

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

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| 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.) | | WELL API NO. 30-005-64290 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator JALAPENO CORPORATION | | 6. State Oil & Gas Lease No. VO 9723 |
| 3. Address of Operator PO BOX 1608 ALBUQUERQUE, NM 87103 | | 7. Lease Name or Unit Agreement Name LIZARD 20 STATE |
| 4. Well Location Unit Letter <u>E</u> : <u>1650</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section: <u>20</u> Township: <u>9-S</u> Range: <u>27-E</u> NMPM County: <u>CHAVES</u> | | 8. Well Number <u>#1</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3861' GL | | 9. OGRID Number 26307 |
| 10. Pool name or Wildcat WILDCAT; SAN ANDRES, SOUTH | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL. <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input checked="" type="checkbox"/> Notice of BOP testing | |

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This is to give notice that on 11/18/15 Mann Welding Services will be testing the BOP at 2,000 PSI for 30 minutes. Emmons Yates called yesterday to the OCD office in Artesia and gave the 24 hour notice of our BOP testing to Laura Tulk.

NM OIL CONSERVATION
 ARTESIA DISTRICT

Spud Date: 10/5/2015

Rig Release Date: NOV 23 2015

RECEIVED

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

SIGNATURE H. Emmons Yates, III TITLE Vice President DATE 11/18/2015
 Type or print name H. Emmons Yates, III E-mail address: eyates@jalapenocorp.com PHONE: 505-242-2050
 For State Use Only

APPROVED BY: [Signature] TITLE Dist. Engineer DATE 11/23/2015
 Conditions of Approval (if any):