

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 87210
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
Revised March 25, 1999

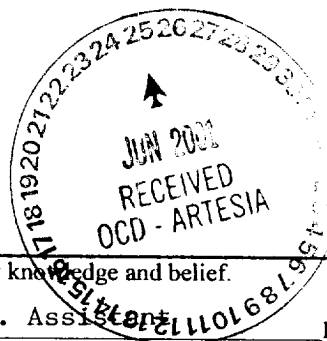
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-005-63381
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		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 0000
3. Address of Operator P.O. Box 1608, Albuquerque, NM 87103-1608		7. Lease Name or Unit Agreement Name: Louise Yates State
4. Well Location Unit Letter <u>K</u> : <u>1650</u> feet from the <u>FSL</u> line and <u>2310</u> feet from the <u>FWL</u> line Section <u>7</u> Township <u>9-S</u> Range <u>28-E</u> NMPM Chaves County		8. Well No. 2
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3892 GLE		9. Pool name or Wildcat Wolf Lake San Andres

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Surface Casing <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Surface Casing <input checked="" type="checkbox"/>

12. 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 recompilation.

Drilled to 434' with 12 1/4" bit, ran 428.6' of 32 lbs 8 5/8" casing with four (4) centralizers. Cemented with 260 sacks of class C/Premium Plus cement. 24 bbls of slurry circulated to pit. Used insert float and guide shoe. Halliburton cemented.

WOC 48hrs. Drilled out with 7 7/8" bit, encountered cement at 365', drilled through surface. Dry shoe. Continued drilling.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Clarence Stevenson TITLE Admin. Asst. DATE 6/21/01
For: Type or print name Harvey E. Yates, Jr. President Telephone No. (505) 242-2050
(This space for State use)

APPROVED BY [Signature] ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

DATE JUL 05 2001

Conditions of approval, if any: