

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised May 08, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-63381-00-00
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VA-2401-0000
7. Lease Name or Unit Agreement Name LOUISE YATES STATE
8. Well Number 2
9. OGRID Number 26307
10. Pool name or Wildcat WOLFE LAKE-SAN ANDRES, SOUTH

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	RECEIVED OCT 22 2004
2. Name of Operator JALAPENO CORPORATION	660-ARTESIA
3. Address of Operator PO BOX 1608 ALBUQUERQUE, NM 87103	
4. Well Location Unit Letter <u>K</u> <u>1650</u> feet from the <u>SOUTH</u> line and <u>2310</u> feet from the <u>WEST</u> line Section <u>7</u> Township <u>9S</u> Range <u>28E</u> NMPM County <u>CHAVES</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3892	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Request for extention of time <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, 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.

IN RESPONSE TO NOTICE OF VIOLATION FROM INSPECTION IGEG0421950090 OF 8/6/04.

THIS IS A NOTICE REQUESTING EXTENTION OF TIME TO THE CORRECTIVE ACTION DATE OF NOVEMBER 9, 2004 UNTILL DECEMBER 9, 2004, AT WHICH TIME PRODUCTION WILL HAVE RESUMED.

PRODUCTION ON THIS WELL WAS STOPPED DUE TO DISMANTLING AND RELOCATION OF TANK BATTERY SHARED WITH THE LOUISE YATES STATE #1. THE LOUISE YATES STATE #1 SITE, WHICH HAS BEEN PLUGGED & ABANDONED, REQUIRED THAT THE BATTERY BE MOVED TO FACILITATE CLEANING OF THE SITE.

A TANK WHICH THE LOUISE YATES STATE #2 WILL PRODUCE INTO WILL BE INSTALLED ON SITE AND REPORTED TO THE OCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE John E Barbee TITLE LANDMAN DATE 10/21/04

Type or print name JOHN E BARBEE Telephone No. (505) 242-2050
(This space for State use)

APPROVED BY [Signature] TITLE Wild Sep ID DATE OCT 27 2004
Conditions of approval, if any