

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM.88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-005-10566
5. Indicate Type of Lease STATE [ ] FEE [ ] P [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CATO SAN ANDRES
8. Well Number #76
9. OGRID Number
10. Pool name or Wildcat 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 [X] Gas Well [ ] Other [ ]
2. Name of Operator CANO PETROLEUM
3. Address of Operator 801 CHERRY ST SUIT 3200 UNIT 25 FORT WORTH TX 76102-6882
4. Well Location Unit Letter B : 660 feet from the N line and 1980 feet from the E line Section 15 Township 8S Range 30E NMPM County CHAVEZ
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
Pit or Below-grade Tank Application [ ] or Closure [ ]
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [X] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ] OTHER [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] P AND A [ ] CASING/CEMENT JOB [ ] OTHER [ ]

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.

7-17-07 clean out well bore with air foam unit check csg return well to production



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE [Signature] TITLE Production Foreman DATE 7-17-07

Type or print name GENE BROOKSHIRE Telephone No. 505-513-0286

For State Use Only

APPROVED BY: [Signature] TITLE OC HELD REPRESENTATIVE II/STAFF MANAGER DATE JUL 23 2007