

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION

811 S. FIRST STREET

ARTESIA, NM 88211

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		Lease Serial No. NM-12557
2. Name of Operator JALAPENO CORPORATION		6. If Indian, Allottee or Tribe Name N/A
3a. Address P. O. BOX 1608, ALBUQUERQUE, NM 87103-1608	3b. Phone No. (include area code) 505-242-2050	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1918' FSL & 450' FWL SEC. 31, T-8S, R-28E		8. Well Name and No. JAN FEDERAL #1
		9. API Well No. 30-005-64154
		10. Field and Pool, or Exploratory Area WILDCAT
		11. County or Parish, State CHAVES COUNTY, NM

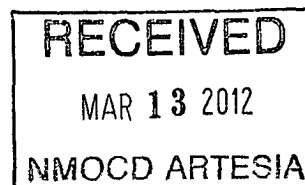
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <i>Drilling Operations</i>
	<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 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.)

RAN 2320 FEET OF 5 1/2" J55 15.5LB CASING AND CEMENTED WITH 240 SACKS OF CLASS C CEMENT. CALCULATE IT TO BRING THE CEMENT MORE THAN 500 FEET ABOVE THE TOP PERFORATION. THE TOP PERFORATION IS LIKELY TO BE AT 2260 FEET KB. THE ESTIMATED TOP OF THE CEMENT IS ABOUT 1600 FEET. THIS WILL BE CONFIRMED WITH A BOND LOG.

SHUT IN WAITING FOR COMPLETION UNIT.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) RENEE CANDELARIA		Title DRILLING AND OPERATIONS ASSISTANT	
Signature <i>[Signature]</i>		Date 2/28/12	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by /S/ DAVID R. GLASS		Title	Date
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.			
PETROLEUM ENGINEER			

(Instructions on page 2)