

DATE IN 4-15-10	SUSPENSE	ENGINEER TW	LOGGED IN 4-15-10	TYPE IPT	PTGW APP NO. 1010541108
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Cano Petro

5000

Unit Wide

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

IFE 315, 319

Cell 512-519-9180

10 512 519 9180

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

ATTACHMENT TO FORM C-108

Cano Petro of New Mexico, Inc.
Cato San Andres Unit

Item IV – Discussion

Cano Petro of New Mexico, Inc. (“Cano”) hereby requests an increase in the authorized surface injection pressure for certain wells within the Cato San Andres Unit, Chaves County, New Mexico.

(5)

NMOCD Order No. R-9029-A, dated September 3, 2008, granted Cano authority to expand the Cato San Andres Unit Waterflood Project. Forty-three injection wells were permitted, and the maximum surface injection pressure was set at 650 psi. Injection was commenced on September 17, 2008. The current total injection rate is approximately 12,000 BWPd.

Administrative Order IPI-315, dated March 4, 2009 granted Cano authority to inject at surface pressures exceeding 650 psi into five injection wells. Administrative Order IPI-319, dated April 8, 2009 granted Cano authority to inject at surface pressures exceeding 650 psi into six additional injection wells. This authority was granted based on the results of step-rate tests. The authorized injection pressures in these eleven wells range from 850 psi to 1,615 psi, and are listed on the enclosed chart entitled “Maximum Approved Surface Injection Pressures and Pressure Gradients”. The location of each of these wells is indicated on the enclosed map of the project area.

An Administrative Application (IPI) requesting authority to inject at surface pressures exceeding 650 psi into two additional injection wells was filed with the NMOCD on November 30, 2009. Included as supporting data were the results of step rate tests run in these wells. Subsequent to the filing of this application, additional step rate tests were run in three injection wells that were, in part, subject of previous IPI applications. On December 16, 2009, Cano was notified by the NMOCD that the IPI Application filed on November 30, 2009 could not be approved administratively, and that the matter would have to be set for hearing.

Submitted herewith are reports submitted by the service company conducting the five step rate tests run in late 2009, and a wellbore diagram for each well tested. These tests were run utilizing surface-only pressure transducers. Correlations developed from the results of previously submitted step rate tests were utilized to calculate friction pressures as a function of injection rate, which facilitated the calculation of bottom-hole pressure from the surface pressure data.

The enclosed documents entitled “Step Rate Test Analysis” summarize the recorded test results and the calculated bottom-hole pressures on a well by well basis. Plots subtitled “Bottom-Hole Pressure vs. Injection Rate” graphically depict the relevant data and the interpreted parting pressures.

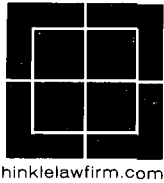
The interpreted parting pressures in the two wells not previously tested support a maximum surface injection pressure significantly higher than the current 650 psi limit. Based on the results of these tests, Cano requests authority to inject at surface pressures exceeding 650 psi in these two wells.

The interpreted parting pressures in the three wells that were previously tested are significantly higher than previously documented. This is due to the fact that these wells originally exhibited abnormally low bottom-hole pressures. Based on the results of these tests, Cano requests authority to inject at surface pressures exceeding the currently authorized injection pressures in these three wells.

Based on the results of the sixteen step-rate tests run to date, Cano further requests authority to inject at surface pressures exceeding 650 psi in twenty-five additional wells within the approved project area. The existing data support maximum surface injection pressures based on the minimum observed current surface parting pressure gradient of 0.400 psi/ft.

The attached table entitled "Current & Proposed Maximum Injection Pressures" summarizes the requested pressure limitation on a well by well basis. Cano now intends to drill replacement wells for several of the permitted injectors. The injectors to be replaced are not included in this table. Authority to inject into the replacement wells will be requested by separate application.

WJF



HINKLE, HENSLEY, SHANOR & MARTIN, L.L.P.

ATTORNEYS AT LAW

218 MONTEZUMA

SANTA FE, NEW MEXICO 87501

505-982-4554 (FAX) 505-982-8623

WRITER:

Gary W. Larson,
Partner
glarson@hinklelawfirm.com

April 13, 2010

Via Hand Delivery

Richard Ezeanyim
EMNRD – OCD
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Cano Petro of New Mexico, Inc. IPI Application

Dear Richard:

Enclosed please find Cano Petro of New Mexico, Inc.'s IPI application that was the subject of dismissed Case No. 14425. This application supersedes and replaces the application that Keith Masters of Masters Consulting submitted on behalf of Cano Petro on November 30, 2009.

As you will note, the enclosed application also was prepared and signed by Mr. Masters on behalf of Cano Petro. I suggest that you direct any questions about the application to Mr. Masters.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL:js
Encl.

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ Yes ☒ No
- II. OPERATOR: Cano Petro of New Mexico, Inc.
ADDRESS: 801 Cherry St. - Unit 25, Ste. 3200; Fort Worth, TX 76102
CONTACT PARTY: Alex Azizi PHONE: (817) 698-0900
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary. Previously submitted - Case No. 14128
- IV. Is this an expansion of an existing project? ☐ Yes ☒ No
If yes, give the Division order number authorizing the project: R-9029-A
This is a request for increased injection pressure. See attached discussion.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
Map submitted in Case No. 14128 is attached.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone.
Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. Previously submitted - Case No. 14128
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; no change requested
 2. Whether the system is open or closed; no change requested
 3. Proposed average and maximum injection pressure; see attached table
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, no change requested
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). not applicable
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. Previously submitted - Case No. 14128
- IX. Describe the proposed stimulation program, if any. Previously submitted - Case No. 14128
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
Previously submitted - Case No. 14128
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
Previously submitted - Case No. 14128
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water. Not applicable
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form. attached
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Keith B. Masters, P.E. 512-906-2016 TITLE: Consultant
SIGNATURE: [Signature] DATE: 01/04/10
E-MAIL ADDRESS: k_b_masters@mastersconsultingllc.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: Case No. 14128

**MAXIMUM APPROVED SURFACE INJECTION PRESSURES
AND SURFACE GRADIENTS
CANO PETRO OF NEW MEXICO, INC.
CATO SAN ANDRES UNIT**

<u>Well No.</u>	<u>Maximum Approved Surface Injection Pressure (psig)</u>	<u>Depth to Top Perforation (ft)</u>	<u>Maximum Approved Surface Pressure Gradient (psig/ft)</u>
Wells with 2-1/16" tubing			
19	1,615	3,308	0.488
20	1,540	3,342	0.461
23 ✓	1,220	3,472	0.351 (1)
48	1,530	3,380	0.453
49 ✓	1,010	3,414	0.296 (2)
Wells with 2-3/8" tubing			
16	1,570	3,238	0.485
21	1,365	3,383	0.403
50 ✓	850	3,496	0.243 (3)
94	1,450	3,292	0.440
533	1,380	3,440	0.401
822	1,370	3,424	0.400

- (1) Current step rate test indicates that parting pressure occurs at a surface pressure gradient of 0.404 psi/ft.
- (2) Current step rate test indicates that parting pressure occurs at a surface pressure gradient of 0.412 psi/ft.
- (3) Current step rate test indicates that parting pressure occurs at a surface pressure gradient of 0.457 psi/ft.

57
854

CANO PETROLEUM

CSAU #23
CHAVEZ COUNTY, NEW MEXICO

TEST DATE
12/15/2009

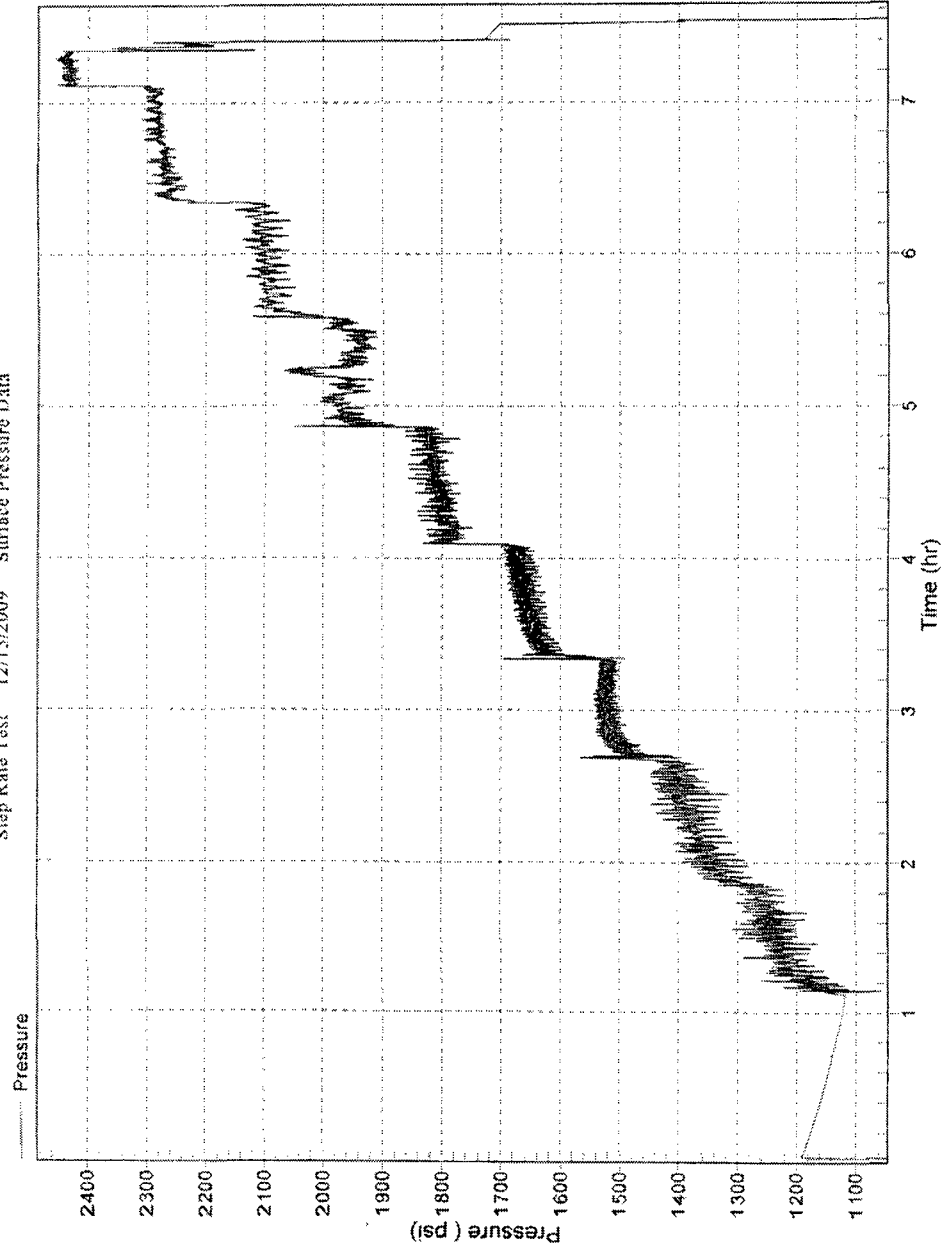
STEP RATE TEST

Ran step rate test with surface pressure transducer.

TEST DATE 12/15/2009

PRECISION PRESSURE DATA, INC. • P.O. BOX 571 • MIDLAND, TEXAS 79706-0571 • (409) 970-7600

CANO PETROLEUM - CSAU #23
Step Rate Test 12/15/2009 Surface Pressure Data



Current Completion

KB: 4180.0'
DF: 4179.0'
GL: 4171.0'
Datum: 9.0' above GL

CSAU #23

Strawn 2/16/2008

660' FNL, 660' FEL
Section 11, T08S R30E
Chaves County, NM

12 1/4" hole to 454'
8 5/8" 24# csg @ 454'

8-5/8" csg cemented to surface

3-1/2" liner cemented to surface

unknown TOC for 4-1/2" string

2-1/16" seal tite tubing to 3370'
packer @ 3370'

P1 perfs 3472-3518' (4 spf)

P2 perfs 3548-3559' (4 spf)

7 7/8" hole to 3576'
4-1/2" 9.5# csg @ 3576'

3-1/2" liner from surface to TD

TD = 3576'

CANO PETROLEUM

CSAU #49

CHAVEZ COUNTY, NEW MEXICO

TEST DATE
12/17/2009

STEP RATE TEST

Ran step rate test with surface pressure transducer.

TEST DATE 12/17/2009

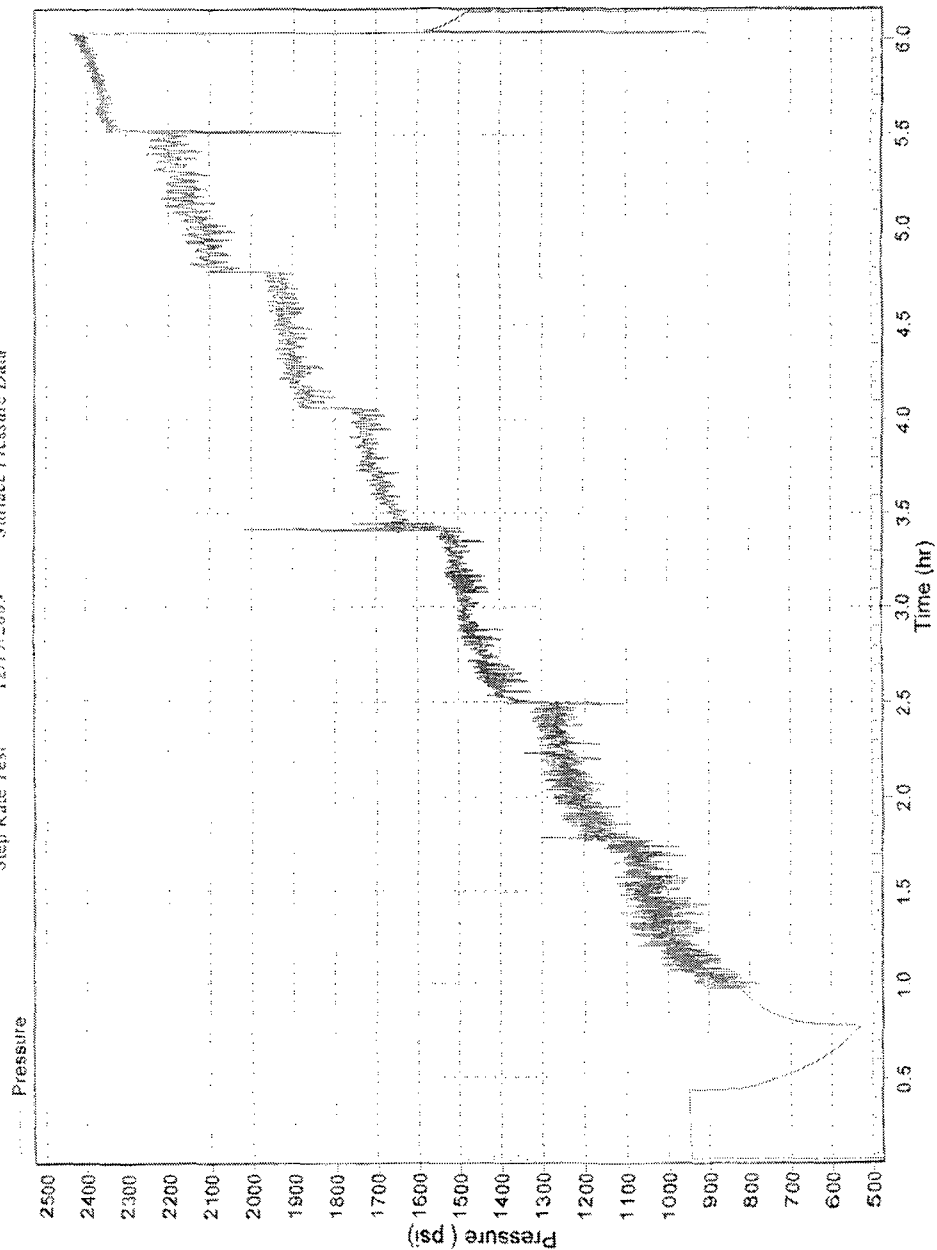
[illegible]

Instrument 8:

TEST RESULTS

Well was injecting at 400 bpd at the start so I started the test there. Pumped 2 loads of water and was exceeding pressure limits (2000) of valves & hoses.

CANO PETROLEUM - CSAU #49
Step Rate Test 12/17/2009 Surface Pressure Data



Current Completion

CSAU #49

Strawn

3/15/2008

KB: 4143.0'

DF: 4142.0'

GL: 4132.0'

Datum: 11.0' above GL

1980' FSL & 660' FWL

Section 11, T08S R30E

Chaves County, NM

12 1/4" hole to 511'
8 5/8" 24# csg @ 511'

8-5/8" csg cemented to surface

3-1/2" liner cemented to surface

unknown TOC for 4-1/2" string

2-1/16" seal tite tubing to 3320'
packer @ 3320'

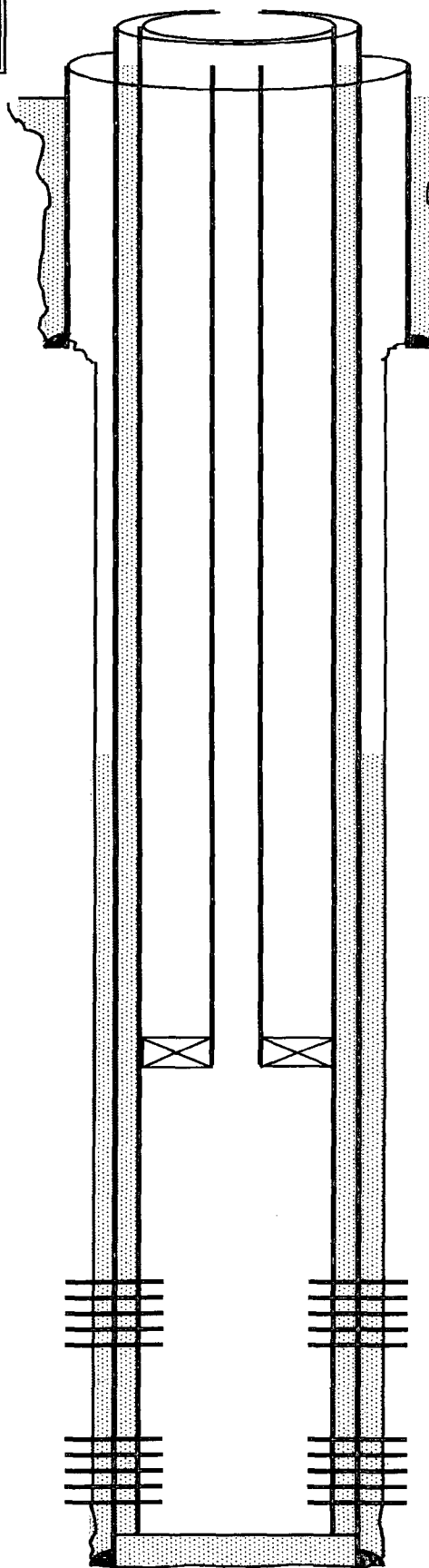
P1 perfs 3414-3465' (4 spf)

P2 perfs 3492-3539' (4 spf)

7 7/8" hole to 3561'
4-1/2" 9.5# csg @ 3561'

3-1/2" liner from surface to 3555'

TD = 3561'



CANO PETROLEUM

CSAU #50

CHAVEZ COUNTY, NEW MEXICO

TEST DATE

12/16/2009

STEP RATE TEST

Ran step rate test with surface pressure transducer.

TEST DATE 12/16/2009

[illegible]

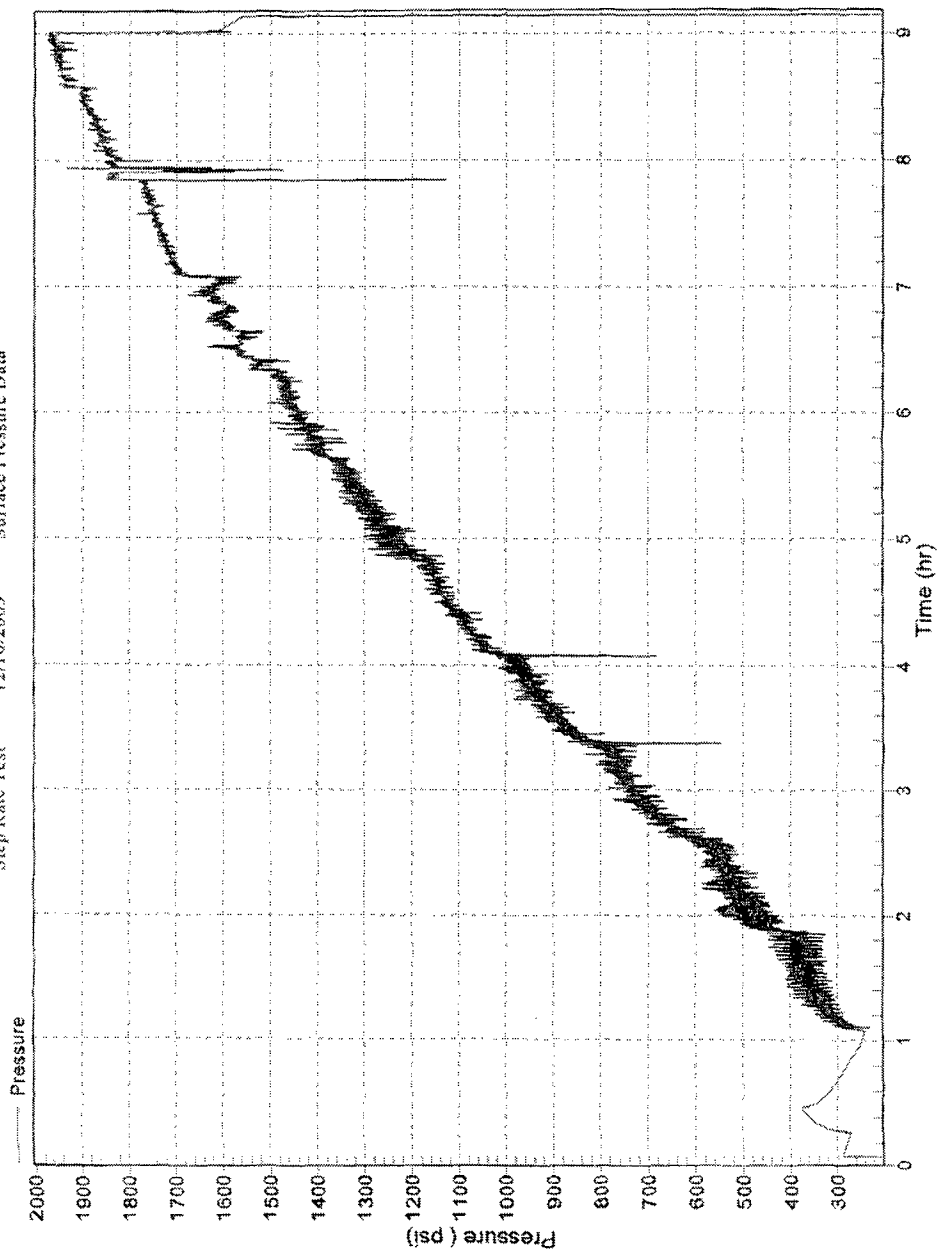
Instrument #:

TEST RESULTS

Parting Pressure @ 1375 BHP (psia) @ 1200 BWPD



CANO PETROLEUM - CSAU #50
Step Rate Test 12/16/2009 Surface Pressure Data



Current Completion

KB: 4160.0'

DF: 4159.0'

GL: 4149.0'

Datum: 11.0' above GL

CSAU #50R

Strawn 8/25/08

1980' FSL & 1922' FEL

Sec 11 T8S R30E

Chaves County, NM

12 1/4" hole to 155'

10 3/4" csg @ 155'

both cement jobs circ to surface

9 1/2" hole to 1243'

2-3/8" seal tite
packer @ ~3400'

