective June 30, 2001. A copy of the change of operator form, which was filed in Artesia with the OCD, is enclosed. We would appreciate your removing these wells from the Jalapeno portion of the OCD web site.

LOUISE YATES STATE #1 (28049). This well was drilled to 3,322 ft, and subsequently plugged back to 2,366 ft. (See, the attached Sundry Notice dated 3/27/98, as well as the initial completion report of 5/28/97.) It was completed as a producer in the Slaughter zone of the San Andres formation on 3/13/98. However, production was less than anticipated and the well was shut in soon thereafter. This well is located in the Wolfe Lake San Andres field which is producing a significant amount of water. Since we abandoned the idea of using the Duncan 4Y as a water disposal well (see above), we are examining the possibilities of using the Louise Yates State #1 as the disposal well instead. Thus, we prefer not to plug the well at this time.

If you need more information on any of the above discussed wells, please call me at the number above.

Yours truly

Harvey E. Yates Jr.

for Jalaneno Corporation

**⊋1.**5€

If all walls and completions on this list are not part of this transfer, send this list to the appropriate OCD District Office with exceptions noted and supporting paperwork so corrections can be made. If this list agrees with your records and bonding requirements are satisfied, contact OCD in Sents 96 for a final list to submit to the OCD District with your C-104A.

PREVIOUS OPERATOR: 26307 JALAPENO CORP

OCD DISTRICT: ARTESTA

| PROP-<br>ERCY WELL NAME                          |   | ULSTR                        | OCTO<br>UNIT WEI<br>LIR API TYS |  | LAST<br>PROD/INJ   | MINIMON IF INDI<br>ADDITIONAL ADV. DI<br>BOND REQD OF TILL |
|--|---|------------------------------|---------------------------------|--|--------------------|--|
| 15779 DUNCAN FEDERAL #002<br>DUNCAN FEDERAL #005 |   | 4-07-098-28E                 |                                 | C 65070 WOLF LAKE; SAN ANDRES<br>O 65070 WOLF LAKE; SAN ANDRES | 03-2001<br>03-2001 |  |
| 17209 EMMANS STATE #001                          |   | 1-15-053-288                 | i 36-885-62771                  | C 650%5 WOLF LAKE; SAN ANDRES, SOUTH                           | 03-2001            |  |
| 0048s LOUICE STATE #001                          |   | N-07-098-368                 | 30-0 <b>05-</b> ç2894           | D 65070 WOLF LAFE; SAN AMBRES                                  | PK-1998            | 3,030  |
| 28049 LOUISE WATES STATE #002                    | · | K-07-098-28E                 | K 30-805-69381                  | 0  |                    |  |
| 15856 ROX #003                                   |   | 4-31-103-16E                 | 3 <b>6-025-627</b> 50           | c ·  |                    |  |
| 12909 MEITNEY #001                               |   | 1-34-103-275<br>1-34-108-275 |                                 | O 17640 DIABLO:SAN ANDRES<br>O 17640 DIABLO:SAN ANDRES         | 01-1992            | CALL DIS   |

70TAL

JUN-12-01 TUE 01:08 PM



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT



GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Course Jakes Date#1 Lori Wrotenbery Director Oil Conservation Division

August 8, 2001

CIBOLA ENERGY CORPORATION P.O. BOX 1668 ALBUQUERQUE, NM 87103-1668

RE: INACTIVE NON-COMPLIANCE WELL STATUS

Dear Harvey:

Thank you for the timely response to my letter request of July 25, 2001. The data you provided on the Plains well was a big help in getting our information correct.

The three wells J.P White no. 1, Whitney wells no. 1 & 2 are being processed for change of operator.

Based on a recent inspection, the location of the State no.1 is still has trash and a tank on location, until this is removed the P&A can not be relased.

In regard to the Louise Yates State well, we are not asking that the well be plugged, only brought into compliance.

