

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Case Serial No. NMNM1505A
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator: Cano Petro of New Mexico, Inc.

3a. Address: P.O. Box 4470, Tulsa, OK 74159-0470

3b. Phone No. (include area code): 918-582-0088

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Unit Ltr: N 660' FSL & 1980' FWL Sec 33 - T07S - R31E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.: Oakson "A" #2

9. API Well No.: 30-005-20617

10. Field and Pool or Exploratory Area: Tom Tom San Andres

11. Country or Parish, State: Chaves County, New Mexico

NOV 20 2014

RECEIVED

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Cano Petro of New Mexico, Inc is going to be re-starting production on several Federal Leases in the area (i.e. Oakson Federal (NMNM15015), the Oakson "A" Federal (NMNM15015A), the Oakson "B" Federal (NMNM15015B), the Miller Federal (NMNM046153A) and the Miller "A" Federal (NMNM046153A)). To lessen the traffic and overall foot-print of our operations we are proposing an offsite Consolidated Tank Battery which is to be built on the location of the old Oakson "A" Tank Battery. Since there will be four (4) separate Federal Leases coming to this consolidated battery it will be constructed in such a manner that the flowline for each lease will spill into its own gun-barrel separator. The oil separated in each gun-barrel will flow through a non-resettable positive displacement meter which will total all fluids that come through that meter and then flow into a single oil storage/sales tank. Water separated from the oil will flow to one central water tank awaiting proper disposal, first by truck and later (possibly) by pipeline. The water tank and oil storage tank will be 400 Bbl vessels. The Water tank will be fiberglass and the oil tank will be standard metal construction. Attached is a general piping diagram for this battery. Any gas separated and or vented from the tanks will be vented to atmosphere. No gas pipeline is available for use in the area and until operations prove that construction of such a line is needed no effort will be made to salvage/sell any of the gas. Because no new ground disturbance will occur in the building of this battery we anticipate construction and piping taking only a week or so. Flowlines to this battery are being proposed under separate NOI's and SF-299 Forms.

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed): David P. Spencer Title: Senior Oil and Gas Engineer

Signature: *David P. Spencer* Date: 11/4/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: */s/ Robert Hoskinson* Title: Lead PET Date: 11/16/14

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office: Roswell Field Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MDB/pcb 11/20/2014

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GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Cano Petro of New Mexico, Inc.
 Oakson - Miller Consolidated
 Tank Battery - Proposed
 Handling the Oakson Federal Lease (NMNM 15015),
 the Oakson - A - Federal Lease (NMNM 15015A),
 the Oakson - B - Federal Lease (NMNM 15015B),
 the Miller and Miller - 33 - Federal Lease
 (NMNM 46153) to be located on existing
 Tank Battery Site @ the Oakson - A - Federal #2
 Unit Ltr (N: See 33 - TOTS - R31E of Chaves County,
 New Mexico - Not to scale -

↑ North

About 80' x 80' Square

Valve ID's

W- Water from Gun Barrel

F- Oil Flow to Stock Tank

I1 + I-2 - Oil Input to Stock Tank

CK- Check Valve

ST- Sales value

G- Gas to Vent Lines

All Blanks above pertain to Lease

O = Oakson Federal

OA = Oakson - A - Federal

OB = Oakson - B - Federal

M = Miller + Miller - 33 - Federal

Oakson Lease Input

PD meter - Non Reset - Positive Displacement meter

CK- Check Valve for Oil Input lines