P1 perfs 3496-3540, 4 spf, 120 phasing

acid cleanup

P2 perfs 3564-3590, 4 spf, 120 phasing

acid cleanup

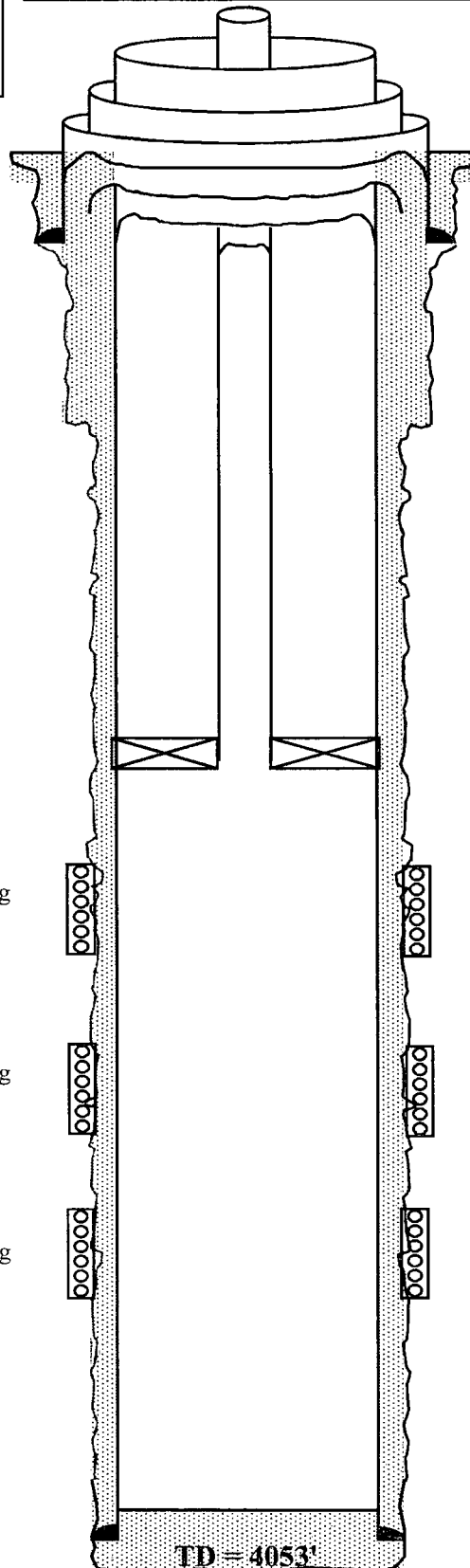
P3 perfs 3644-3678, 4 spf, 120 phasing

acid cleanup

5 1/2" csg @ 4024'

7 7/8" hole to 4053'

TD = 4053'



CANO PETROLEUM

CSAU #57

CHAVEZ COUNTY, NEW MEXICO

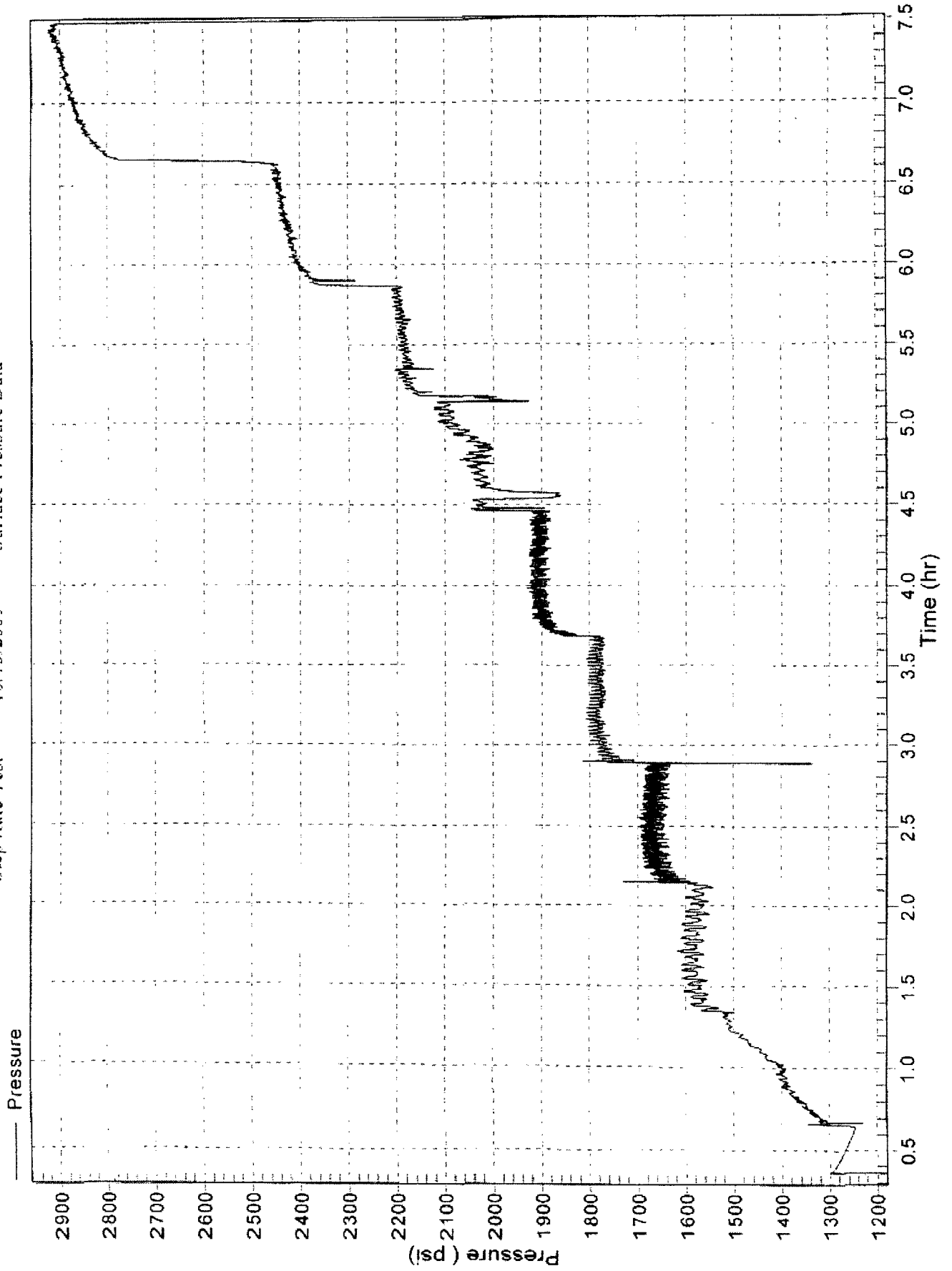
TEST DATE

10/13/2009

STEP RATE TEST

Ran step rate test with surface pressure transducer.

CANO PETROLEUM - CSAU #57
Step Rate Test 10/13/2009 Surface Pressure Data



Current Completion

KB: 4110.0'
DF: 4109.0'
GL: 4099.0'
Datum: 11.0' above GL

CSAU #57

Strawn 11/30/2009

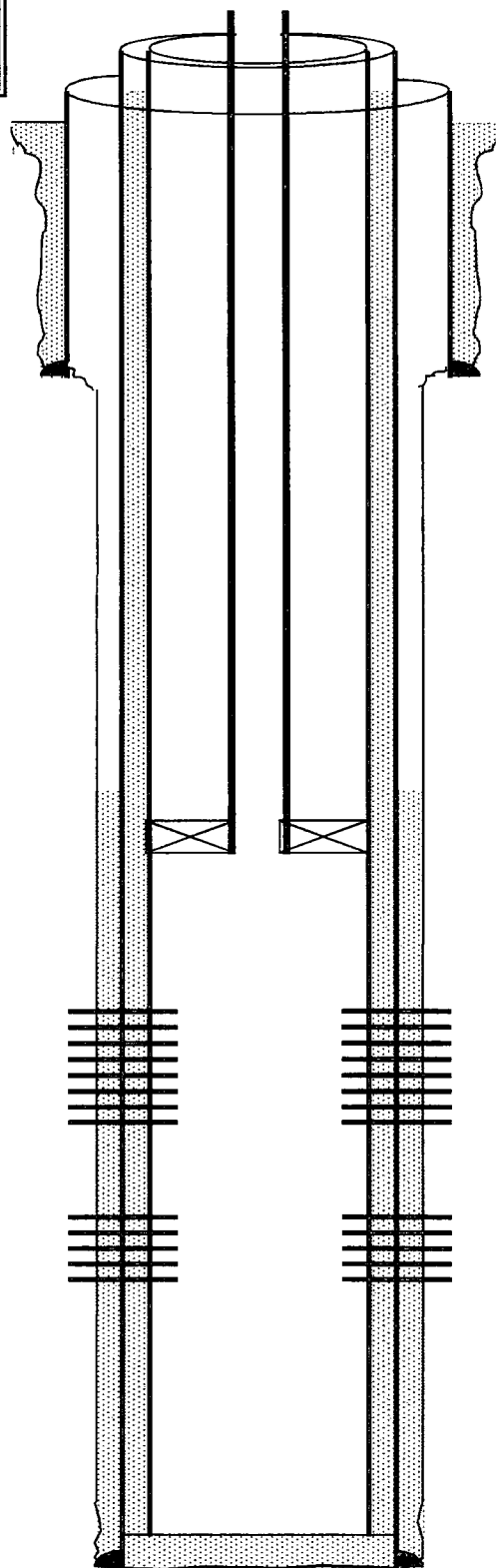
660 FSL 660 FEL
Section 10 T8S R30E
Chaves County, NM

