<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico

Form C-101 Permit 63525

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

| | (| CANO PE 8 | TRO OF N DI CHERR | ue and Address EW MEXICO, INC Y STREET H , TX 76102 | C . | | 2. OGRID Number 248802 3. API Number | | | |
|--|---|---------------|----------------------|---|---|---|--|----------|------------------|-----------------------|
| | | 101 | | 11, 122 70102 | | 30-05-27984 | | | | |
| 4. | Property Cod | : | | 5. Pr | perty Nan | ne ne | dia . | | 6. | Well No. |
| | 303560 | 15 | | CATO SAN | ANDRI | | 545 | | | |
| | | | | 7. Surfa | ce Loc | ation | | | | |
| UL - Lot | Section | Township | p Range | Lot Idm Fe | et From | N/S Line | Feet From | E | W Line | County |
| M | 11 | 085 | 30E | M | 1205 | S | 1312 | | W | CHAVES |
| | | | | 8. Pool | Inform | ation | | | | |
| ATO;SAI | N ANDRES | | | | | | | | | 10: |
| | | | | Additional V | Vell Int | formatio | n | | | |
| 9. Work | Туре | 10. Wel | 1 Туре | 11. Cable/ | Rotary | | 12. Lease Type | § 1 | 13. Groun | nd Level Elevation |
| New W | 7ell | OI | L | | | | Private | | 4139 | |
| 14. Mb | ıltiple | 15. Propo | sed Depth | 16. For | nation | 18. Spud Date | | | | |
| 1 | 1 | | | San A | ndres | | | | | |
| Depth to Ground water Distance from near | | | | | | water well | | I | istance to a | nearest surface water |
| | Synthetic Loop System | × | mils thick | Clay Pit Volume | : | bbls Drilling Method: Fresh Water Brine Diesel/Oil-based Gas/Air | | | | |
| | | | 19. | Proposed Casin | g and (| Cement I | Program | | | |
| Туре | Hole Size | Casing ' | Гуре | Casing Weight/ft | Set | Setting Depth Sacks of | | | Cement Estimated | |
| Surf | 12.25 | 8.62 | | 24 | | 500 45 | | | | 0 |
| Prod | 7.875 | 5.5 | 5 | 15.5 | | 4000 700 | | | | 400 |
| | | | Casing | /Cement Progr | am: Ad | lditional | Comments | | | |
| | | | D | roposed Blowou | t Drovo | ntion Pr | oor-am | | | |
| Туре | | w | orking Pres | 1907.00 | t Fleve | Test Press | 0.000 | | Man | ufacturer |
| Hydril 2000 | | | | | | 300 | | HYDRIL | | |
| my knowle further cer MOCD gui | dge and belief tify that the d idelines a | billing pit v | vill be constr | e and complete to the b ucted according to (attached) alternative | | 54802-350 | CONSERV. | ATI(| NIQ NC | ISION |
| | r ed plan . me: Electron | nically: file | hy Cynth | ia Chavez | | Approved By: Paul Kautz Title: Geologist | | | | |
| THEOU INC | ara. Edection | LECTION THE | Log Oynin | M OIMYON | Approved Date: 11/15/2007 Expiration Date: 11/15/2008 | | | | ate: 11/15/2008 | |
| Γitle: | | | | | | | | | | |
| Fitle: Email Add | ress: cindy@ | Ocanopetr | o.com | | 1177 | IOTOA DAIO | . 11/15/2007 | 1 - or I | , Mattori L | 110. 1171572000 |

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

1000 Rio Brazos Rd., Azzec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 63525

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 10.5 | The Booth Control of the Control | OL DEDICTION . | | | | |
|------------------|-------------------------------------|----------------|--------------|--|--|--|
| 1. API Number | 2. Pool Code | 3. P | Pool Name | | | |
| 30-05-27984 | 10540 | AN ANDRES | | | | |
| 4. Property Code | 5. Property Na | me | 6. Well No. | | | |
| 303560 | CATO SAN ANDF | 545 | | | | |
| 7. OGRID No. | 8. Operator Na | me | 9. Elevation | | | |
| 248802 | CANO PETRO OF NEW MEXICO, INC. 4139 | | | | | |

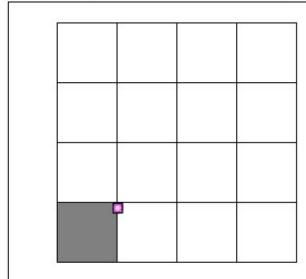
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 11 | 08S | 30E | | 1205 | S | 1312 | w | CHAVES |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Tow | Township Range | | Lot Idn Feet From | | Feet From | N/S Line | | Feet From | E/W Line | County |
|---|---|-----|-----------------|--|-------------------|-------------------|-----------|----------|--|---------------|----------|--------|
| 100000000000000000000000000000000000000 | 12. Dedicated Acres 13. Joint or 1 40.00 | | Joint or Infill | | 14 | . Consolidation (| Code | | | 15. Order No. | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Cynthia Chavez

Title:

Date: 11/9/2007

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Ronald Ridson Date of Survey: 10/16/2007 Certificate Number: 12641

Permit Conditions of Approval

Operator: CANO PETRO OF NEW MEXICO, INC. , 248802 Well: CATO SAN ANDRES UNIT #545

API: 30-05-27984

| OCD Reviewer | Condition |
|-----------------|---|
| IDKAUTZ | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |