

NM OIL CONSERVATION

ARTESIA DISTRICT
NMOCD
 MAY 12 2017
 Artesia

Form 3160-5
 (June 2015)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB No 1004-0137
 Expires: January 31, 2018

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.

| | | |
|---|--|---|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | 7 If Unit of CA Agreement, Name and/or No. N/A |
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | 2 Name of Operator JALAPENO CORPORATION | 8 Well Name and No. DUNCAN FEDERAL #12 |
| 3a. Address PO BOX 1608 ALBUQUERQUE, NM 87103 | 3b. Phone No. (include area code) (505) 242-2050 | 9 API Well No. 30-005-64277 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2145' FNL & 694' FWL SEC. 18, T-9S, R-28E | 10 Field and Pool or Exploratory Area SAN ANDRES, SOUTH | |
| | | 11 Country 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 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"/> Hydraulic Fracturing | <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 |
| | <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.)

MOVE DRILL RIG ONTO WELL SITE IN PREPARATION TO SPUD.

JALAPENO WILL MOVE OUR DRILL RIG ONTO THE DUNCAN #12 WELL LOCATION ON APRIL 20, 2017. THE CALL TO GIVE 24 HOUR NOTICE WAS TAKEN BY RUBEN SANCHEZ ON 4/19/17. AN EMAIL OF THIS FORM WILL BE SENT TO MR SANCHEZ.

THE ANTICIPATED SPUD DATE FOR THIS WELL IS WEDNESDAY, APRIL 26, 2017. WE WILL CALL THE BLM A MINIMUM OF 24 HOURS BEFORE BEGINNING TO DRILL OR IF THERE IS A SIGNIFICANT CHANGE OF PLANS.

BOND: NMB000378

Accepted for record - NMOCD
 SC 5-12-17

| | |
|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Julie A. Pascal | Title Oil and Gas Associate |
| Signature <i>Julie A. Pascal</i> | Date 04/19/2017 |

THE SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------|------|
| Approved by ACCEPTED FOR RECORD <i>(ORIG. SUD) DAVID R. GLASS</i> | 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. DAVID R. GLASS PETROLEUM ENGINEER | 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)