

Jalapeño Corporation
Daily Drilling Report

LIZARD 20 STATE#1

Well API NO 30-005-64290

S 20, T 9S, R 27E

Chaves, County

3/16/2016 Tower RR is on location at 5 58 AM After being shut in for 9 hrs we recovered 1 ¾ bailers of fluid of which approx 20-25% was oil and the rest was formation water Tower RR is off of location at 1 53 PM with an ending footage of 1914' Drilling in limestone Tower DJ is on location at 2 00 PM Tower DJ is off of location at 9 54 PM with an ending footage of 1922' Drilling in limestone

3/17/2016 Tower RR is on location at 6 45 AM 9 hour bailer test reveals 1 ¾ bailers full of fluid with about 95% formation water Tower RR is off of location at 2 00 PM with an ending footage of 1932' Drilling in limestone Tower DJ is on location at 2 00 PM with an ending footage of 1942' Drilling in limestone

3/18/2016 9 hour bailer test reveals more formation water and very little water Ran log sweep and have decided to plug well Office informed Armstrong and Yates Petroleum of our intention to plug the Lizard 20 State#1 as a dry hole

3/24/2016 Crew on location in order to run tubing for cement plug job Set up and waiting on Southwest Transportation to perform plug job

3/28/2016 Had to send crew home when we were informed that Southwest Transportations bulk truck broke down on the way to the location

3/29-3/31 Plugged the Lizard 20 State#1 using 591 sacks of class c cement

4/4/2016 Started breaking down equipment in order to move off of the Lizard location and onto the Duncan Fed#12