

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Morris, NM 100542
2. Name of Operator JALAPENO CORPORATION		6. Indian, Allottee or Tribe Name Alamosa, NM
3a. Address P.O. BOX 1608, ALB., NM 87103	3b. Phone No. (include area code) 505-242-2050	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 330' FEL S.12, T.9-S, R. 27-E		8. Well Name and No. PAISANO FEDERAL #1
		9. API Well No. 30-005-63840
		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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Construct static elec-
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	tricity discharge lines
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	around & thru batt.

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 shall 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 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.)

We request permission to construct a static electricity discharge network around and through this battery as shown on the attachment. Two "grounds" would be created near the battery. A ground would be created by placing an 8 ft. graphite rod in an auger hole which would be drilled 4' deep. The rods would be tamped 4' below the bottom of the auger hole. The auger hole would be filled with concrete. The grounds would be attached to a #4 bare copper wire which would encircle the battery. This wire would be buried. To the #4 copper wire would be attached several #2 solid wire runners crossing between tanks in the battery and running from east to west. Each tank valve, and hatch would be wired to the runners, by use of #2 solid wire, as would a graphite rod to be mounted in each tank. A tank's graphite rod would run from its hatch to the bottom of the tank.

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

HARVEY E. YATES, JR.

Title PRESIDENT

Signature

Date

05/07/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

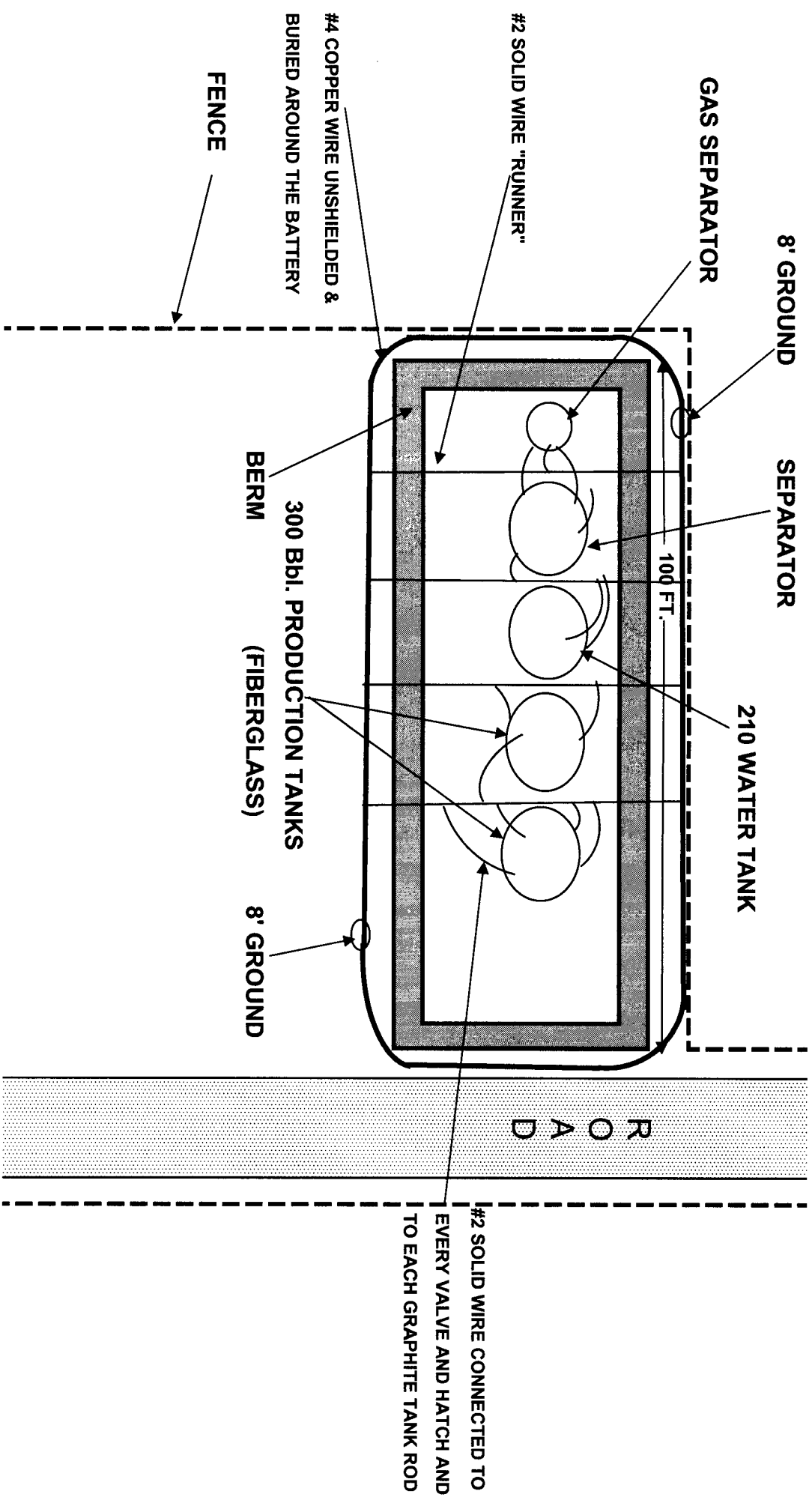
Approved by /S/ DAVID R. GLASS	Title PETROLEUM ENGINEER	Date MAY 16 2007
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		

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)

PAISANO FEDERAL #1 BATTERY

T9S, R27E, Section 12
CHAVES COUNTY, NM
LEASE # NM-100542



WIRING DIAGRAM