12 1/4" hole to 507'
8 5/8" 28# csg @ 507'

P1 perfs 3395-3439', 4 spf

P2 perfs 3467-3484', 4 spf

7 7/8" hole to 3596'
4-1/2" 9.5# J-55 csg @ 3596'



surface csg cemented to surface

3-1/2" liner cemented to surface

TOC @ 1900' in 4-1/2" csg string

2-1/16" Seal Tite tubing
packer @ 3315'

3-1/2" liner from surface to TD

TD = 3596'

CANO PETROLEUM

CSAU #854

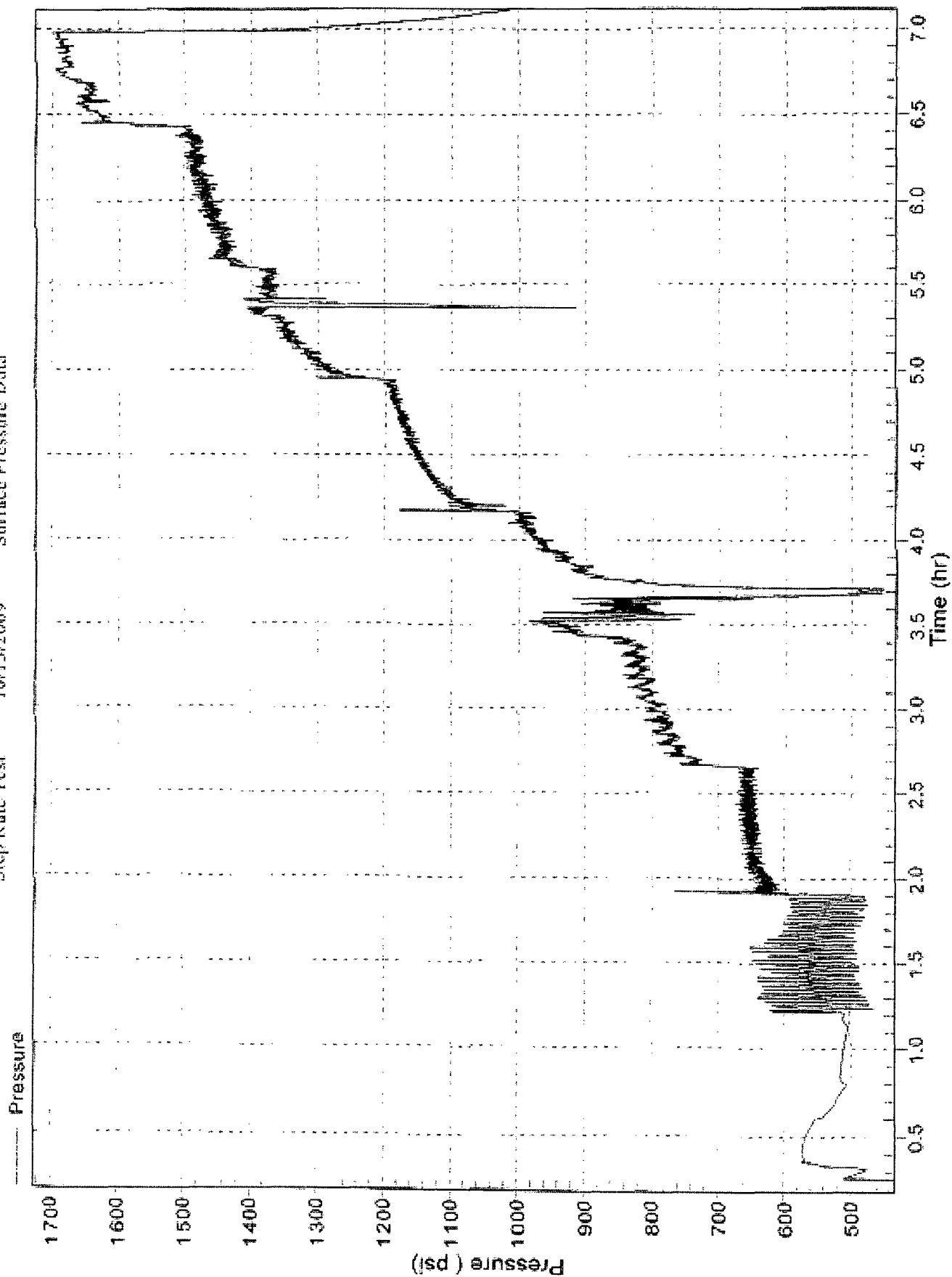
CHAVEZ COUNTY, NEW MEXICO

TEST DATE
10/15/2009

STEP RATE TEST

Ran step rate test with surface pressure transducer.

CANO PETROLEUM - CSAU #854
Step Rate Test 10/15/2009 Surface Pressure Data



Current Completion

CSAU #854

Strawn

11/19/2008

Section 11 T8S R30E
Chaves County, NM

12 1/4" hole to 1200'
8 5/8" csg @ 1200'

surface csg cmt circ to surface

unknown TOC

2-3/8" seal tite tubing

packer @ 3330, plus or minus

P1 perfs 3424-3459, 4 spf

acid cleanout

P2 perfs 3494-3546, 4 spf

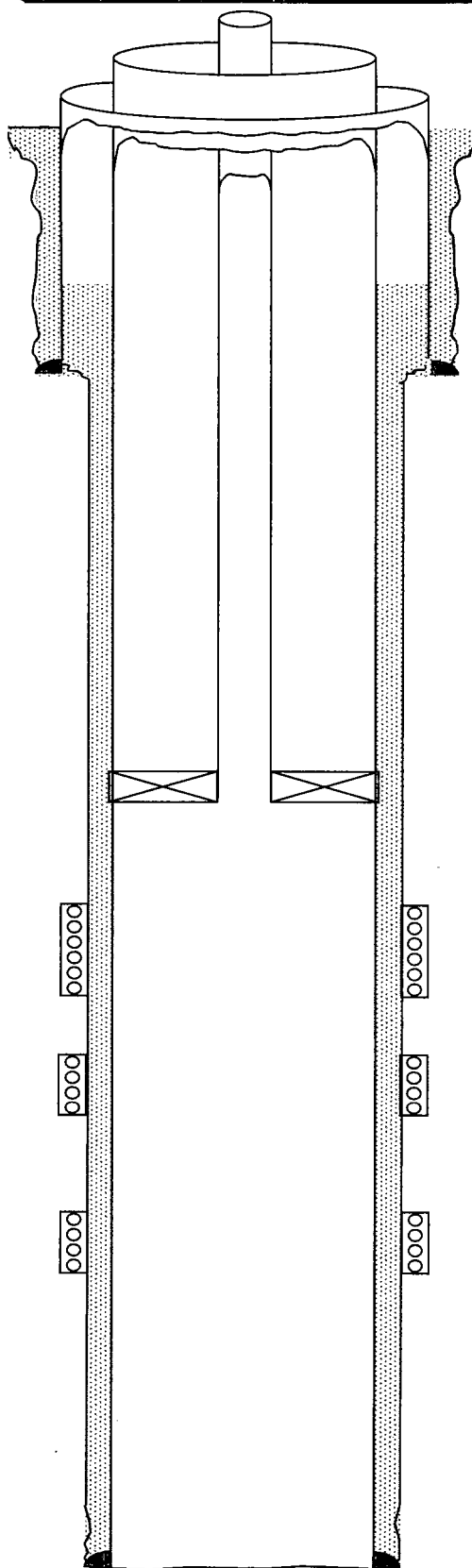
acid cleanout

P3 perfs 3652-3675, 4 spf

acid cleanout

5 1/2" csg @ 4030'
7 7/8" hole to 4030'

