

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>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>7</u> Township <u>9-S</u> Range <u>28-E</u> NMPM Chaves County		8. Well No. <u>2</u>
10. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3892 GLE</u>		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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	OTHER: Deviation Test <input checked="" type="checkbox"/>
OTHER: Deviation Test <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 recompletion.

We enclose herewith the certification covering the deviation surveys run by the drilling contractor.



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

By: [Signature] TITLE President DATE 6/26/01
Type or print name Harvey E. Yates, Jr., for: Jalapeno Corporation Telephone No. (505) 242-2050
(This space for State use) **ORIGINAL SIGNED BY TIM W. GUM**
APPROVED BY [Signature] DISTRICT II SUPERVISOR TITLE [Signature] DATE JUL 19 2001
Conditions of approval, if any: For Record Only

WELL NAME AND NUMBER Louise Yates State No. 2
LOCATION 1650' FSL & 2310' FWL, Section 7, T9S, R28E, Chaves County NM
OPERATOR Jalapeno Corporation
DRILLING CONTRACTOR United Drilling, Inc.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>2° 1209'</u>	<u> </u>	<u> </u>
<u>3/4° 2417'</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
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<u> </u>	<u> </u>	<u> </u>

Drilling Contractor United Drilling, Inc.

By: George A. Aho
George A. Aho

Title: Business Manager

Subscribed and sworn to before me this 25th day of June,
2001.

Karna Tankersley
Notary Public

My Commission Expires: 9-25-03

Chaves NM
County State