

| Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505 | | State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 | | Form C-105 Revised June 10, 2003 | | | | | | | |
|--|---|---|---|--|--|----------------|-------------------------------|------------------|---|--|---------------|
| <div style="position: relative; height: 40px;"> RECEIVED APR 27 2009 HOBSOCD </div> | | WELJ. API NO. 30-05-28014 | | | | | | | | | |
| | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/> | | | | | | | | | |
| | | State Oil & Gas Lease No. | | | | | | | | | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | | |
| 1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ | | | 7. Lease Name or Unit Agreement Name Cato San Andres Unit | | | | | | | | |
| b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER | | | | | | | | | | | |
| 2. Name of Operator <div style="text-align: center;">Cano Petro of New Mexico, Inc.</div> | | | 8. Well No. <div style="text-align: center;">571</div> | | | | | | | | |
| 3. Address of Operator <div style="text-align: center;">801 Cherry Street, Unit 25 Suite 3200 Fort Worth, TX 76102</div> | | | 9 Pool name or Wildcat <div style="text-align: center;">Cato San Andres</div> | | | | | | | | |
| 4. Well Location Unit Letter <u>E</u> : <u>1340</u> Feet From The <u>North</u> Line and <u>150</u> Feet From The <u>West</u> Line | | | | | | | | | | | |
| Section: 14 | | Township 08S | | Range 30E | | | | | | | |
| | | | | NMPM: County: Chaves | | | | | | | |
| 10. Date Spudded 2/28/08 | 11. Date T D Reached | 12. Date Compl. (Ready to Prod) 4/3/08 | 13. Elevations (DF& RKB, RT, GR, etc.) 4112 FT. | 14 Elev Casinghead | | | | | | | |
| 15. Total Depth 3960 | 16. Plug Back T D. | 17. If Multiple Compl. How Many Zones? | 18 Intervals Drilled By | Rotary Tools X | Cable Tools N/A | | | | | | |
| 19 Producing Interval(s), of this completion - Top, Bottom, Name San Andres P1—P3 3416-3600 | | | | 20. Was Directional Survey Made | | | | | | | |
| 21. Type Electric and Other Logs Run KB: 4118.0' DF: 4119.0' GL: 4112.0' Datum: 6.0 above GL | | | | 22. Was Well Cored | | | | | | | |
| 23. CASING RECORD (Report all strings set in well) | | | | | | | | | | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED | | | | | | |
| 8 5/8 | 24# | 565 | 12 1/4 | 400 SX | | | | | | | |
| 5 1/2 | 15.5# | 3960 | 7 7/8 | 1150 SX | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 24. LINER RECORD | | | 25. TUBING RECORD | | | | | | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | | | | | | |
| | | | | | 2 7/8 | | | | | | |
| | | | | | 3600 | | | | | | |
| | | | | | PER CC | | | | | | |
| 26. Perforation record (interval, size, and number) <div style="text-align: center;"> P1- 3416-3458 P2- 3486-3530 P3- 3580-3600 </div> | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>3416-3600</td> <td>Frac w 50,000 # 20/40 sand 6000 gal. 28% HCT</td> </tr> <tr> <td></td> <td>PER CC</td> </tr> </table> | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 3416-3600 | Frac w 50,000 # 20/40 sand 6000 gal. 28% HCT | | PER CC |
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| 3416-3600 | Frac w 50,000 # 20/40 sand 6000 gal. 28% HCT | | | | | | | | | | |
| | PER CC | | | | | | | | | | |
| 28. PRODUCTION | | | | | | | | | | | |
| Date First Production 4/25/08 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pump | | Well Status (Prod. or Shut-in) Prod. | | | | | | | |
| Date of Test 4/25/08 | Hours Tested 24 hrs. | Choke Size | Prod'n For Test Period | Oil - Bbl 8 | Gas - MCF 7 | | | | | | |
| | | | | Water - Bbl. 51 | Gas - Oil Ratio | | | | | | |
| Flow Tubing Press 0 | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. 8 | Gas - MCF 7 | Water - Bbl. 51 | | | | | | |
| | | | | | Oil Gravity - API - (Corr.) 23 | | | | | | |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) <div style="text-align: center;">Sold Per CC</div> | | | | | Test Witnessed By | | | | | | |
| 30. List Attachments | | | | | | | | | | | |
| 31. Signature Printed Name Cindy Chaves Title Regulatory Coordinator E-mail Address: <u>Cindy@canopetro.com</u> Date: <u>04/30/08</u> | | | | | | | | | | | |

CSAU 571

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | Northwestern New Mexico | |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy | T. Canyon | T. Ojo Alamo | T. Penn A" |
| T. Salt 1062 | T. Strawn | T. Kirtland | T. Penn. "B" |
| B. Salt | T. Atoka | T. Fruitland | T. Penn. "C" |
| T. Yates 1484 | T. Miss | T. Pictured Cliffs | T. Penn. "D" |
| T. 7 Rivers 1657 | T. Devonian | T. Cliff House | T. Leadville |
| T. Queen 2202 | T. Silurian | T. Menefee | T. Madison |
| T. Grayburg | T. Montoya | T. Point Lookout | T. Elbert |
| T. San Andres 2896 | T. Simpson | T. Mancos | T. McCracken |
| T. Glorieta | T. McKee | T. Gallup | T. Ignacio Otzte |
| T. Paddock | T. Ellenburger | Base Greenhorn | T. Granite |
| T. Blinebry | T. Gr. Wash | T. Dakota | |
| T. Tubb | T. Delaware Sand | T. Morrison | |
| T. Drinkard | T. Bone Springs | T. Todilto | |
| T. Abo | T. | T. Entrada | |
| T. Wolfcamp | T. | T. Wingate | |
| T. Penn | T. | T. Chinle | |
| T. Cisco (Bough C) | T. | T. Permian | |

OIL OR GAS
SANDS OR ZONES

No. 1, from 3404 to 3460
 No. 2, from 3485 to 3538
 No. 3, from 3578 to 3653
 No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
 No. 2, from to feet
 No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology | From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|------|----|----------------------|--|
| | | | | | | | RECEIVED MAY 12 2009 HOBBSOCD |