

|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
|--|----------------------------------|---|------------------------|--|-------------------|--|---|------------------|---------------------|---------------|
| Submit To Appropriate District Office<br>Two Copies<br>District I<br>1625 N French Dr., Hobbs, NM 88240<br>District II<br>811 S First St., Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S St Francis Dr., Santa Fe, NM 87505   |                                  | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><br><b>Oil Conservation Division</b><br><b>1220 South St. Francis Dr.</b><br><b>Santa Fe, NM 87505</b> |                        |  |                   | <b>Form C-105</b><br>Revised August 1, 2011  |   |                  |                     |               |
|  |                                  | 1. WELL API NO.<br>30-005-64153   |                        |  |                   | 2. Type of Lease<br><input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN       |   |                  |                     |               |
|  |                                  | 3. State Oil & Gas Lease No. LG 7996  |                        |  |                   |  |   |                  |                     |               |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 4. Reason for filing<br><br><input checked="" type="checkbox"/> <b>COMPLETION REPORT</b> (Fill in boxes #1 through #31 for State and Fee wells only)<br><br><input type="checkbox"/> <b>C-144 CLOSURE ATTACHMENT</b> (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19 15 17 13 K NMAC) |                                  |   |                        |  |                   | 5. Lease Name or Unit Agreement Name<br>Emmons State   |   |                  |                     |               |
|  |                                  |   |                        |  |                   | 6. Well Number #2  |   |                  |                     |               |
| 7. Type of Completion<br><input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 8. Name of Operator<br>Jalapeno Corporation  |                                  |   |                        |  |                   | 9. OGRID 26307   |   |                  |                     |               |
| 10. Address of Operator<br>PO Box 1608<br>Albuquerque, New Mexico 87103-1608   |                                  |   |                        |  |                   | 11. Pool name or Wildcat<br>Wolf Lake, San Andres; South   |   |                  |                     |               |
| 12. Location   | Unit Ltr                         | Section   | Township               | Range  | Lot               | Feet from the  | N/S Line  | Feet from the    | E/W Line            | County        |
| Surface:   | D                                | 18  | 9S                     | 28E  |                   | 660  | North   | 990              | West                | Chaves        |
| BH:  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 13. Date Spudded<br>3-17-2012  | 14. Date TD Reached<br>3-23-2012 | 15. Date Rig Released<br>3-24-2012  |                        | 16. Date Completed (Ready to Produce)<br>5-11-2012 |                   |  | 17. Elevations (DF and RKB, RT, GR, etc.) GL 3880     |                  |                     |               |
| 18. Total Measured Depth of Well<br>2399   |                                  | 19. Plug Back Measured Depth<br>2302  |                        | 20. Was Directional Survey Made?<br>Yes            |                   |  | 21. Type Electric and Other Logs Run<br>DLL & LDT/CNL |                  |                     |               |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name<br>2235' to 2296' P1 of Slaughter zone of San Andres   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| <b>23. CASING RECORD (Report all strings set in well)</b>  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| CASING SIZE  |                                  | WEIGHT LB/FT  |                        | DEPTH SET  |                   | HOLE SIZE  |   | CEMENTING RECORD |                     | AMOUNT PULLED |
| 8 5/8  |                                  | 24  |                        | 434'   |                   | 12 1/4   |   | 116 sks-Class C  |                     |               |
| 5 1/2  |                                  | 15.5  |                        | 2304'  |                   | 7 7/8  |   | 99 sks-Class C   |                     |               |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| <b>24. LINER RECORD - NO LINER</b>   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| SIZE   | TOP                              | BOTTOM  | SACKS CEMENT           | SCREEN   |                   | <b>25. TUBING RECORD</b>   |   | DEPTH SET        |                     | PACKER SET    |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 26. Perforation record (interval, size, and number)<br>2sh 2235; 2sh 2253; 2sh 2258; 2sh 2261;<br>2sh 2271; 2sh 2274; 1sh 2293; 2sh 2296   |                                  |   |                        |  |                   | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL    AMOUNT AND KIND MATERIAL USED<br>2235-2296    3,000 gal 15% HCL |   |                  |                     |               |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
|  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| <b>28. PRODUCTION</b>  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| Date First Production<br>5-11-2012   |                                  | Production Method (Flowing, gas lift, pumping - Size and type pump)<br>Pumping - 1 3/4" Tubing pump   |                        |  |                   | Well Status (Prod or Shut-in)<br>Producing   |   |                  |                     |               |
| Date of Test<br>5-18-2012  | Hours Tested<br>24               | Choke Size<br>2 inches  | Prod'n For Test Period | Oil - Bbl<br>45                                    | Gas - MCF<br>15   | Water - Bbl<br>69  | Gas - Oil Ratio                                       |                  |                     |               |
| Flow Tubing Press  | Casing Pressure<br>20 pounds     | Calculated 24-Hour Rate   | Oil - Bbl<br>45        | Gas - MCF<br>15                                    | Water - Bbl<br>69 | Oil Gravity - API - (Corr)   |   |                  |                     |               |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc)<br>Run engine and vented.  |                                  |   |                        |  |                   |  | 30. Test Witnessed By<br>Rick Hammond                 |                  |                     |               |
| 31. List Attachments<br>Deviation Report (Logs DLL & LDT/CNL were sent to OCD-District II office with C-103 on 5/11/12).   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit  |                                  |   |                        |  |                   |  |   |                  |                     |               |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| Latitude   |                                  |   |                        | Longitude  |                   |  | NAD 1927 1983   |                  |                     |               |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief   |                                  |   |                        |  |                   |  |   |                  |                     |               |
| Signature <u>H. Emmons Yates</u>   |                                  |   |                        | Printed Name <u>H. Emmons Yates III</u>            |                   |  | Title <u>Geologist Analyst</u>                        |                  | Date <u>5/21/12</u> |               |
| E-mail Address <u>eyates@jalapenocorp.com</u>  |                                  |   |                        |  |                   |  |   |                  |                     |               |

