

N.M. OIL CONSERVATION DIVISION

811 S. FIRST STREET  
ARTESIA, NM 88210

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**RECEIVED**  
JAN 24 2013  
NMOCD ARTESIA

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-100542

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 330' FEL, SEC. 12, T-9S, R-27E

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

8. Well Name and No. PAISANO FEDERAL #1

9. API Well No. 30-005-63840

10. Field and Pool or Exploratory Area WOLF LAKE SAN ANDRES, SOUTH

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 checked="" 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input 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. If the proposal is to deepen directionally or recomplate 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 recompletion 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.

TO INCREASE PRODUCTION IN THIS WELL, WE PROPOSE TO:

- PULL TUBING OUT OF HOLE AND TAG CEMENT AT 2250'
- DRILL OUT THE CEMENT FROM 2250' TO 2265' (APPROXIMATELY 5 FEET BELOW ANTICIPATED BOTTOM PERFORATION) USING A REVERSE CIRCULATION UNIT.
- PREFORATE THIS WELL AT THE FOLLOWING DEPTHS: 2231-2232, 2235-2240, 2243-53 and 2255-2259 AND PERFORATE AT 2 SHOTS PER FOOT FOR A TOTAL OF 48 PERFORATIONS.
- ACIDIZE THE NEW PERFORATIONS AS NECESSARY.

APPROVED FOR 3 MONTH PERIOD  
ENDING APR 15 2013

Accepted for record  
NMOCD 105/29/2013

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) H. EMMONS YATES, III

Title GEOLOGICAL ANALYST

Signature *H. Emmons Yates*

Date 12/06/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS Title PETROLEUM ENGINEER Date JAN 15 2013

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.