

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
HobbsFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an OCD abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

AUG 18 2014

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Cano Petro of New Mexico, Inc.		8. Well Name and No. Amoco Federal #2
3a. Address PO Box 4470, Tulsa, OK 74159-0470	3b. Phone No. (include area code) 918-582-0088	9. API Well No. 30-005-20610
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Ltr G: 1980' FNL & 1980' FEL, Sec 1 - T8S - R30E		10. Field and Pool or Exploratory Area Cato (San Andres)
		11. Country or Parish, State Chaves County, New Mexico

12. CHECK THE 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 checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This well has been shut-in for many years. Per our agreement with BLM upon purchase of this lease and our subsequent POD for 2014 Cano Petro plans to remediate this well if necessary and put into production again. To do this we will:

1. MIRU Well Service Unit. RIH w/ 3-7/8" bit & 4-1/2" casing scraper to clean wellbore to PBTD of 3742'. POOH w/ same.
2. RIH w/ 2-3/8" Work-string (WS) & 4-1/2" AD-1 type tension packer to approximately 3500' (This is within 50' of top perf @ 3532'.
3. Set packer and run a pre-test of the casing by pressuring the annulus of WS to 500 psig for 30 minutes with recording chart.
4. If casing fails its pre-test POOH with packer @ 100' intervals to locate bad interval. Will repair by squeeze cementing methods using a CIBP on bottom to protect the perforated interval. Tulsa Engineering will write a procedure for this.
5. Drill out any cement & BP to clean pipe to old PBTD.
6. After any repairs, if necessary, contact Roswell BLM Field office and NMOCD District Office in Hobbs to have a witnessed casing test.
7. RIH w/ WS & AD-1 type packer to 3672'. Spot 1300 gal 15% NEFE acid. POOH w/WS & packer to 1650'. Set packer & close casing valves and squeeze acid into perfs. Over-displace acid using 2 Bbl 2% KCl water.
8. Let acid work 2 hours. Then RIH w/WS & pkr to 3500'.
9. Begin flowback and swab until all fluid is recovered to test producing interval.
10. POOH w/WS & packer.
11. RIH with appropriately sized pump in 2-3/8" new tubing.
12. POP
13. Install temporary separator & tankage to produce into until permanent Tank Battery can be constructed.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) <i>David P. Spencer</i>		Title <i>Senior Oil & Gas Engineer</i>
Signature <i>David P. Spencer</i>		Date <i>7/17/2014</i>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>IS/ Angel Mayes</i>	Assistant Field Manager, Lands And Minerals	Date <i>8-11-14</i>
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 <i>Roswell Field Office</i>	<i>KC</i>

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)

AUG 20 2014

Amoco Federal 2
30-005-20610
Cano Petro of New Mexico, Inc.
August 11, 2014
Conditions of Approval

1. **Operator Steps 4-6 – Before casing or a liner is installed or replaced or repaired prior BLM approval of the design is required. Operator shall run a Cement Bond Log prior to proposing any cement squeeze operations as this will allow cement operations that could assist with final cementing requirements when the well is plugged and abandoned. BLM witnessed pressure test required – 24 hour notice. Use notice of intent Form 3160-5.**
2. Surface disturbance beyond the existing pad shall have prior approval.
3. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
4. Functional H₂S monitoring equipment shall be on location.
5. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. A ram system including a blind ram and pipe ram(s) designed to close on all of the work string(s) used is required equipment. Manual BOP closure (hand wheels) equipment shall be installed regardless of BOP design. Function test, the installed BOPE to 1000psig. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
6. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
7. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
8. File **subsequent report** Form 3160-5 within 30 days of completing the work. Provide well bore schematic and well test information.

Access information for use of Form 3160-5 “Sundry Notices and Reports on Wells”

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.