Sincerely,

Jan W. Sam

Tim W. Gum District II Supervisor Oil Conservation Division 8/14/01

I called Tim Gen re This x asked what weeds to be done to bring if in compliance. He saidly we are going to make disposed well we went to file Sundry a deis is olifage.

OCD + 30 on a file application.

W/SP,

| Submit 3 Copies To Appropriate District Office      | State of New Mexico   |   | Form C-103                                      |  |  |
|---|---|---|---|--|--|
| District I<br>1625 N. French Dr., Hobbs, NM 88240   | Energy, Minerals and Natu   | ral Resources                           | WELL API NO.                                    | Revised March 25, 1999                             |  |
| District II<br>811 South First, Artesia, NM 87210   | OIL CONSERVATION  | DIVISION                                | 30-005-628                                      |  |  |
| District III  | 1220 South St. Fra  |   | 5. Indicate Type of                             | •  |  |
| 1000 Rio Binzos Rd., Aztec, NM 87410<br>District IV | Santa Fe, NM 87   | 7505                                    | STATE X  6. State Oil & Ga                      |  |  |
| 1220 S. St. Francis Dr., Santa Fe, NM 8750          |   |   | VA-240  | 1  |  |
| (DO NOT USE THIS FORM FOR PROPO                     | ICES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLA CATION FOR PERMIT" (FORM C-101) FO  Other | JG BACK TO A                            | 7. Lease Name or<br>Louise Yate                 | Unit Agreement Name:                               |  |
| 2. Name of Operator                                 | LJ Other  |   | 8. Well No.                                     |  |  |
| Jalapeno Corporatio                                 | <u>n</u>  | <del></del>                             | 1   | · · · · · · · · · · · · · · · · · · ·              |  |
| 3. Address of Operator<br>P.O. Box 1608, A11        | ouquerque, NM 87103-1   | 608                                     | 9. Pool name or W                               | /ildeat<br>San Andres                              |  |
| 4. Well Location                                    |   |   |   |  |  |
| Unit Letter_N:                                      | 330 feet from the South   | line andi                               | 980 feet from                                   | the West line                                      |  |
| Section 7   | Township 9S R   | inge 28E                                | NMI'M Chaves                                    | County NM  |  |
|   | 10. Elevation (Show whether D   |   |   | N.S. C. M. Francisco                               |  |
| Charle  | Appropriate Box to Indicate N   | ature of Nation                         | Parant or Other I                               | Data   |  |
| NOTICE OF IN  |   |   | SEQUENT REF                                     |  |  |
| PERFORM REMEDIAL WORK                               |   | REMEDIAL WOR                            |   | ALTERING CASING 🖂                                  |  |
| TEMPORARILY ABANDON                                 | CHANGE PLANS  | COMMENCE DR                             | ILLING OPNS.                                    | PLUG AND   |  |
| PULL OR ALTER CASING                                | MULTIPLE  COMPLETION  | CASING TEST A                           | ND 🗆  | ABANDONMENT -                                      |  |
| OTHERConvert to Salt W                              | later Disposal 🖾  | OTHER:                                  |   |  |  |
| 12. Describe proposed or comple                     | ted operations. (Clearly state all pe<br>). SEE RULE 1103. For Multiple (                             | rtinent details, and completions: Attac | give pertinent dates, i<br>h wellbore dingram o | including estimated date<br>of proposed completion |  |
| We propose to conve                                 | ert this well into a Sa   | lt Water Dis                            | posal well, to                                  | o dispose of                                       |  |
| water produced fro                                  | om the Wolfe Lake Field   | San Andres-                             | producing well                                  | ls into  |  |
| perforations in the                                 | Louise Yates State #1   | , in both th                            | e Slaughter a                                   | nd San Angelo                                      |  |
| zones of the San Ar                                 | dres.   |   | ·   | ,  |  |
| An application is b                                 | eing prepared for subm  | ission to th                            | e OCD in Santa                                  | a Fe to make                                       |  |
| the Louise Yates St                                 | tate #I a disposal well   | •                                       |   |  |  |
| •   |   | •                                       |   | •  |  |
| •   |   |   | •   | •  |  |
|   |   |   |   |  |  |
| Thereby certify that the information                | on above is true and complete to the  | best of my knowle                       | dge and belief.                                 | / /  |  |
| SIGNATURE JAWW                                      | TITLE   | President                               |   | _date <i>\$/16/01</i>                              |  |
| Type or print name Harvey E                         | . Yates, Jr.  |   | Telep   | hone No.(505) 242-2050                             |  |
| (This space for State use)                          |   | · · · · · · · · · · · · · · · · · · ·   |   |  |  |
| APPPROVED BY  | TITLE_  |   |   | DATE   |  |
| Conditions of approval, if any:                     |   |   |   |  |  |