Provide to detail or exception

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico     |                  | Northwestern New Mexico |                  |
|-----------------------------|------------------|-------------------------|------------------|
| T. Anhy                     | T. Canyon        | T. Ojo Alamo            | T. Penn A"       |
| T. Salt                     | T. Strawn        | T. Kirtland             | T. Penn. "B"     |
| B. Salt                     | T. Atoka         | T. Fruitland            | T. Penn. "C"     |
| T. Yates 378                | T. Miss          | T. Pictured Cliffs      | T. Penn. "D"     |
| T. 7 Rivers                 | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen 1070               | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg                 | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres 1590          | T. Simpson       | T. Mancos               | T. McCracken     |
| T. <del>XXXXX</del> P1 2235 | T. McKee         | T. Gallup               | T. Ignacio Otzte |
| T. Paddock                  | T. Ellenburger   | Base Greenhorn          | T. Granite       |
| T. Blinebry                 | T. Gr. Wash      | T. Dakota               |                  |
| T. Tubb                     | T. Delaware Sand | T. Morrison             |                  |
| T. Drinkard                 | T. Bone Springs  | T. Todilto              |                  |
| T. Abo                      | T.               | T. Entrada              |                  |
| T. Wolfcamp                 | T.               | T. Wingate              |                  |
| T. Penn                     | T.               | T. Chinle               |                  |
| T. Cisco (Bough C)          | T.               | T. Permian              |                  |

## OIL OR GAS SANDS OR ZONES

No. 1, from 2235 to 2296  
 No. 2, from to  
 No. 3, from to  
 No. 4, from to

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from 326 to 392 feet 66ft  
 No. 2, from to feet  
 No. 3, from to feet

## LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To   | Thickness<br>In Feet | Lithology                                  | From | To | Thickness<br>In Feet | Lithology |
|------|------|----------------------|--|------|----|----------------------|-----------|
| Sur. | 420  |                      | Clay and Sand                              |      |    |                      |           |
| 420  | 1070 |                      | Red beds, Shale and Sand                   |      |    |                      |           |
| 1070 | 1080 |                      | Gray Sand                                  |      |    |                      |           |
| 1080 | 1540 |                      | Red beds, Salt and Shale                   |      |    |                      |           |
| 1590 | 2196 |                      | Limestone, Anhydrite, Dolomite<br>and Salt |      |    |                      |           |
| 2196 | 2239 |                      | Dolomite and Gyp                           |      |    |                      |           |
| 2239 | 2399 |                      | Dolomite and Gyp                           |      |    |                      |           |