

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  
☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator **JALAPENO CORPORATION**

3a Address **P.O. Box 1608, Albuquerque, NM 87103**

3b Phone No. (include area code)  
**505-241-2050**

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)

**660' FNL & 1650' FWL.  
Sec. 18, T-9S, R-28E**

5 Lease Serial No  
**NM 12557**

6 If Indian, Allottee or Tribe Name  
**N/A**

7 If Unit or CA/Agreement, Name and/or No  
**N/A**

8 Well Name and No  
**DUNCAN FEDERAL # 5**

9 API Well No  
**30-005-62901**

10 Field and Pool, or Exploratory Area  
**WOLFE LAKE SAN ANDRES**

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 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>Disposal of</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Produced Water</b>
	<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 recomplete 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 recompletion 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.)

## WATER IS DISPOSED OF IN TWO METHODS:

FIRST, WHEN DISPOSAL WELL CAPACITY ALLOWS, WATER IS PUMPED DOWN DISPOSAL WELL AT THE LOUISE YATES STATE #4 WELL.

IF CAPACITY OF WELL DOES NOT ALLOW USE OF DISPOSAL WELL, THE WATER IS TRUCKED OFF LOCATION BY COMMERCIAL HAULER (SEE ATTACHED WATER PRODUCTION & DISPOSAL INFORMATION FORM AND PRODUCTION WATER ANALYSIS REPORT FOR FURTHER DETAILS).

If Capacity Of Well Does Not Allow Use Of Disposal Well, Water Is Trucked By Jim's Waterservice Of New Mexico To The Hanson Water Disposal Facility Under New Mexico Oil Conservation Division Order No. R-9420.

Accepted for record

NMOCDF 3/18/10

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

**JUN BARRACK**

Title **OIL AND GAS OPERATIONS ASSOCIATE**

Signature

*Jun Barrack*

Date

*1/15/10*

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/S/ DAVID R. GLASS**

Title **PETROLEUM ENGINEER**

Date **JAN 25 2010**

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 **ROSWELL FIELD 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)

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

## WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formation producing water on lease. Wolf Lake. San Andres  
\_\_\_\_\_
2. Amount of water produced from all formations in barrels per day. From 4/09 – 9/09.  
Duncan Federal #5 produced appr. 28bbl of water per day.
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, pH and the concentration of chlorides and sulfates. (One sample will suffice if water is commingled) See attached Production Water Analysis report
4. How water is stored on lease. Water is stored in two 210bbl Fiberglass Water Tanks at the Duncan Fed #5 well site.
5. How water is moved to the disposal facility. By pipeline
6. Disposal Facility:
  - A. Facility Operator name: Jalapeno Corporation
  - B. Name of facility or well name and number: Louise Yates State #4
  - C. Type of facility or well (WDW) (WIW) etc.: Salt Water Disposal (WDW)
  - D. Location: F-07-09S-28E 2310 FNL & 2310 FWL

Submit to this office, 2909 W Second St Roswell, NM 88201, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, with the abatement period (This form may be used as an attachment to the Sundry Notice)

Analytical Laboratory Report for:  
**JALAPENO CORPORATION**



BJ Chemical Services  
Account Representative:  
Richard D Nailon

## Production Water Analysis

Listed below please find water analysis report from: Duncan Federal, 5

Lab Test No: 2010102664      Sample Date: 01/01/2010  
Specific Gravity: 1.155

TDS: 237424  
pH: 6.25

Cations:	mg/L	as:
Calcium	3600	(Ca <sup>++</sup> )
Magnesium	667	(Mg <sup>++</sup> )
Sodium	109000	(Na <sup>+</sup> )
Iron	1.31	(Fe <sup>+++</sup> )
Potassium	897.0	(K <sup>+</sup> )
Barium	1.04	(Ba <sup>++</sup> )
Strontium	43.46	(Sr <sup>++</sup> )
Manganese	0.22	(Mn <sup>++</sup> )
Anions:	mg/L	as:
Bicarbonate	1464	(HCO <sub>3</sub> <sup>-</sup> )
Sulfate	3750	(SO <sub>4</sub> <sup>=</sup> )
Chloride	118000	(Cl <sup>-</sup> )
Gases:		
Carbon Dioxide	320	(CO <sub>2</sub> )
Hydrogen Sulfide	34	(H <sub>2</sub> S)

# JALAPENO CORPORATION

DUNCAN FEDERAL #5

Lease No.: NM 12557

660' FNL & 1,650" FWL

Sec. 18, T9S, R28E

Chaves, New Mexico

## THE SITE SECURITY PLAN IS LOCATED AT:

JALAPENO CORPORATION

1429 CENTRAL NW

ALBUQUERQUE, NEW MEXICO 87104

→ Direction of Flow

(P1) Production Valve

(S1) Sales Valve

(E1) Equalizing Valve

(BSW) BS&W Valve

(F) Fill Line

(O) Oil Line

(G) Gas Line

(W) Water Line

(V) Vent Valve

(L1) Load Line

(BSW) BS&W Line

PRODUCTION LINES VALUES  
SEALED OPEN WHILE PRODUCING  
SEALED CLOSED DURING SALES

SALES LINES VALUES  
SEALED CLOSED WHILE PRODUCING  
OPEN DURING SALES

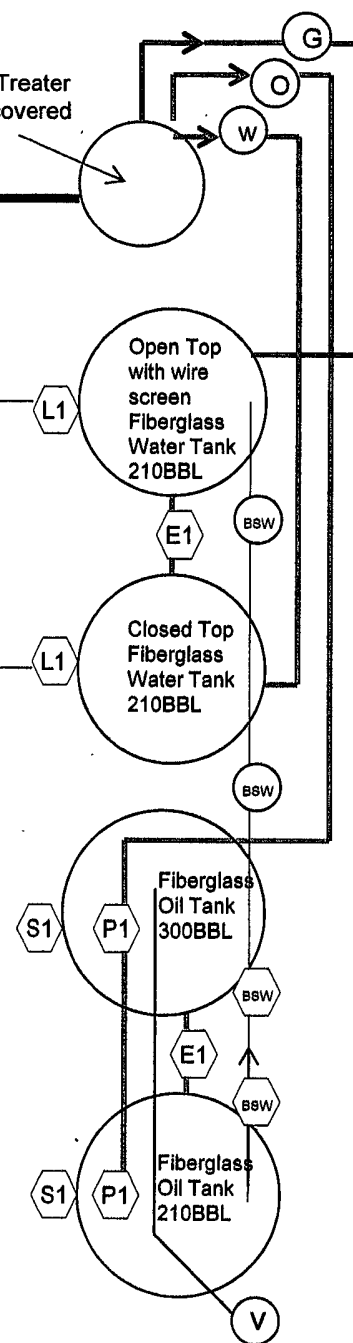


PUMPING UNIT

4 x 20 Heater Treater  
Smoke stack covered  
w/wire screen

Water Disposal line

Water pump  
lines to  
Disposal Well



**BUREAU OF LAND MANAGEMENT**  
**Roswell Field Office**  
**2909 West Second Street**  
**Roswell, New Mexico 88201**  
**575-627-0272**

**Disposal of Produced Water From Federal Wells**  
**Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office for wells in Chaves or Roosevelt County if you have not already done so.