## Jalapeno Corporation

P.O. Box 1608

Albuquerque, NM 87103-1608

Phone: (505) 242-2050 Fax: (505) 242-8501

August 16, 2001

New Mexico Oil Conservation Division Artesia Office 1301 W. Grand Ave. Artesia, NM 88210

RE:

Notice of Intention

Conversion to Salt Water Disposal Well

Louise Yates State #1

Dear Sir/Madam:

Enclosed please find 3 copies of Form C-103 requesting a conversion of the above-captioned well to a salt water disposal well.

Thank you.

Sincerely yours,

Anne Riggs, Adm. Asst. To

Harvey E. Yates, Jr., President

| Submit 3 Copies To Appropriate District Office   | State of N                              |                |                             |                                       |                                       | r C-103                 |
|--|---|----------------|-----------------------------|---------------------------------------|---------------------------------------|-------------------------|
| District I   | Energy, Minerals a                      | nd Natur       | al Resources                | · · · · · · · · · · · · · · · · · · · | Revised March                         | 1 25, 1999              |
| 1625 N. French Dr., Hobbs, NM 88240<br>District H  |   |                | ,                           | WELL API NO<br>30-005-62              |                                       |                         |
| 811 South First, Attesia, FIM 87210  | OIL CONSERVATION DIVISION               |                |                             | 5. Indicate Typ                       |                                       | <del></del>             |
| District III<br>1000 Rio Brazos Rd., Aztec, NM 87410   | 1220 South St. Francis Dr.              |                |                             | STATE                                 | · · · · · · · · · · · · · · · · · · · | ן כ                     |
| District IV  | Santa Fe,                               | , NM 87.       | 505                         |                                       | e Cins Lense No.                      |                         |
| 1220 S. St. Francis Dr., Santa Fc, NM 875  | 05                                      |                |                             | .VA 2                                 |                                       |                         |
| SUNDRY NOT<br>(DO NOT USE THIS FORM FOR PROFI<br>DIFFERENT RESERVOIR, USE "APPL<br>PROPOSALS.)     |   | EN OR PLU      |                             | ,                                     | on Unit Agreemer Yates State          |                         |
| I. Type of Well: Oil Well XXI Gas Well   | ☐ Other                                 |                |                             |                                       |                                       | <u> </u>                |
| 2. Name of Operator  |   |                |                             | 8. Well No.                           | 1                                     |                         |
|  | eno Corporation                         | ·              |                             |                                       |                                       |                         |
| 3. Address of Operator P.O. Box 1608,  | Albuquerque, NM.                        | 87103-         | 1608                        | 9. Pool name<br>Wolfe Lak             | o Wildcat<br>e San Andres             | s; South                |
| 4. Well Location   | *************************************** |                | -=54.5 5 /                  |                                       |                                       |                         |
| Unit Letter N  | : 330 feet from the                     | South          | line_and _19                | 9 <u>80</u> feet                      | from the _West_                       | fine                    |
| Section 7  | Township 9-                             | -S Ra          | ngc 28∸E                    | MMPMCE                                | og County                             | }                       |
|  | 10. Elevation (Show u                   | hether DI      | R. RKB. RT. GR. of          | (:)                                   |                                       |                         |
|  | Appropriate Box to Inc                  | licate Na      | iture of Notice,            | Report or Oth                         | er Data                               | Salara acambar( acara-a |
|  | NTENTION TO:                            |                |                             |                                       | REPORT OF:                            |                         |
| PERFORM REMEDIAL WORK [  | ] PLUG AND ABANDON                      |                | REMEDIAL WOR                |                                       | ] ALTERING C                          | :ASING 🔲                |
| TEMPORARILY ABANDON E  | CHANGE PLANS                            |                | соммёнсь рв                 | ягыно овия.[                          | T PLUG AND BANDONM                    |                         |
