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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
DMJ No. 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **JALAPENO CORPORATION**

3a. Address
P.O. BOX 1608, ALB., NM 87103

3b. Phone No. (include area code)
505-242-2050

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FNL. & 2310' FWL S.18, T.9-S, R. 28-E

5. Lease Serial No.
NM 12557

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

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

8. Well Name and No.
DUNCAN FEDERAL #10

9. API Well No.
30-005-63777

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

11. County or Parish, State
CHAVES COUNTY, NM

12. CHECK 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompleting 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleting in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

PBTD of the well is 2370. We propose to:

1. Set a 25 suck plug from TD to 2272 covering the perforations, plus 50'. **TAG**
2. We estimate that the top of the cement is at surface pipe.
3. Set a plug at top of San Andres covering 1607 to 1657.
4. Set a plug at base of surface casing which is 495 ft (40 sacks). **TAG**
5. Set a plug from ⁶⁰20ft to surface. WOC tag 24 hrs
6. Set dry hole marker.

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

HARVEY E. YATES, JR.

Title **PRESIDENT**

Signature

Date

4/10/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ ALEXIS C. SWOBODA

PETROLEUM ENGINEER

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 100) 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)

**Accepted for record
NMOC**