

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC D
Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
NM 12557

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2.

<p>1. Type of Well</p> <p><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other</p> <p>2. Name of Operator Jalapeno Corporation</p> <p>3a. Address PO BOX 1608 ALBUQUERQUE, NM 87103</p> <p>3b. Phone No. (include area code) 505-242-2050</p> <p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 990' FWL SEC. 7, T-9S, R-28-E</p>	<p>7. If Unit of CA/Agreement, Name and/or No. N/A</p> <p>8. Well Name and No. Duncan Federal #11</p> <p>9. API Well No. 30-005-64211</p> <p>10. Field and Pool or Exploratory Area WILDCAT, SAN ANDRES</p> <p>11. County or Parish, State CHAVES COUNTY, NM</p>
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12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 <u>redo pit closure</u>
	<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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Per an email sent by Mike Bratcher of the OCD detailing a mistake made by our company with the closure of the Duncan Federal #11 pit, Jalapeno will make the following changes in the 1st quarter of 2016.

- 1) We will remove the top soil covering the pit.
- 2) We will open the pit and move enough of the soil content contained within into a haul off bin in order to lower the top of the soil to 4' below ground level.
- 3) We will reclose the pit and cover it so that there is 4' of soil on top of the pit making it level with the ground level.
- 4) The haul off bin will be taken to the Gandy Marley disposal site.

ACCEPTED FOR RECORD
NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 19 2016

Accepted for record
NMOC D
CES 1/20/2016

JAN 11 2016
RECEIVED NAME [Signature]

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Jun Barrack

Title Oil and Gas Operations Associate

Signature [Signature] Date 12/08/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ 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 _____

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.