| PULL OR ALTER CASING C   | OMPLETION                               |                | CASING TEST A<br>CEMENT JOB | MD [                                  | _]<br>,                               | _                       |
| OTHER: Convert to SWD  | well                                    | <b>XX</b> K    | OTHER:                      |                                       |                                       |                         |
| 12. Describe proposed or complete of starting any proposed wor or recompilation.  This well was or |   | Multiple (     |                             |                                       |                                       |                         |
|  | not satisfactory;                       |                |                             | 1                                     | d. trada                              |                         |
| perfed again & a   | acidized, but was                       | theres         | ttor dut i                  | was prugge                            | d back,                               | N 4 - m                 |
| production. On   | August 7, 2001, 1                       | n a le         | tter to Tim                 | . Gum we ct                           | ok of adequa                          | ice<br>intitor          |
| to examine the   | well to determine                       | whethe         | r it would r                | nake an ade                           | duate dispos                          | al.                     |
| well.  |   |                |                             |                                       | quisco analysis                       |                         |
| Today we are sul<br>. Our application  | bmitting this Noti<br>for conversion to | ce of<br>SWD w | Intention to                | o Convert to                          | o a SWD well<br>ta Fe OCD of          | fice.                   |
|  |   |                |                             |                                       | • .                                   |                         |
|  | , i                                     |                |                             |                                       |                                       | •                       |
| ,  |   |                |                             |                                       |                                       |                         |
|  |   |                |                             |                                       | •                                     |                         |
| <u> </u>   | <i>:</i>                                |                |                             |                                       |                                       |                         |
| I hereby coatify that the informat   | tion above is true and comp             | lete to the    | best of my knowle           | edge and belief.                      | · .                                   | • •                     |
| SIGNATURE AY: Pencer   | 7 /a S                                  | _1111.6_       | President                   |                                       | DATE <u>1/2</u>                       | 24/02                   |
| Type or print name - Rarvey  | 1 ~~                                    |                |                             | ;                                     | Lelephone Do <u>505</u> -             | -242-2050               |
| (This space for State use)   |   |                |                             |                                       |                                       |                         |
| •  | •                                       | 4317.5         | ·                           |                                       | DATE                                  |                         |
| APPPROVED BY   |   | 0.0.6          |                             |                                       | DATE                                  | :                       |
| 11 , , , , , , , , , , , , , , , , , ,   |   |                |                             |                                       |                                       |                         |

# Jalapeno Corporation

P.O. Box 1608

Albuquerque, NM 87103-1608 Phone: (505) 242-2050 Fax: (505) 242-8501

January 24, 2002

NM-OCD, District II Attn: Mr. Tim Gum 1301 W. Grand Ave. Artesia, NM 88210

RE: C-103, Intent to Convert Louise Yates State #1 Chaves County Sec.7-N, Twn 9-S, Rge 28-E

Dear Mr. Gum:

In a letter to you of August 7, 2001, we notified you of our examination of the possible use of the subject well as a disposal well. We intend to convert the well to a salt water disposal well.

Enclosed for your approval, please find our original C-103 and two copies. The application itself is being sent to the Santa Fe office.

Thank you.

Sincerely yours.

