

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>NM 100542</b>
2. Name of Operator <b>JALAPENO CORPORATION</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>P.O. BOX 1608, ALB., NM 87103</b>	3b. Phone No. (include area code) <b>505-242-2050</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>330' FSL &amp; 330' FEL S.12, T.9-S, R. 27-E</b>		8. Well Name and No. <b>PAISANO FEDERAL #1</b>
		9. API Well No. <b>30-005-63840</b>
		10. Field and Pool, or Exploratory Area <b>Wolf Lake, San Andres, South</b>
		11. County or Parish, State <b>CHAVES COUNTY, NM</b>

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 checked="" type="checkbox"/> Other <b>PERFORATING &amp; CEMENTING</b>
	<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 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.)

**5/11/07 RAN CEMENT BOND LOG (HALLIBURTON). ENCOUNTERED CEMENT WITHIN THE 5 1/2" CASING AT 2170'. DETECTED TOP OF CEMENT OUTSIDE OF HOLE AT 1610. (THERE APPEARS TO BE THIEF ZONE FROM 1732 TO 1750 WHICH PROBABLY TOOK EARLIER CEMENT.) PERFORATED WITH 3 HOLES AT 1585. BROKE CIRCULATION WITH KILL TRUCK TO JUDGE VOLUME NEEDED FOR REMEDIAL CEMENT JOB.**

**5/12/07 CEMENTED (HALLIBURTON) WITH 260 SACKS CLASS C CEMENT WITH 2% KCL THROUGH PERFORATIONS AT 1585. THIS VOLUME CALCULATED TO BRING CEMENT WITHIN SURFACE CASING. SEE ATTACHED HALLIBURTON REPORT.**

**5/13-14/07 WOC 48 HOURS**

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

**HARVEY E. YATES, JR.**

Title **PRESIDENT**

Signature

Date

**5/14/07** 05/14/2007

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

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.

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)

# HALLIBURTON

## Cementing Job Summary

*The Road to Excellence Starts with Safety*

<b>Sold To #:</b> 303075		<b>Ship To #:</b> 2563205		<b>Quote #:</b>		<b>Sales Order #:</b> 5100858	
<b>Customer:</b> JALAPENO CORPORATION				<b>Customer Rep:</b> Yates, Harvey			
<b>Well Name:</b> Paisano Federal			<b>Well #:</b> 1		<b>API/UWI #:</b>		
<b>Field:</b> WOLF LAKE SOUTH		<b>City (SAP):</b> ROSWELL		<b>County/Parish:</b> Chaves		<b>State:</b> New Mexico	
<b>Contractor:</b> Workover rig			<b>Rig/Platform Name/Num:</b> ?????				
<b>Job Purpose:</b> Squeeze Perfs							
<b>Well Type:</b> Development Well				<b>Job Type:</b> Squeeze Perfs			
<b>Sales Person:</b> RIPLEY, STEVE			<b>Srv Supervisor:</b> KUHN, MICHAEL		<b>MBU ID Emp #:</b> 240783		

### Job Personnel

HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #	HES Emp Name	Exp Hrs	Emp #
ALVAREZ, SALVADOR	5.0	401465	HERNANDEZ, JEFF	5.0	392786	JONES, CRAIG	5.0	403976
KUHN, MICHAEL L	5.0	240783	SYNNOTT, YVETTE Janine	5.0	386548			

### Equipment

HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way	HES Unit #	Distance-1 way
10582896	70 mile	10633273	70 mile	10912751	70 mile	7093	70 mile

### Job Hours

Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours	Date	On Location Hours	Operating Hours
05-12-07	5	1						

**TOTAL** Total is the sum of each column separately

Job				Job Times			
Formation Name				Date	Time	Time Zone	
Formation Depth (MD)	Top	Bottom		Called Out	12 - May - 2007	02:00	MST
Form Type	BHST			On Location	12 - May - 2007	06:30	MST
Job depth MD	1560. ft	Job Depth TVD	1560. ft	Job Started	12 - May - 2007	09:04	MST
Water Depth		Wk Ht Above Floor	. ft	Job Completed	12 - May - 2007	10:19	MST
Perforation Depth (MD)	From	To		Departed Loc	12 - May - 2007	11:30	MST

### Well Data

Description	New / Used	Max pressure psig	Size in	ID in	Weight lbm/ft	Thread	Grade	Top MD ft	Bottom MD ft	Top TVD ft	Bottom TVD ft
Tubing	Used		2.375	1.995	4.6		J-55		1560.		
Surface Casing	Used		8.625	7.921	32.		J-55		500.		
Production Casing	Used		5.5	4.95	15.5		J-55		2300.		

### Tools and Accessories

Type	Size	Qty	Make	Depth	Type	Size	Qty	Make	Depth	Type	Size	Qty	Make
Guide Shoe					Packer					Top Plug			
Float Shoe					Bridge Plug					Bottom Plug			
Float Collar					Retainer	5.5	1	HES	1560	SSR plug set			
Insert Float										Plug Container			
Stage Tool										Centralizers			