TD = 4030'



STEP RATE TEST ANALYSIS

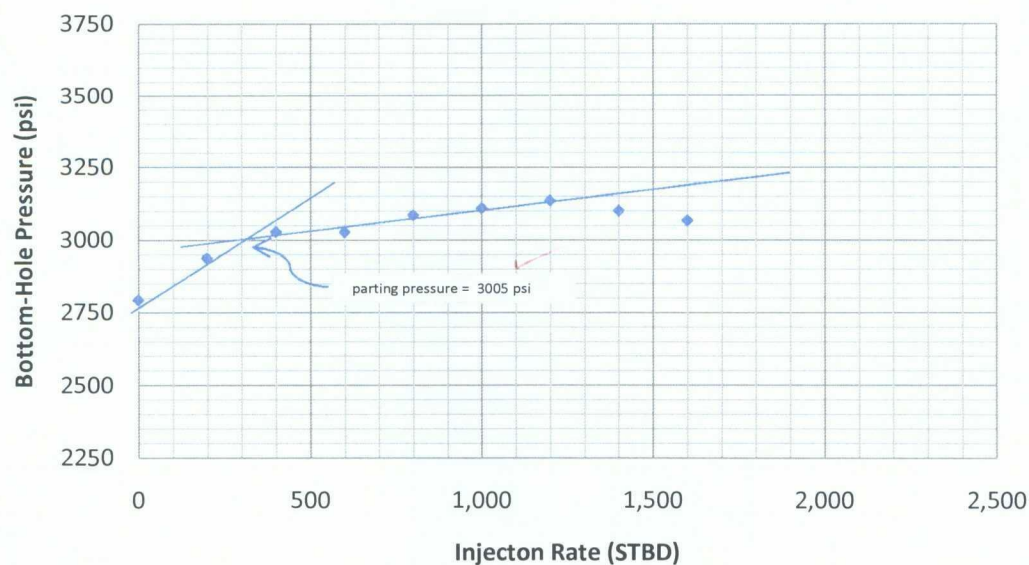
CSAU #23

INJECTION RATE (STBD)	SURFACE PRESSURE (psi)	HYDROSTATIC HEAD (psi)	FRICTION PRESSURE (psi)	BOTTOM-HOLE PRESSURE (psi)
0	1,123.4	1,666.6	0.0	2,790.0
200	1,295.5	1,666.6	25.8	2,936.3
400	1,436.0	1,666.6	75.5	3,027.0
600	1,509.3	1,666.6	149.3	3,026.6
800	1,665.5	1,666.6	247.0	3,085.0
1,000	1,812.1	1,666.6	368.8	3,109.9
1,200	1,983.7	1,666.6	514.6	3,135.7
1,400	2,118.6	1,666.6	684.3	3,100.8
1,600	2,278.1	1,666.6	878.1	3,066.6

423 Fresh water

Bottom-Hole Pressure vs. Injection Rate

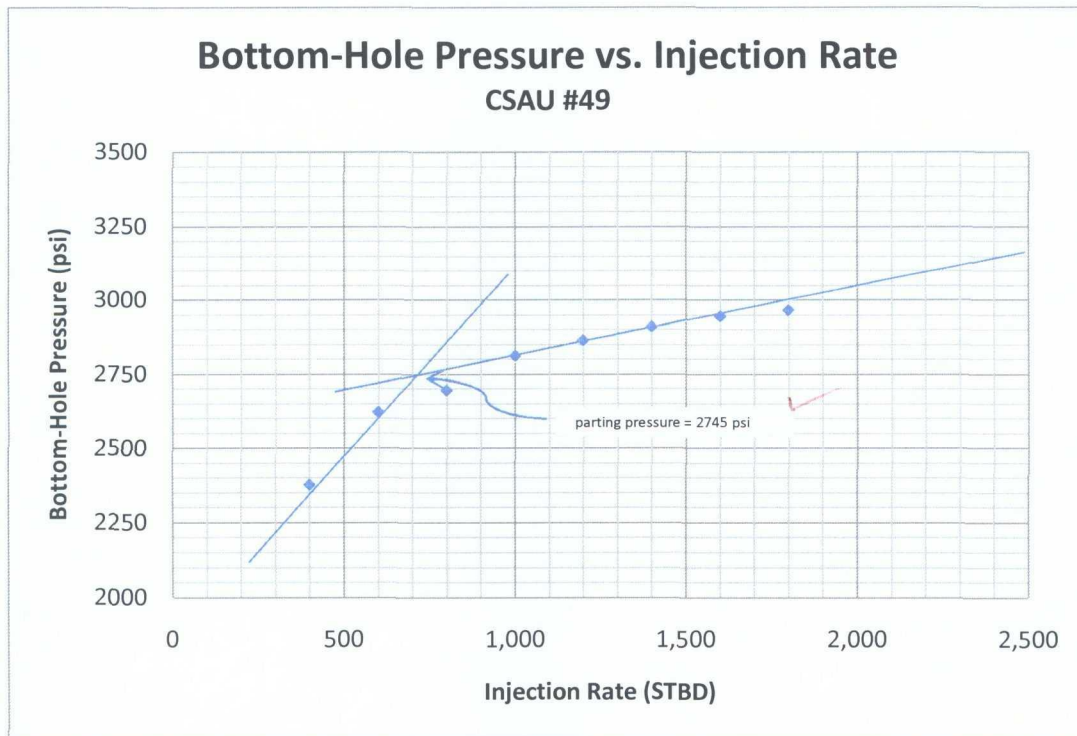
CSAU #23



STEP RATE TEST ANALYSIS

CSAU #49

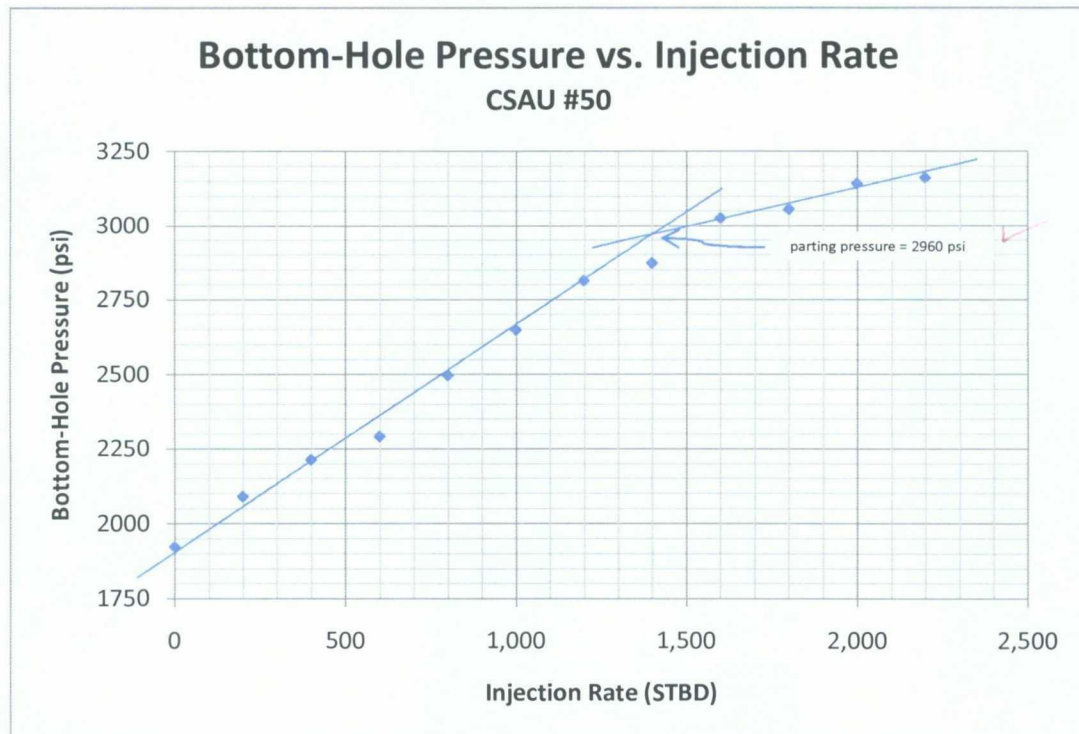
INJECTION RATE (STBD)	SURFACE PRESSURE (psi)	HYDROSTATIC HEAD (psi)	FRICTION PRESSURE (psi)	BOTTOM-HOLE PRESSURE (psi)
400	812.6	1,638.7	75.5	2,375.8
600	1,130.5	1,638.7	149.3	2,619.9
800	1,300.9	1,638.7	247.0	2,692.6
1,000	1,539.4	1,638.7	368.8	2,809.3
1,200	1,737.4	1,638.7	514.6	2,861.6
1,400	1,953.2	1,638.7	684.3	2,907.6
1,600	2,181.4	1,638.7	878.1	2,942.0
1,800	2,420.7	1,638.7	1,095.8	2,963.6



