

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CANO PETRO OF NEW MEXICO, INC. 801 CHERRY STREET FORT WORTH , TX 76102		2. OGRID Number 248802
		3. API Number 30-05-28033
4. Property Code 303560	5. Property Name CATO SAN ANDRES UNIT	6. Well No. 852

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	12	08S	30E	M	604	S	569	W	CHAVES

8. Pool Information

CATO,SAN ANDRES	10540
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4171
14. Multiple N	15. Proposed Depth 4500	16. Formation San Andres	17. Contractor	18. Spud Date
Depth to Ground water 500		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____mils thick Clay <input type="checkbox"/> Pit Volume: 2000 _____bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	500	450	0
Prod	7.875	5.5	15.5	4500	700	400

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	2000	300	HYDRIL

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Cynthia Chavez Title: Email Address: cindy@canopetro.com Date: 5/9/2008	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 5/12/2008	Expiration Date: 5/12/2010
	Conditions of Approval Attached	

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised October 12, 2005

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name C.S.A.U.	⁶ Well Number 852
⁷ OGRID No.	⁸ Operator Name CANO PETROLEUM, INC.	⁹ Elevation 4171'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	8 SOUTH	30 EAST, N.M.P.M.		604'	SOUTH	569'	WEST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹²	¹³		¹⁴ Consolidation Code	¹⁵ Order No.					

NO ALLOWABLE WELL 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 undivided mineral interest in the land including the proposed bottom hole location 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.

Signature

CINDY CHAVEZ

Printed Name

SURVEYOR CERTIFICATION

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

APRIL 21, 2008

Date of Survey

Signature and Seal of Professional Surveyor

Michael Blake Brown

P.S. #18329

JOB #134109 / 173 NE / L.A.S.

NAD 27 NM E ZONE

X = 650472

Y = 956607

LAT.: N 33.6286807

LONG.: W 103.8389988

569'

604'

Permit Conditions of Approval

Operator: CANO PETRO OF NEW MEXICO, INC. , 248802

Well: CATO SAN ANDRES UNIT #852

API: 30-05-28033

OCD Reviewer	Condition
pkautz	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