

Form 3160-3
(April 2004)

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NMOCS ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No 1004-0137
Expires March 31 2007

Rm

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **JALAPENO CORPORATION**

3a. Address
P.O. 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**

5. Lease Serial No
NM 100542

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or 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 APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

☐ Acidize
☐ Alter Casing
☐ Casing Repair
☐ Change Plans
☐ Convert to Injection

☐ Deepen
☐ Fracture Treat
☐ New Construction
☐ Plug and Abandon
☐ Plug Back

☐ Production (Start/Resume)
☐ Reclamation
☐ Recomplete
☐ Temporarily Abandon
☐ Water Disposal

☐ Water Shut-Off
☐ Well Integrity
☒ Other **Disposal of
Produced Water**

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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THE DISPOSAL WATER IS TRUCKED OFF LOCATION BY A COMMERCIAL HAULER TO AN AUTHORIZED WASTE DISPOSAL FACILITY (SEE ATTACHED WATER PRODUCTION & DISPOSAL INFORMATION FORM AND PRODUCTION WATER ANALYSIS REPORT FOR FURTHER DETAILS).

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

JUN BARRACK

Title **OIL AND GAS OPERATIONS ASSOCIATE**

Signature

Jun Barrack

Date

05/06/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title **PETROLEUM ENGINEER**

Date

MAY 18 2010

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 1221 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 or to any matter within its jurisdiction.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

MR

RECEIVED
2010 MAY 11 AM 9:52
SUPERVISOR OF LAND MANAGEMENT
ROSWELL OFFICE

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formation producing water on lease. Wolf Lake, San Andres, South

2. Amount of water produced from all formations in barrels per day. From 9/09 – 2/10,
the Paisano Federal # 1 well produced approximately 39 bbl of water per day.
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, pH and the concentration of chlorides and sulfates. (One sample will suffice if water is commingled) See attached water analysis report
4. How water is stored on lease. Water is stored in a 210bbl Fiberglass Water Tank

5. How water is moved to the disposal facility. The water is hauled off by a commercial
transporter company (JWS-Jim's Water Service of New Mexico, Inc.) and then the
extracted water is taken to an authorized Water Disposal Facility.
6. Disposal Facility:
 - A. Facility Operator name: Gandy Marley, Inc. (NM 711-01-0019)
 - B. Name of facility or well name and number: Gandy Marley Landfarm
 - C. Type of facility or well (WDW) (WIW) etc.: Waste Disposal Facility
 - D. Location: 04-11S-31E (Chaves County)

Submit to this office, 2909 W Second St. Roswell, NM 88201, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, with the abatement period. (This form may be used as an attachment to the Sundry Notice)

Analytical Laboratory Report for:
JALAPENO CORPORATION



BJ Chemical Services
Account Representative:
Richard D Nailon

Production Water Analysis

Listed below please find water analysis report from: Paisano Federal, 1

Lab Test No: 2010102662 Sample Date: 01/01/2010
Specific Gravity: 1.158

TDS: 241895
pH: 6.20

Cations:	mg/L	as:
Calcium	3600	(Ca ⁺⁺)
Magnesium	719	(Mg ⁺⁺)
Sodium	109154	(Na ⁺)
Iron	3.50	(Fe ⁺⁺)
Potassium	1021.0	(K ⁺)
Barium	0.06	(Ba ⁺⁺)
Strontium	46.16	(Sr ⁺⁺)
Manganese	0.50	(Mn ⁺⁺)
Anions:	mg/L	as:
Bicarbonate	1501	(HCO ₃ ⁻)
Sulfate	3450	(SO ₄ ⁼)
Chloride	122400	(Cl ⁻)
Gases:		
Carbon Dioxide	370	(CO ₂)
Hydrogen Sulfide	17	(H ₂ S)

**BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272**

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office for wells in Chaves or Roosevelt County if you have not already done so.