State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David Catanach Division Director Oil Conservation Division



April 3, 2015

Cano Petro of New Mexico Inc. 801 Cherry Street, Unit 25, Suite 3200 Fort Worth, TX 76102

RE: Cato San Andres Unit #557 API # 30-005-28028

Gentlemen:

This well was spudded 08/19/2008 and after drilling to 3484' per C-105 completion report when you lost the hole and had to skid the rig. Paperwork needs to be sent in on the plugging of this hole. Please send in form C-103 subsequent report with dates when and how this hole was plugged. Send report to the OCD Hobbs office by April 17, 2015.

If you have questions on this matter, please call Donna Mull 575-393-6161 ex. 115.

Sincerely,

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Donna Mull Line Manager-OCD Hobbs