

Submit 2 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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 25, 2007

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.)		WELL API NO. 30-005-63381														
1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>														
2. Name of Operator Jalapeno Corporation		6. State Oil & Gas Lease No. VA 2401														
3. Address of Operator P.O. Box 1608, Albuquerque, NM 87103		7. Lease Name or Unit Agreement Name Louise Yates State														
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		8. Well Number 2														
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 26307														
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat Wolf Lake San Andres, South														
<table border="0"><tr><td>NOTICE OF INTENTION TO:</td><td>SUBSEQUENT REPORT OF:</td></tr><tr><td>PERFORM REMEDIAL WORK <input type="checkbox"/></td><td>REMEDIAL WORK <input type="checkbox"/></td></tr><tr><td>TEMPORARILY ABANDON <input type="checkbox"/></td><td>ALTERING CASING <input type="checkbox"/></td></tr><tr><td>PULL OR ALTER CASING <input type="checkbox"/></td><td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td></tr><tr><td>MULTIPLE COMPL <input type="checkbox"/></td><td>P AND A <input type="checkbox"/></td></tr><tr><td>CASING/CEMENT JOB <input type="checkbox"/></td><td></td></tr><tr><td>OTHER: <input type="checkbox"/></td><td><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</td></tr></table>			NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:	PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	P AND A <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>		OTHER: <input type="checkbox"/>	<input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A
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The Louise Yates State #2 location and pit was seeded on 8/21/08. A copy of the seed mixture from the seed sack is attached to this notice.

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE: by Harvey E. Yates, Jr. TITLE: PRESIDENT DATE: 10/18/08
Type or print name HARVEY E. YATES, JR. E-mail address: _____ PHONE: 505-242-2050
For State Use Only

APPROVED BY: [Signature] TITLE: OK to Release DATE: 10/30/08

Roswell Seed
 3 Acre Custom Mix
 3-1 Acre Bags @ 14.17 Bulk Pounds Each

Lot# M-7534

Item	Origin	Purity	Germ	Dormant	Germ & Dormant	Test Date	Total PLS Pounds
Sand Bluestem Not Stated	Nebraska	11.76%	90.00%	00.00%	90.00%	11/06	4.50
Little Bluestem Pasture	Texas	12.91%	47.00%	39.00%	82.00%	03/07	4.50
Sideoats grama Vaughn	Texas	13.07%	75.00%	06.00%	1.00%	2/07	4.50
Sand Dropseed Not Stated	New Mexico	07.20%	79.00%	19.00%	98.00%	02/07	3.00
Plains Bristlegrasses Not Stated	Texas	17.22%	20.50%	61.50%	82.00%	11/06	6.00
Scarlet Globe Mallow Not Stated	Utah	03.92%	90.00%	00.00%	90.00%(TZ)	01/07	1.50

Other Crop: 01.41% There Are 3 Bags For This Mix
 Weed Seed: 00.18% This Bags Weighs 14.17 Bulk Pounds
 Inert Matter: 21.53% Use This Bag For 1 Acre

Total Bulk Pounds: 42.50