

Jalapeno Corporation

P.O. Box 1608

Albuquerque, NM 87103-1608

Phone: (505) 242-2050 Fax: (505) 242-8501

January 24, 2002

NM-OCD, District II
Attn: Mr. Tim Gum
1301 W. Grand Ave.
Artesia, NM 88210

RE: C-103, Intent to Convert
Louise Yates State #1
Chaves County
Sec.7-N, Twn 9-S, Rge 28-E



Dear Mr. Gum:

In a letter to you of August 7, 2001, we notified you of our examination of the possible use of the subject well as a disposal well. We intend to convert the well to a salt water disposal well.

Enclosed for your approval, please find our original C-103 and two copies. The application itself is being sent to the Santa Fe office.

Thank you.

Sincerely yours,

Anne Riggs, Adm. Asst. To
Harvey E. Yates, Jr., President