NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
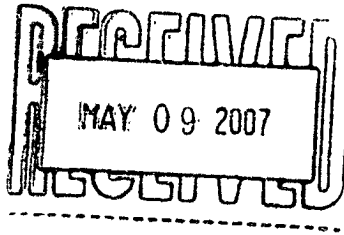
BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire P.E.
Director
Oil Conservation Division

RECEIVED MAY 09 2007

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MAY 29 2008
OCD-ARTESIA

May 7, 2007

Jalapeno Corporation
PO Box 1608
Albuquerque, NM 87103

Form C-103 Report of Plugging for your

— 30-005-63752	LOUISE YATES STATE	—005
~~30-005-63752~~	~~LOUISE YATES STATE~~	~~005~~

has been approved for plugging of the well bore **only** pending final inspection by NMOCD. **Please check each item in the space provided to indicate that the work has been accomplished** and the location is ready for final inspection.

☑ 1. All pits have been filled and leveled.

☑ 2. Rat hole and cellar have been filled and leveled.

☑ 3. A steel marker 4" in diameter and approximately 4' above mean ground level has been set in concrete to mark the exact location of the plugged well. (Marker must have operator name, lease name, well number and location including quarter/quarter section or unit letter, section, township, range and API well ID number permanently welded, stamped or otherwise engraved into the metal marker.)

☑ 4. The location has been leveled as nearly as possible to original top ground contour and has been cleared of all junk and equipment.

☑ 5. The dead men and tie downs have been cut and removed.

☑ 6. If a one well lease or last remaining well on lease, the battery and burn pit locations have been leveled and cleared of all junk & equipment.

☑ 7. All environmental concerns have been addressed as per OCD guidelines.

The above are minimum requirements and no plugging bond will be cancelled until all locations for plugged and abandoned wells have been inspected and Form C-103 approved.

When all of the work outlined above has been done, please notify this office by completing, signing and returning this letter to us so that our representative will not have to make more than one trip to the location.

I certify that the above work has been done and the above-mentioned lease is ready for OCD inspection and approval.

Jalapeno Corporation

by: _____
Name

_____
Gerry Guye / Compliance Officer

OK TO
Release.

Oil Conservation Division * 1301 W. Grand Ave.* Artesia, NM 88210
Phone: (505) 748-1283 * Fax (505) 748-9720 * http://www.emnrd.state.nm.us/ocd