

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Artesia, NM 88210

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, ALB., NM 87103**

3b. Phone No. (include area code)  
**505-242-2858**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**330' FSL & 330' FEL S.12, T.9-S, R. 27-E**

5. Lease Serial No.  
**NM 100542**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**PAISANO FEDERAL #1 (35903)**

9. Well No.  
**30-005-63840**

10. Field and Pool, or Exploratory Area  
**Wolf Lake, San Andres, South**

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 checked="" 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 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 type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleate 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.)

Because our cable tool driller has been ill, we have been unable to commence drilling the Paisano #1 with cable tools and now elect to drill the hole with a rotary rig rather than with a cable tool rig. United Rig # 12 will drill the well to the same depth as specified in the application. The well will be drilled with air and mist.

Attached is a copy of the B.O.P. diagram for the rotary rig which has been furnished to us by United Drilling.

We expect to spud this well next week and will notify you prior to that time. If there is a problem with our change, please contact us immediately.

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

**HARVEY E. YATES, JR.**

Title **PRESIDENT**

Jalapeno Corp.

Signature by

Date **10/4/06**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**/S/ DAVID R. GLASS**

Title **PETROLEUM ENGINEER**

Date

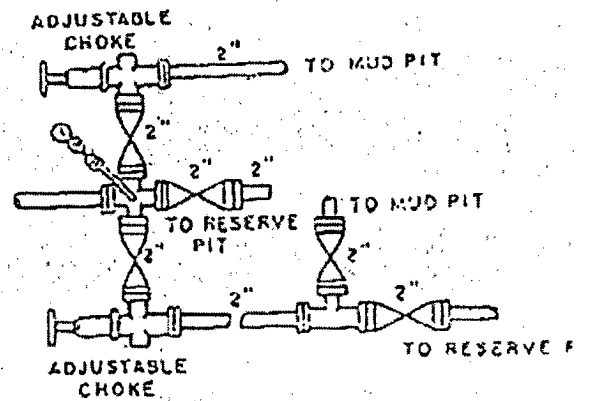
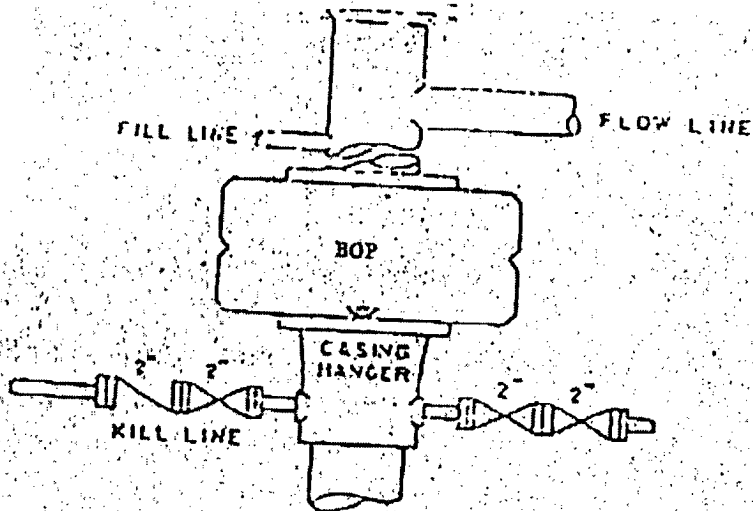
**OCT 06 2006**

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

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)



ANNULAR BOP STACK

PRESSURE 1000#