

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, NM 87505

JUN 13 2007
OCD-ARTESIA

WELL API NO. 30-005-63827
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO 7065
7. Lease Name or Unit Agreement Name Scrounger State
8. Well Number 2
9. OGRID Number 26307
10. Pool name or Wildcat Wolf Lake, South Andres

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Jalapeno Corporation	
3. Address of Operator P.O. Box 1608, Albuquerque, NM 87103	
4. Well Location Unit Letter A : 900 feet from the North line and 330 feet from the East line Section 13 Township 9-S Range 27E NMPM County Chaves	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 3877'	

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Attached is the copy of the original Application for Permit to Drill submitted on May 9, 2006 and approved on May 15, 2006 with an expiration date of May 15, 2007.

Though we had expected to have a rig in April the drilling contractor was unable to furnish the rig as expected. We are now waiting on a rig from another contractor.

We request a six month extension of this permit as we have been waiting on a rig.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Harvey Yates, Jr. TITLE President DATE 5/15/07

Type or print name: Harvey Yates, Jr. E-mail address: personnel3@msn.com Telephone No. 505-242-2050

For State Use Only BRYAN G. ARRANT
DISTRICT II GEOLOGIST

APPROVED BY: _____ TITLE _____ DATE JUN 13 2007

Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Submit to appropriate District Office

MAY 15 2006

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Jalapeno Corporation - PO Box 1608 -Albuquerque, NM 87013		GRID Number 26307
Property Code 35004	Property Name Scrounger State	API Number 30 - 005 - 63827
Proposed Pool 1 Wolf Lake - San Andres, South- 65075		Well No. 2
Proposed Pool 2		

Surface Location

UL or lot no. A	Section 13	Township 9-S	Range 27-E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 330	East/West line EAST	County CHAVES
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Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

Work Type Code N	Well Type Code O	Cable/Rotary C	Lease Type Code S	Ground Level Elevation 3875
Multiple No	Proposed Depth 2300'	Formation San Andres	Contractor JO Hammond	Spud Date 6/15/06
Depth to Groundwater 375-385		Distance from nearest fresh water well East Wind Mill Well approx. 1/2 mile		Distance from nearest surface water White Tank Watering Reservoir approx. 1 & 1/5 miles
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 5600 bbls Drilling Method: CABLE TOOL				
Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	23#	500'	250 to circulate	Surface
7 7/8	5 1/2"	15.5#	2300	250 SX	500'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

We propose to drill this well using a cable tool rig to an estimated TD of 2300' to test the Slaughter Zone of the San Andres. If the well is productive, we will complete it by running & cementing 5 1/2" 15.5lb casing. If it is not productive, we will plug it following required plugging procedures. The blowout prevention program: Henderlite Control Head. No abnormal temperatures or pressures are expected.

See attached for Hydrogen Sulfide Contingency Per Rule 118 as well as a pit application Form C-144.

This well would be drilled on the same proration unit as was drilled the producing Scrounger #1, located 330 FNL and 330 FEL. If the #2 is successful, the production will be piped to the #1 tank battery.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☒, a general permit ☐, or an alternative OCD-approved plan.

Jalapeno Corp. by

Printed name: **Harvey E Yates Jr.**

Title: **President**

Date: **5/9/06**

Phone: (505) 242-2050

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

Title:

DISTRICT II GEOLOGIST

Approval Date: **MAY 15 2006**

Expiration Date:

MAY 15 2007

Conditions of Approval Attached ☐

Jalapeño Corporation
P.O. Box 1608
Albuquerque, NM 87103-1608
Phone: (505) 242-2050 Fax: (505) 242-8501

JUN 13 2007
OCD-ARTESIA

May 15, 2007

Oil Conservation Division
1301 W. Grande Avenue
Artesia, NM 88210

RE: Scrounger State #2
Well API NO.30-005-63827
S. 13, T. 9S, R. 27E
Chaves, County

Ladies and Gentlemen:

Enclosed please find an original and two copies of a Sundry Notice requesting a six month extension on the Application to Drill for the Scrounger State #2 well.

If you have any questions or further information is needed, please contact our office at the numbers listed above.

Yours truly,



Jun Barrack