Anne Riggs, Adm. Asst. To

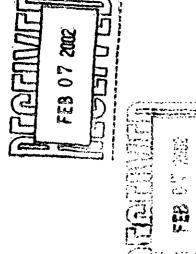
YCANI MY gayer

Harvey E. Yates, Jr., President,

| Many .   | ^  |
|--|--|
| Submit 3 Copies To Appropriate District  State of New M  | exico Form C-103   |
| Office <u>District 1</u> Energy, Minerals and Nat  | ural Resources Pevised March 25, 1999  |
| 1625 N. French Dr., Hobbs, NM.88240<br>District II   | WELL API NO. 30-005-62894  |
| 811 South First, Arlesin, NM 87210 OIL CONSERVATION District III 1220 South St. Fr   | V DIVISION 5 Indicate Type of Lease  |
| 1000 Dia Dance of L. 1. 184 07410  |  |
| District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505  | 6. State Oil & Gas Lease No. VA-2401   |
| SUNDRY NOTICES AND REPORTS ON WELL  (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEFEN OR P DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM: C-101)   PROPOSALS.)  1. Type of Well: Oil Well  Gas Well  Other  2. Name of Operator Jalapeno Corporation   | 4  |
| 3 Address of Operator  |  |
| 1  | 16081 Wolf Lake San Andres   |
| 4. Well Location   | ·  |
| Unit Letter N : 330 feet from the South  | line and 1980 feet from the West line  |
| Section 7 Township 9S  | Range 28E NMPM Chaves County NH  |
| 10. Elevation (Show whether  |  |
| 11. Check Appropriate Box to Indicate  | Valure of Notice, Report or Other Data   |
| NOTICE OF INTENTION TO:  | SUBSEQUENT REPORT OF:  |
| PERFORM REMEDIAL WORK [ PLUG AND ABANDON [   | REMEDIAL WORK  |
| TEMPORARILY ABANDON ( ) CHANGE PLANS   | COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT   |
| PULL OR ALTER CASING  MULTIPLE  COMPLETION   | CASING TEST AND CEMENT JOB   |
| OTHERConvert to Salt Water Disposal  | OTHER:   |
| <ol> <li>Describe proposed or completed operations. (Clearly state all p<br/>of starting any proposed work). SEE RULE 1103. For Multiple<br/>or recompilation.</li> </ol>  | ertinent details, and give pertinent dates, including estimated date: Completions: Attach wellbore diagram of proposed completion  |
| We propose to convert this well into a S   | alt Water Disposal well, to dispose of   |
| water produced from the Wolfe Lake Fiel  |  |
| perforations in the Louise Yates State $\#$  | l, in both the Slaughter and San Angelo  |
| zones of the San Andres.   |  |
| An application is being prepared for sub   | mission to the OCD in Santa Fe to make   |
| the Louise Yates State #1 a disposal wel   | The state of the s |
| and managed and the same property of the same prope | ,  |
|  |  |
|  |  |
| I hereby certify that the information alroye is true and complete to the   | a boot of my knowledge and ballof  |
| = 7()  | President DATE \$/16/0/  |
| Type or print name: Marvey E. Yates, Jr.   | Telephone No. (505) 242-202  |
| (This space for State use)   |  |
| ARDDOCUUEIN UN   | OEC 31 200   |
| APPROVED BY  | DATE   |

