

New Mexico Oil Conservation Division, District 1

DEPARTMENT OF ENERGY
BUREAU OF LAND MANAGEMENT
1625 NE Highway Drive
Tomball, TX 77480FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side

FEB 07 2012

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CANO PETRO OF NEW MEXICO INCE-Mail: eric@canopetro.com		6. If Indian, Allottee or Tribe Name
3a. Address 6500 N BELTLINE ROAD SUITE 200 IRVING, TX 75063		7. If Unit or CA/Agreement, Name and/or No. NMNM82050X
3b. Phone No. (include area code) Ph: 214-687-9288		8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory CATO-SAN ANDRES
		11. County or Parish, and 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	ShutIn Notice
	<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.)

The attached well list was referenced in the BLM Notice of Written Order 12RH17W. Cano Petro of NM requests permission to Temporarily Abandon these wells, with the intent of utilizing the wells in the future. More specifically, the company anticipates using the wells in the Cato San Andres Unit as producers, injectors, or monitoring wells for the existing waterflood, or in an expansion of the existing waterflood.

ACCEPTED
APPROVED FOR MONTH PERIOD
ENDING APR 25 2012

14. I hereby certify that the foregoing is true and correct. Electronic Submission #129451 verified by the BLM Well Information System For CANO PETRO OF NEW MEXICO INC, sent to the Roswell Committed to AFMSS for processing by DAVID GLASS on 01/30/2012 (12DG0095SE)	
Name (Printed/Typed) ERIC HYMAN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/30/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ACCEPTED	DAVID R GLASS Title PETROLEUM ENGINEER	Date 02/02/2012
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

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

FEB 22 2012

New Mexico Oil Conservation Division, District I

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1625 N. French Drive
Hobbs, NM 88240FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

HOBBS OCE

FEB 14 2012



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.

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CANO PETRO OF NEW MEXICO INC-Mail: eric@canopetro.com		6. If Indian, Allocated or Tribe Name
3a. Address 6500 N BELTLINE ROAD SUITE 200 IRVING, TX 75063		7. If Unit or CA/Agreement, Name and/or No. NMNM82050X
3b. Phone No. (include area code) Ph: 214-687-9288		8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory CATO-SAN ANDRES
		11. County or Parish, and 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 checked="" type="checkbox"/> Other
	<input 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 recompleat 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 recompleat 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.)

A 4" x 2" swage, and 2" ball valve will be installed at the wellhead as sufficient capping of each shut-in well in the attached list. The wells are expected to be used as future utility wells in the Cato San Andres Unit; more specifically, as producers, injectors, or monitoring wells in the existing waterflood, or in an expansion of the existing waterflood. The necessary equipment was ordered in early January, but was found to be faulty when delivered. The equipment was returned to the supplier, and new equipment is expected to be delivered, and installed prior to the deadline of January 31, 2012.

ACCEPTED
APPROVED FOR 3 MONTH PERIOD
ENDING APR 25 2012

ACCEPTED FOR RECORD ONLY!

1. Wells Are TA Without Approval. Not SI.
2. Each Well Needs Approval For Notice Of Intent To TA
3. Each Well Needs Mechanical Integrity Test (MIT) Prior To Approval Of Subsequent Report Of TA

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #129088 verified by the BLM Well Information System For CANO PETRO OF NEW MEXICO INC, sent to the Roswell Committed to AFMSS for processing by DAVID GLASS on 01/24/2012 (12DG0091SE)	
Name (Printed/Typed) ERIC HYMAN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/24/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	DAVID R GLASS Title PETROLEUM ENGINEER	Date 01/25/2012
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

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

FEB 24 2012

2

**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**

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator CANO PETRO OF NEW MEXICO INCE-Mail: eric@canopetro.com		6. If Indian, Allottee or Tribe Name
3a. Address 6500 N BELTLINE ROAD SUITE 200 IRVING, TX 75063		7. If Unit or CA/Agreement, Name and/or No. NMNM82050X
3b. Phone No. (include area code) Ph: 214-687-9288		8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory CATO-SAN ANDRES
		11. County or Parish, and 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 checked="" type="checkbox"/> Other
	<input 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 recompleat 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 recompleat 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.)

The attached well list was referenced in the BLM Notice of Written Order 12RH18W. Cano Petro of NM submitted a Sundry Notice on 01-24-12 of intent to properly cap the referenced wells. As of the date of this notice, Cano has not received a response from the BLM regarding the plan for capping these wells. The NOW order provided that the corrective action be completed by 01-31-12. Without approval from the BLM, this date of corrective action cannot be met, and therefore, an extension of the deadline for corrective action is requested. The well list pertaining to this issue is attached.

ACCEPTED

APPROVED FOR MONTH PERIOD

ENDING APR 25 2012

14. I hereby certify that the foregoing is true and correct	
Electronic Submission #129450 verified by the BLM Well Information System For CANO PETRO OF NEW MEXICO INC, sent to the Roswell Committed to AFMSS for processing by DAVID GLASS on 01/30/2012 (12DG0096SE)	
Name (Printed/Typed) ERIC HYMAN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/30/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	DAVID R GLASS Title PETROLEUM ENGINEER	Date 02/02/2012
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

Accepted For Record Only! Approval Subject To Properly Capping The Wells On Or Before APR 25 2012!

Crime for any person knowingly and willfully to make to any department or agency of the United to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ****

FEB 22 2012