

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
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.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

JALAPENO CORPORATION

3a. Address

PO BOX 1608
ALBUQUERQUE, NM 87103

3b. Phone No. (include area code)

505-242-2050

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
DUNCAN FEDERAL #12

9. API Well No.
30-005-64277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

214S' FNL & 694' FWL SEC. 18, T-9S, R-28-E

10. Field and Pool or Exploratory Area
Wolfe Lake, San Andres, South

11. County or Parish, State
CHAVES COUNTY, NM

12. CHECK THE 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 type="checkbox"/> Other _____	
	<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 must 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 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.)

THIS IS OUR RESPONSE TO MR. SANCHEZ'S DIRECTIVE ON THE SUNDRY NOTICE FOR THE DUNCAN FEDERAL #12 DATED 02/18/16.

PLEASE SEE THE ATTACHED PAGE.

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 29 2016
RECEIVED

**ACCEPTED FOR
RECORD**

APR 17 2016

NAME

Accepted for record
NMOCD RE
5/3/16

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

Harvey E. Yates, Jr.

Title President

Signature

Date 03/26/2016

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

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.

(Instructions on page 2)

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

We write this sundry notice in response to a subsequent report we received on March 3, 2016 from Mr. Sanchez out of the Las Cruces BLM office regarding to our Duncan Federal #12 well. Mr. Sanchez asked us to call 575-627-0205 in order to notify the BLM before we resume any drilling activities on any well. We assume he was referring to the Duncan Federal #12, and we intend to do this. However, Mr. Sanchez also attached a piece of paper that stated that a well that is left idle during drill operations should: "install a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored to properly secure the wellbore."

We do not believe that this fits with our Duncan Federal#12 situation: The Duncan#12 does not have any possible exposure to a pressure zone. The borehole has had 610' of 8 5/8" surface casing run in it, and has had this casing cemented on the backside to surface. Further, the cement runs inside the casing to the surface. There is no exposed borehole and in fact this well is filled with cement in a way that would satisfy a plugged and abandoned well. This was the deal that Jalapeno Corporation made with the Roswell BLM office, and which was approved without any mention of a flange or pressure gauge, before we were allowed to move off of the Duncan#12 location in order to try and save another lease. As we have a hole that has been filled with cement and we have no exposed borehole, we don't see how a pressure gauge or flange could possibly help in any way. We, of course, will notify the BLM once we have installed our BOP and intend to pressure-test that BOP so that the BLM can witness this test. Thus, we will have a properly tested BOP installed before we start to drill below the surface casing shoe.

We hope this explains the situation and answers any questions that you may have. If there are any further questions please call 505-242-2050.