STEP RATE TEST ANALYSIS

CSAU #50

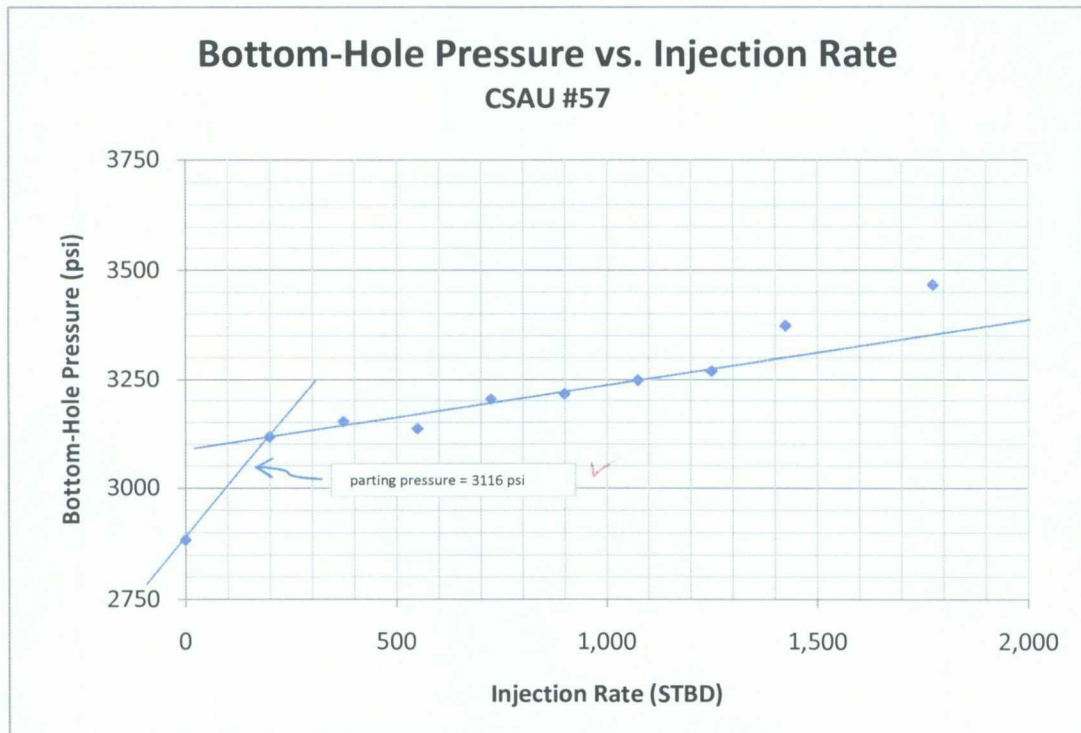
INJECTION RATE (STBD)	SURFACE PRESSURE (psi)	HYDROSTATIC HEAD (psi)	FRICTION PRESSURE (psi)	BOTTOM-HOLE PRESSURE (psi)
0	245.5	1,678.1	0.0	1,923.6
200	447.7	1,678.1	36.4	2,089.4
400	608.6	1,678.1	74.4	2,212.3
600	725.9	1,678.1	114.0	2,290.0
800	971.6	1,678.1	155.2	2,494.5
1,000	1,166.3	1,678.1	198.0	2,646.4
1,200	1,376.3	1,678.1	242.4	2,812.0
1,400	1,481.2	1,678.1	288.4	2,870.9
1,600	1,684.1	1,678.1	336.0	3,026.2
1,800	1,762.8	1,678.1	385.2	3,055.7
2,000	1,899.6	1,678.1	436.0	3,141.7
2,200	1,971.5	1,678.1	488.4	3,161.2



STEP RATE TEST ANALYSIS

CSAU #57

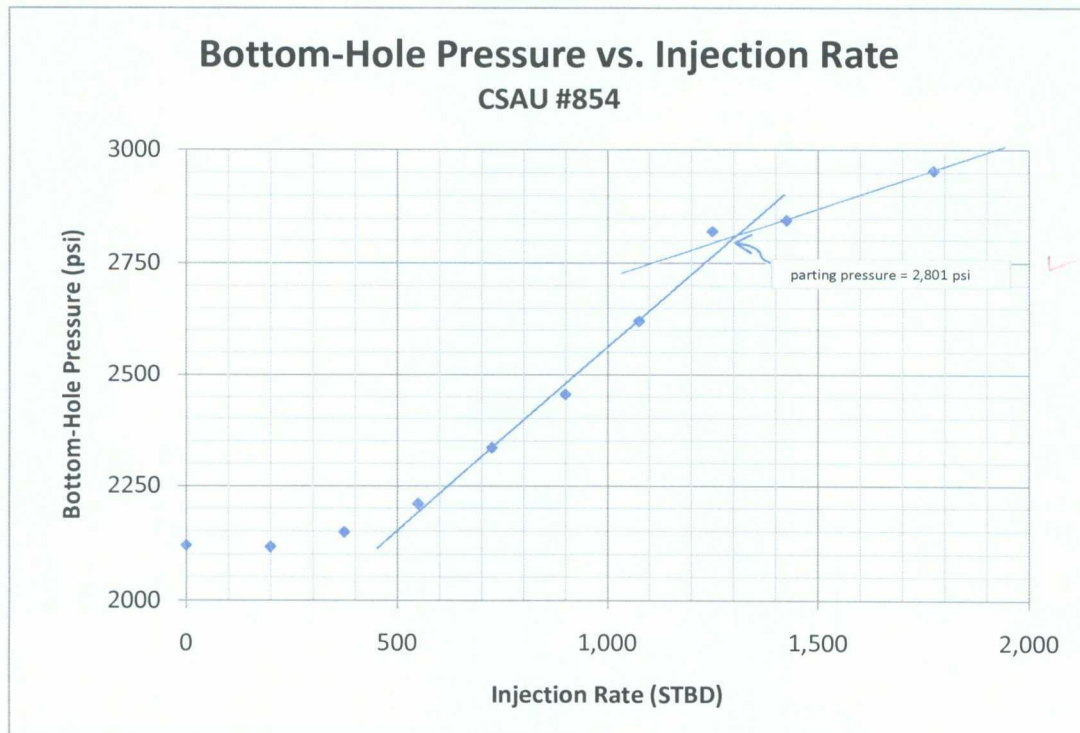
INJECTION RATE (STBD)	SURFACE PRESSURE (psi)	HYDROSTATIC HEAD (psi)	FRICTION PRESSURE (psi)	BOTTOM-HOLE PRESSURE (psi)
0	1,253.4	1,629.6	0.0	2,883.0
200	1,512.4	1,629.6	25.8	3,116.2
375	1,590.0	1,629.6	68.0	3,151.6
550	1,633.7	1,629.6	128.6	3,134.7
725	1,781.8	1,629.6	207.6	3,203.8
900	1,890.6	1,629.6	304.9	3,215.3
1,075	2,038.2	1,629.6	420.6	3,247.2
1,250	2,192.6	1,629.6	554.8	3,267.5
1,425	2,449.5	1,629.6	707.2	3,371.9
1,775	2,902.4	1,629.6	1,067.3	3,464.7



STEP RATE TEST ANALYSIS

CSAU #854

INJECTION RATE (STBD)	SURFACE PRESSURE (psi)	HYDROSTATIC HEAD (psi)	FRICTION PRESSURE (psi)	BOTTOM-HOLE PRESSURE (psi)
0	476.0	1,643.5	0.0	2,119.5
200	509.5	1,643.5	36.4	2,116.6
375	574.3	1,643.5	69.6	2,148.3
550	671.1	1,643.5	104.0	2,210.7
725	830.3	1,643.5	139.6	2,334.3
900	986.8	1,643.5	176.4	2,453.9
1,075	1,189.4	1,643.5	214.5	2,618.5
1,250	1,430.1	1,643.5	253.8	2,819.9
1,425	1,495.9	1,643.5	294.3	2,845.2
1,775	1,690.0	1,643.5	379.0	2,954.6



CURRENT & PROPOSED MAXIMUM SURFACE INJECTION PRESSURES

CANO PETRO OF NEW MEXICO, INC.

