| Subr S To Appropriate District  | State of New Mexico   | Form C-103   |
|---|---|--|
| Office District I   | Energy, Minerals and Natural Resources                      | May 27, 2004                                       |
| 1625 N. French Dr., Hobbs, NM 88240   |   | WELL API NO.                                       |
| District II<br>1301 W. Grand Ave., Artesia, NM 88210  | OIL CONSERVATION DIVISION                                   | 30-005-63657  5. Indicate Type of Lease            |
| District III  | 1220 South St. Francis Dr.                                  | STATE S FEE  |
| 1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV   | Santa Fe, NM 87505  | 6. State Oil & Gas Lease No.                       |
| 1220 S. St. Francis Dr., Santa Fe, NM   |   | VA 2401  |
| 87505<br>SUNDRY NO  | TICES AND REPORTS ON WELLS                                  | 7. Lease Name or Unit Agreement Name               |
| (DO NOT USE THIS FORM FOR PROP  | OSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A               |  |
| DIFFERENT RESERVOIR. USE "APPL PROPOSALS.)  | ICATION FOR PERMIT" (FORM C-101) FOR SUCH                   | Louise Yates State                                 |
| 1. Type of Well: Oil Well   | Gas Well  Other   | 8. Well Number 3                                   |
| 2. Name of Operator   |   | 9. OGRID Number                                    |
| Jalapeno Corporation  |   | 26307  |
| 3. Address of Operator  |   | 10. Pool name or Wildcat                           |
| P.O. Box 1608, Albuquerque, NM  | 1 87103   | Wolf Lake South                                    |
| 4. Well Location  |   |  |
| Unit Letter N: 330 feet from the South line and 2310 feet from the West line  |   |  |
| Section7  | Township9-SRange28ENM                                       |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  |   |  |
| 3891 GR    Pit or Below-grade Tank Application □ or Closure □   |   |  |
| Pit typeDepth to GroundwaterDistance from nearest fresh water wellDistance from nearest surface water   |   |  |
| Pit Liner Thickness:mil Below-Grade Tank: Volumebbls; Construction Material   |   |  |
| Pit Liner I hickness:mil  | Below-Grade Tank: Volumebbls; Construction Mater            |  |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  |   |  |
| 12. Check Appropriate Box to indicate Nature of Notice, Report of Other Data  |   |  |
| NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:   |   |  |
| PERFORM REMEDIAL WORK   |   |  |
| <del>-</del>  |   | RILLING OPNS. P AND A                              |
| PULL OR ALTER CASING [  | ☐ MULTIPLE COMPL ☐ CASING/CEME                              | NT JOB   |
| OTHER: Orilling Pros  | Ness OTHER:   | <b>D</b>   |
|   | npleted operations. (Clearly state all pertinent details, a | and give pertinent dates, including estimated date |
| of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion   |   |  |
| or recompletion.  |   |  |
| Duilland to 2000 1/ ft  | in Claumhton - on a of the Con Andrea                       | Deter Dir mening off as                            |
| Drilled to 2289 ½ ft in Slaughter zone of the San Andres. Rotary Rig moving off as  |   |  |
| planned to make ro  | om for cable tool rig.                                      | DE0=::-  |
|   |   | RECEIVED   |
|   |   | MAR 0 8 2006                                       |
|   | O   | DU-MATEOM  |
|   |   |  |
|   |   |  |
|   |   |  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan. |   |  |
| Jalapeno Corpo  |   | _ or an (accuracy arter mative oce approved plan   |
| SIGNATURE by James  | TITLE President   | DATE 3/1/06  |
| Type or print name: Harvey Yates Fr. E-mail address: personnel3@msn.com Telephone No. 505-242-2050  |   |  |
| For State Use Only EAD DECORDS ONLY   |   |  |
|   |   | DATE MAR 0 9 2006                                  |
| APPROVED BY:  | TITLE   | DATE   |
| Conditions of Approval (if any):  |   |  |