

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO.: 30-005-63657 5. Indicate Type of Lease STATE ☒ FEE ☐ State Oil & Gas Lease No. VA 2401									
WELL COMPLETION OR RECOMPLETION REPORT AND LOG											
1a. Type of Well: OIL WELL ☐ GAS WELL ☐ DRY ☒ OTHER ☐ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR. ☐ OTHER ☐ 2. Name of Operator Jalapeno Corporation 3. Address of Operator PO Box 1608, Albuquerque, NM 87103		7. Lease Name or Unit Agreement Name Louise Yate State 8. Well No. 3 9. Pool name or Wildcat Wolf Lake South									
4. Well Location Unit Letter <u>N</u> : <u>330'</u> Feet From The <u>South</u> Line and <u>2310'</u> Feet From The <u>West</u> Line Section <u>7</u> Township <u>9S</u> Range <u>28E</u> NMPM County <u>Chavez</u>											
10. Date Spudded 2/1/06 15. Total Depth 2356		11. Date T.D. Reached 4/6/06 16. Plug Back T.D. 2340									
12. Date Compl. (Ready to Prod.) 17. If Multiple Compl. How Many Zones? <u>N/A</u>		13. Elevations (DF& RKB, RT, GR, etc.) 3891 GR 18. Intervals Drilled By Rotary Tools Surface to 2289 1/2 Cable Tools 2289 1/2 to 2356									
19. Producing Interval(s), of this completion - Top, Bottom, Name Slaughter portion of the San Andres-Dry		20. Was Directional Survey Made Yes by driller									
21. Type Electric and Other Logs Run See Attachment		22. Was Well Cored Yes - sidewall									
23. CASING RECORD (Report all strings set in well)											
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED						
8 5/8"	24 lb	494.5	12 1/2"	415 sacks	257 sacks						
5 1/2"	(800ft 15.5 lb & other 17lb)	2355	7 7/8"	350 sacks*	none						
				*(From 2266 to surf pipe)							
				50 sacks**							
				** (From 2306 to TD)							
24. LINER RECORD (N/A)			25. TUBING RECORD (N/A)								
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE						
					Intend to plug						
26. Perforation record (interval, size, and number) 2266-2267 (later squeezed these perfs.) 3 shots 2306-2307 (later squeezed these perfs.) 6 shots 2280-2292 (later squeezed these perfs.) 13 shots 2256-2260, 2265-2268 (16 shots)				2 <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">DEPTH INTERVAL</th> <th style="width:50%;">AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>2280-2292</td> <td>500 gallons 20% HCL</td> </tr> <tr> <td>2256-2268</td> <td>750 gallons 20% HCL</td> </tr> </table>		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	2280-2292	500 gallons 20% HCL	2256-2268	750 gallons 20% HCL
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2280-2292	500 gallons 20% HCL										
2256-2268	750 gallons 20% HCL										
28. PRODUCTION											
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump) No Production		Well Status (Prod. or Shut-in)							
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF						
					None-not measurable						
Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.						
					Oil Gravity - API - (Corr.)						
30. List Attachments See Attachment											
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief Signature E-mail Address: <u>personnel3@msn.com</u> Printed Name Harvey E. Yates, Jr. Title President Date 8/28/06											

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates 350	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen 1125	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 1642	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from ...2254.....to.....TD (Slaughter).....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS (None encountered)

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
Surf	350	350	Alluvium & surface sediment.				
350	1642	1292	Redbed, shale, salt and sand.				
1642	2254	612	Limestone & anhydrate (top SA to top Slaughter).				
2254	TD	102	Dolomite, Limestone and gyp.				