FOR RECORD ONLY



87103-1608 JALAPENO CORP PO BOX 1608 ALBUQUERQUE NM 8 

|                       | $0 \wedge 1$   |
|-----------------------|--|
| lew Me                | xico Form C-103  |
| nd Natu               | ral Resources Pevised March 25, 1999                               |
| Large                 | WELL API NO.<br>30-005-62894                                       |
|                       | DIVISION 1cis Dr.  5. Indicate Type of Lease                       |
| NM 87                 | STATE BA FEB L.  |
| (61)                  | 6. State Oil & Gas Lease No. VA-2401                               |
| WELLS                 | 7. Lease Name or Unit Agreement Name:                              |
| N OR PLE<br>C-101) FO | UGBACK TO A TO                       |
| r c                   | Drough the Lates State   |
| UCD                   | ARIFC $A$  |
| 19<br>150             | A WENTON   |
| 103=1                 | 9. Pool name or Wildcat<br>Wolf Lake San Andres                    |
| <del></del>           |  |
| puth                  | line and 1980 feet from the West line                              |
| Ra                    | ngc 28E NMPM Chaves County NM                                      |
|                       | R, RKB, RT, GR, etc.)  |
| cate N                | ature of Notice, Report or Other Data                              |
| 0010 11               | SUBSEQUENT REPORT OF:  |
|                       | REMEDIAL WORK  |
| KX                    | COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT                       |
| J                     | CASING TEST AND CEMENT JOB   |
| 20                    | OTHER:   |
|                       | tinent details, and give pertinent dates, including estimated date |
| ultiple (             | Completions: Attach wellbore diagram of proposed completion        |
| · .                   |  |
|                       | It Water Disposal well, to dispose of                              |
|                       | San Andres-producing wells into                                    |
| :e #1                 | , in both the Slaughter and San Angelo                             |
|                       | •  |
| subm                  | ission to the OCD in Santa Fe to make                              |
| well                  |  |
|                       |  |
|                       | · ·  |
|                       |  |
| to the                | best of my knowledge and belief.                                   |
| TILE_                 | President DATE S/16/0/   |
| ;                     | Telephone No. (505) 242-2050                                       |

DEC 31 2001

\_DATE

APPPROVED BY Conditions of approval, if any:

FOR RECORD ONLY

| <ul> <li>■ Complete items 1 and/or 2 for additional services.</li> <li>■ Complete items 3, 4n, and 4b.</li> <li>■ Print your name and address on the reverse of this form so that we card to you.</li> </ul>  | e can return this   |  | to receive the<br>ervices (for an                            |          |
|---|---|--|--|----------|
| <ul> <li>Attach this form to the front of the mailpiece, or on the back if spacepermit.</li> <li>Write "Return Receipt Requested" on the mailpiece below the article.</li> <li>The Return Receipt will show to whom the article was delivered and delivered.</li> </ul> | le number.  | 2. 🗍 Re  | dressee's Address<br>stricted Delivery<br>strnaster for fee. | ;        |
| 3. Article Addressed to:  NM Oil Conservation Division  Attn: Mr. David Catanach  Engineering Bureau  1220 South St. Francis Dr.  Santa Fe, NM 87505  | 48. Article No. 0 3 2 4b. Service T Repistere C Express No. 1 Return Record To Date of Dec. | 0 002<br>Type<br>od<br>Mail<br>ceipt for Merch | k 330 52k i<br>XXX Certifie<br>☐ Insured<br>andise ☐ COD     | 2<br>d 1 |
| 5. Received By: (Print Name)  6. Signature: (Addressee or Agent)  X  PS Form 3811, December 1994  | 8. Addressee<br>and fee is  | paid)  | Only if requested Return Receip                              | <br>     |

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| on the reverse side?   | SENDER:  *Complete items 1 and/or 2 for additional services.  *Complete items 3, 4a, and 4b.  *Thirt your name and address on the reverse of this for card to you.  *Attack this form to the front of the mailpiece, or on the pertuit.  *Write *Betturn Receipt Requested* on the mailpiece bal  *The Return Receipt will show to whom the article was delivered. | back if spac | en does not<br>le number.  | I also wish to receive the following services (for an extra fee):  1. [] Addressee's Address 2. [] Restricted Delivery Consult postmaster for fee. |
|------------------------|--|--------------|--|--|
| TR AVOIDED Completed o | 3. Arlicin Addressed to: NM-OCD, District II 1301 W. Grand Avenue Artesia, NM 88210  |              | 4b. Service 1 C) Registere C) Express f D Return Rec 7. Date of De | Type  Id . XXX Certified  Mail : Insured  Celpt for Merchandise : COD  Slivery : 1/- 6   |
| וא אפתר ייבייטן        | 5. Received By: (Print Name) 6. Signature: (Addressee or Agent)  X  PS Form 3811, December 1994  |              | 8. Addressee<br>and fee is   | 's Address (Only if requested paid)  Domestic Return Receipt   |

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