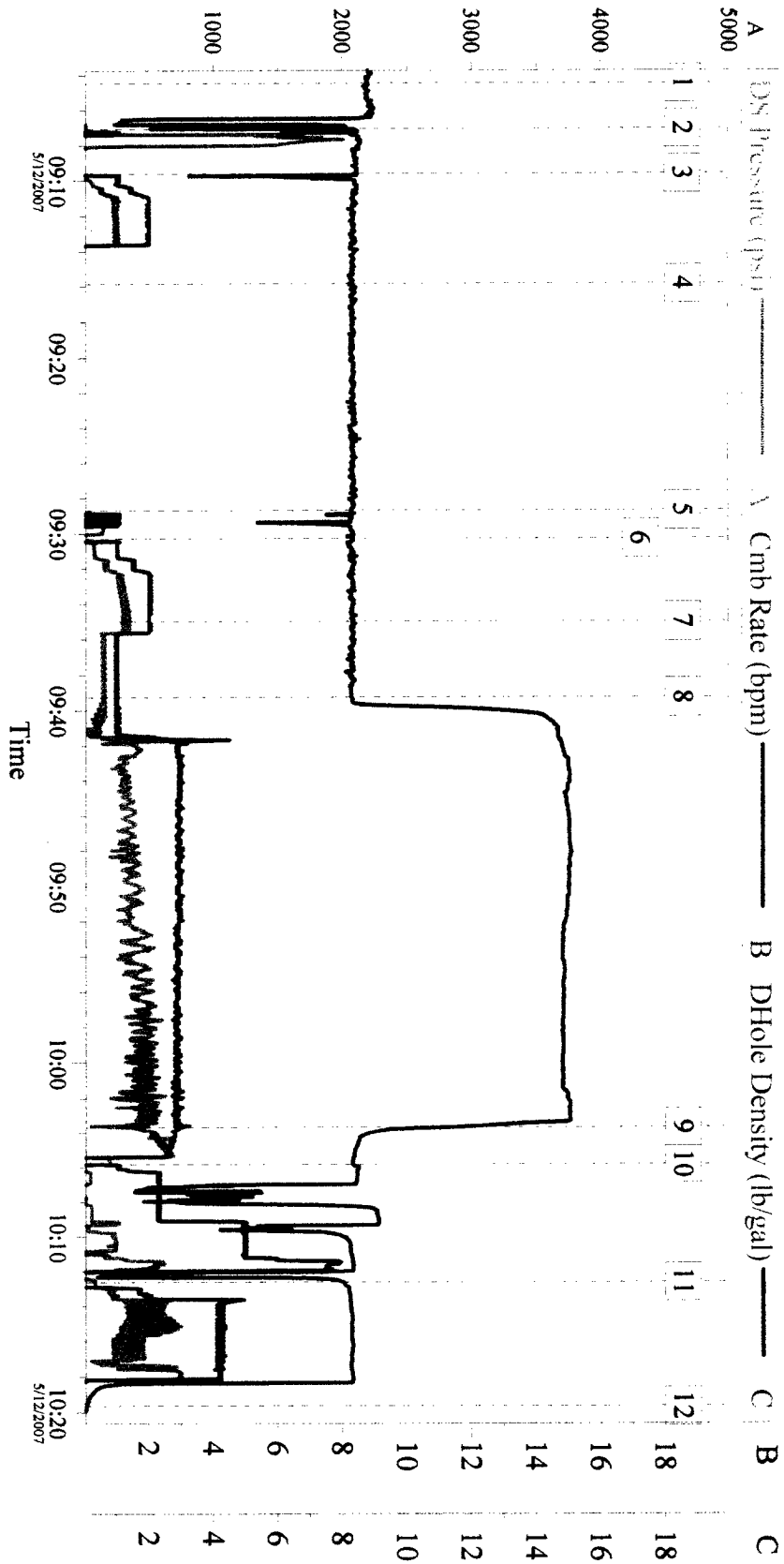
### Miscellaneous Materials

Gelling Agt	Conc	Surfactant	Conc	Acid Type	Qty	Conc	%
Treatment Fld	Conc	Inhibitor	Conc	Sand Type	Size	Qty	

# HALLIBURTON

## Cementing Job Summary

Fluid Data									
Fluid #	Stage Type	Fluid Name	Qty	Qty uom	Mixing Density lbm/gal	Yield ft3/sk	Mix Fluid Gal/sk	Rate bbl/min	Total Mix Fluid Gal/sk
1	Premium Plus	CMT - PREMIUM PLUS CEMENT (100012205)	260.0	sacks	14.8	1.35	6.39		6.39
2 %		CALCIUM CHLORIDE - HI TEST PELLET (100005053)							
6.387 Gal		FRESH WATER							
Calculated Values			Pressures		Volumes				
Displacement	6	Shut In: Instant		Lost Returns	NO	Cement Slurry	63	Pad	
Top Of Cement		5 Min		Cement Returns	NO	Actual Displacement	5	Treatment	
Frac Gradient		15 Min		Spacers	5	Load and Breakdown		Total Job	108
Rates									
Circulating	2	Mixing	3	Displacement	3	Avg. Job	2		
Cement Left In Pipe	Amount	0 ft	Reason	Shoe Joint					
Frac Ring # 1 @	ID	Frac ring # 2 @	ID	Frac Ring # 3 @	ID	Frac Ring # 4 @	ID		
The Information Stated Herein Is Correct				Customer Representative Signature					



Event Log

1	Start Job	09:04:29	2	Test Lines	09:07:03	3	Pump Through Retainer	09:09:38
4	Set Tool	09:15:51	5	Pressure Up Backside	09:28:42	6	Brake Circulation	09:30:17
7	Pump Spacer 1	09:35:00	8	Pump Cement	09:39:15	9	Pump Displacement	10:03:40
10	Clean Lines	10:05:48	11	Reverse Circ. Well	10:12:38	12	End Job	10:19:39

Customer: Jalapeno  
Co Rep Harvey Yates

Job Date: 05-12-07  
Serv Super Mike Kuhn

Ticket #: 5100858  
Squeeze

CemWin v1.7.2  
12-May-07 10:37