CATO SAN ANDRES UNIT

Well No.	API No.	Township	Range	Section	Unit	Calls			Current Maximum Surface Injection Pressure (psig)	Perforations		Surface Parting Pressure (psig)	Proposed Maximum Surface Injection Pressure (psig)
						NS	EW			Top (ft)	Bottom (ft)		
6	33-005-20001	8S	30E	2	N	660 FSL	1980 FWL		650	3,371	3,507	1,348	1,295
7	33-005-10536	8S	30E	2	M	660 FSL	660 FWL		650	3,345	3,462	1,338	1,285
23	33-005-10523	8S	30E	11	A	660 FNL	660 FEL		1,220	3,472	3,576	1,402	1,350
25	33-005-20294	8S	30E	11	H	1650 FNL	990 FEL		650	3,488	3,598	1,395	1,345
28	33-005-10503	8S	30E	11	E	1980 FNL	660 FWL		650	3,360	3,550	1,344	1,290
29	33-005-10473	8S	30E	10	H	1980 FNL	660 FEL		650	3,344	3,444	1,338	1,285
49	33-005-10455	8S	30E	11	L	1980 FSL	660 FWL		1,010	3,414	3,539	1,408	1,355
50	33-005-29021	8S	30E	11	J	1980 FSL	1922 FEL		850	3,496	3,678	1,598	1,545
51	33-005-10539	8S	30E	11	I	1980 FSL	700 FEL		650	3,514	3,628	1,406	1,355
56	33-005-10579	8S	30E	11	M	660 FSL	660 FWL		650	3,413	3,586	1,365	1,315
57	33-005-10502	8S	30E	10	P	660 FSL	660 FEL		650	3,395	3,484	1,512	1,460
77	33-005-10532	8S	30E	15	A	660 FNL	660 FEL		650	3,414	3,450	1,366	1,315
82	33-005-10525	8S	30E	13	D	330 FNL	330 FWL		650	3,544	3,614	1,418	1,365
83	33-005-20144	8S	30E	13	E	1980 FNL	660 FWL		650	3,538	3,572	1,415	1,365
84	33-005-20174	8S	30E	14	H	1980 FNL	660 FEL		650	3,511	3,624	1,404	1,350
85	33-005-10588	8S	30E	14	G	1980 FNL	1980 FEL		650	3,553	3,601	1,421	1,370
86	33-005-20109	8S	30E	14	F	1980 FNL	1980 FWL		650	3,444	3,490	1,378	1,325
87	33-005-10561	8S	30E	14	E	1980 FNL	660 FWL		650	3,426	3,544	1,370	1,320
88	33-005-20090	8S	30E	15	H	1980 FNL	660 FEL		650	3,400	3,583	1,360	1,310
109	33-005-20068	8S	30E	15	I	1980 FSL	660 FEL		650	3,425	3,515	1,370	1,320
111	33-005-20115	8S	30E	14	K	1980 FSL	1980 FWL		650	3,477	3,518	1,391	1,340
115	33-005-20081	8S	30E	14	O	660 FSL	1980 FEL		650	3,531	3,571	1,412	1,360

CURRENT & PROPOSED MAXIMUM SURFACE INJECTION PRESSURES

CANO PETRO OF NEW MEXICO, INC.

CATO SAN ANDRES UNIT

Well No.	API No.	Township	Range	Section	Unit	Calls			Current Maximum Surface Injection Pressure (psig)	Perforations		Surface Parting Pressure (psig)	Proposed Maximum Surface Injection Pressure (psig)
						NS		EW		Top (ft)	Bottom (ft)		
118	33-005-20077	8S	30E	15	P	660 FSL		660 FEL	650	3,472	3,564	1,389	1,335
507	33-005-28022	8S	30E	2	O	710 FSL		1980 FEL	650	3,442	3,598	1,377	1,325
824	33-005-28032	8S	30E	12	E	2019 FNL		529 FWL	650	3,300	3,950	1,320	1,270
826	33-005-29029	8S	30E	11	G	1982 FNL		1954 FEL	650	3,456	3,642	1,382	1,330
827	33-005-29030	8S	30E	11	F	1980 FNL		2037 FWL	650	3,300	3,950	1,320	1,270
854	33-005-29031	8S	30E	11	O	660 FSL		1924 FEL	650	3,486	3,675	1,408	1,355
878	33-005-29032	8S	30E	14	D	658 FNL		659 FWL	650	3,300	3,950	1,320	1,270
879	33-005-28035	8S	30E	14	C	685 FNL		1943 FWL	650	3,300	3,950	1,320	1,270

based on current step-rate test

well not yet converted

well not yet drilled

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ATTACHMENT TO FORM C-108

Cano Petro of New Mexico, Inc.

Cato San Andres Unit

Item XIII – Proof of Notice

On January 5, 2010, Cano Petro of New Mexico sent written notice of the application to increase injection pressure and a copy of the Form C-108 to the following interest owners:

Mr. David Glass
Division of Lands & Minerals
Bureau of Land Management
2909 West Second Street
Roswell, NM 88201-1287

Mathis Land & Cattle Company
P.O. Box 45
Kenna, NM 88122

Preston Berry
10212 Daria Drive
Dallas, TX

Jay Appleton
2809 West 11th Street
Sedalia, MO 65301-2211

Roswell Gun Club
P.O. Box 1482
Roswell, NM 88202

Ganada, Inc.
P.O. Box 9
Sudan, TX 79371

Robert W. Hodge
Northstar Operating Company
400 W. Illinois Avenue, Ste. 1110
Midland, TX 79701-4310

Mr. Edward Judson, ux Marilyn M.
c/o Judson Investment Corp.
P.O. Box 10010
Midland, TX 79702

Sole Trustee of the Selma Andrews
Trust for the Benefit of Peggy Barrett
Bank of America, N.A.
P.O. Box 75283
Dallas, TX 75283

Selma Andrews Perpetual
Charitable Trust
Bank of America, N.A.
P.O. Box 830308
Dallas, TX 75238

Laura Boeckman
9115 Clearlake Dr.
Dallas, TX 75225

Mobile Producing Texas &
New Mexico, Inc.
P.O. Box 4697
Houston, TX 77210

Mr. R. Ken Williams, ux Jane
P.O. Box 10626
Midland, TX 79702

Good Earth Minerals, LLC
849 Broken Arrow
Roswell, NM 88201

Judson Properties, Ltd.
P.O. Box 3340
Midland, TX 79702-3340

Matlock Minerals Ltd. Co.
11101 Bermuda Dunes Drive, NE
Albuquerque, NM 87111-7504

Mr. William H. Martin, ux Karen V.
c/o Sigmar Inc.
400 N. Marienfeld, Ste. 100
Midland, TX 79701

Sigmar Inc.
400 N. Marienfeld, Ste. 100
Midland, TX 79701

Mr. John Schlagal, ux Helen B.
5700 S. County Road, Ste. 1200
Midland, TX 79706

McQuiddy Communications &
Energy, Inc.
P.O. Box 2072
Roswell, NM 88202

Occidental Permian Ltd.
c/o OXY USA, Inc., GP
580 Westlake Park Blvd.
Houston, TX 77079

Kelt Ohio, Inc.
5784 Glenn Highway
Cambridge, OH 43725

LAJ Corporation
P.O. Box 10626
Midland, TX 79701-0626