

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

RECEIVED**CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

APR 27 2008

HOBBS

WELL API NO. 30-005-27973
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CATO SAN ANDRES UNIT
8. Well Number 516
9. OGRID Number 248802
10. Pool name or Wildcat CATO; SAN ANDRES

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.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator CANO PETRO OF NEW MEXICO, INC.	
3. Address of Operator 801 CHERRY STR, UNIT 25 SUITE 3200 FT WORTH TX 76102	
4. Well Location Unit Letter D : 1275 feet from the N line and 20 feet from the W line Section 11 Township 08S Range 30E NMPM 27 County CHAVES	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4116	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☒ P AND A ☐
 CASING/CEMENT JOB ☒

OTHER: ☐OTHER: perforate, acidize, and run tubing rods and pump ☒

13. 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.

12/16/2007: Spud 12-1/4" hole and drilled to 515'. Ran 515' of 8-5/8" 24# J-55 and cemented w/ 400 sx class C. WOC 8 hours

12/17 - 12/21/2007: Nippled up BOP and drilled 7-7/8" hole to 4000'. Ran open hole logs. Ran 101 jts 5-1/2" J-55 17# csg from surface to 4000'. Cemented w/ 800 sx 35/65 Poz and circulated 120 sx to pit.

1/3/2008: Ran cased hole logs (CBL/GR) and perforated at 1 spf: P1 3332-3374'; P2 3406-3452'; P3 3478-3496' and 3500-3522' and 3532-3553'; P5 3734-3763'

1/4/2008: Acidized all zones together w/ 8,000 gal 15% HCl @ 5 BPM

1/7/2008: RIH w/ 2-7/8" tubing and rods and 2.5" x 2.0" x 16' pump and hung well on

Spud Date:

12/16/2007

Rig Release Date:

12/22/2007

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

SIGNATURE

Collin Strawn

TITLE

Engineer

DATE 4-14-09

Type or print name

Collin Strawn

E-mail address:

PHONE: 817-698-0900

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

MAY 14 2009

Conditions of Approval (if any):

30-005- 22473

WELL NAME AND NUMBER Cato San Andres Unit #516 Unit D
 LOCATION Section 11, T8S, R30E, 1275 FNL, 20 FWL Chaves County
 OPERATOR Cano Petroleum, Inc. of New Mexico
 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 test and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1/4 @ 515'		
1/4 @ 1003'		
1/4 @ 1500'		
3/4 @ 2491'		
1 @ 2986'		
1-1/4 @ 3668'		
1 @ 4000'		

UNITED DRILLING, INC.

By: *Luisa Garcia*
 (Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 24 day of December, 2007

George A. Alho
 Notary Public
Chaves NM
 County State

My Commission Expires:

10-8-08