| Submit 3 Copies To Appropriate District Office | | New Mexico | Form C-103 |
|--|----------------------------|-------------------------------|--|
| District I | Energy, Minerals a | and Natural Resources | May 27, 2004 WELL API NO. |
| * 1625 N. French Dr., Hobbs, NM 88240 District II | | | 30-005-63381 |
| 1301 W. Grand Ave , Artesia, NM 88210 | | ATION DIVISION | 5. Indicate Type of Lease |
| District III 1000 Rio Brazos Rd , Aztec, NM 87410 | | St. Francis Dr. | STATE STATE STATE |
| District IV | Santa Fe, | , NM 87505 | 6. State Oil & Gas Lease No. |
| 1220 S St Francis Dr., Santa Fe, NM 87505 | | , | VA 2401 |
| | ICES AND REPORTS ON | WELLS | 7. Lease Name or Unit Agreement Name |
| (DO NOT USE THIS FORM FOR PROPO | | | |
| DIFFERENT RESERVOIR. USE "APPL PROPOSALS.) | ICATION FOR PERMIT" (FORM | I C-101) FOR SUCH | Louise Yates State |
| 1. Type of Well: Oil Well | Gas Well Other | JAN 28 2008 | 8. Well Number 2 |
| 2. Name of Operator | a | OCD-ARTESIA | 9. OGRID Number |
| 3. Address of Operator | Corporation | OOD-HILLEOIN | 10. Pool name or Wildcat |
| P.O. Box 1608, Albuquerque, NM 87103 | | | Wolf Lake San Andres, South |
| 4. Well Location | | | |
| Unit Letter K: 1650 feet from the South line and 2310 feet from the West line | | | |
| Section 7 Township 9-S Range 28-E NMPM County Chaves | | | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | | | |
| | | | |
| 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: SUBSEQUENT REPORT OF: | | | |
| PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒ REMEDIAL WORK ☐ ALTERING CASING ☐ | | | |
| TEMPORARILY ABANDON | | | |
| PULL OR ALTER CASING | MULTIPLE COMPL | ☐ CASING/CEMEN | IT JOB 🔲 |
| OTHER: | | OTHER: | П |
| 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. | | | |
| | | | |
| | | | |
| In accordance with the NMOCD instructions and guidelines, the pit closure for | | | |
| | | • | completed that same day by |
| | | | 1 |
| | rvices. Attached p | iease iina an apaa | ted Form C144 and a letter |
| from Mr. Shull. | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| I hereby certify that the information | above is true and complete | e to the best of my knowleds | ge and belief. I further certify that any pit or |
| below-grade tank has been/will be constru | | | rmit or an (attached) alternative OCD-approved |
| plan □. Jalapeno Corp | oration | | |
| | | | 1 1 - |
| SIGNATURE by Harvey ? | Hatson | TITLE President | DATE 1/23/08 |
| | - 1 | 10.0 | T. 1 1 27 505 242 2252 |
| Type or print name: Harvey Yates | s. Jr. E-mail addre | ss: <u>personnel3@msn.com</u> | Telephone No. <u>505-242-2050</u> |
| For State Use Only Gerry Guye 2008 | | | |
| APPROVED BY: / JULI | 700/ | TITLE Compliance | 14 4 6 4 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| Conditions of Approval (if any): | | | |
| , , , , , , , , , , , , , , , , , , , | | • | |

Shull Oilfield Service

P.O. Box 2422 Roswell,, NM 88202 Phone: (505) 623-0816

December 20, 2007

Jalapeno Corporation P.O. Box 1608 Albuquerque, NM 87103

RE: Louis Yates State #2 Reserve Pit Closure

On 12/13/07, Shull Oilfield Service mobilized personnel and equipment to the location. In accordance with NMOCD instructions and guidelines, the 12 mil liner was folded over and a 20 mil cap was then placed on top. Three feet of backfill material from the stockpile was then placed over the 20 mil cap. Work was completed on 12/13/07. As per NMOCD instructions no soil samples were taken, due to the depth of ground water. Red capped posts were placed at each end of the former pit to mark its location.

Yours truly,

Exex Jude

Gene Shull