

***Jalapeño Corporation***  
***P.O. Box 1608***  
***Albuquerque, NM 87103-1608***  
***Phone: (505) 242-2050 Fax: (505) 242-8501***

February 2, 2006

Oil Conservation Division, Artesia  
1301 W. Grand  
Artesia, NM 88210

RE: Louise Yates State #3  
Well API NO. 30-005-63657  
S. 7, T. 9S, R. 28E  
Chaves, County

RECEIVED  
FEB 09 2006  
OCC-ARTESIA

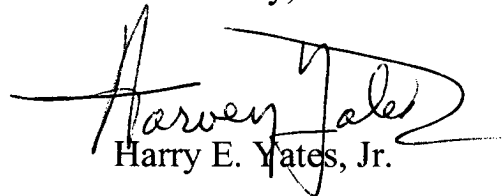
Ladies and Gentlemen:

Yesterday I filed a Sundry Notice related to the subject well advising the OCD that surface casing would likely be cemented either Friday evening or Saturday morning of this week.

However, United Drilling advised us this morning that the driller had suffered a medical problem and consequently drilling would be stopped until next week.

We will notify you once we know the date and time the surface pipe will be cemented.

Yours truly,

  
Harry E. Yates, Jr.