

Submit 1 Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 October 13, 2009

RECEIVED
APR 12 2010
HOBBSUCD

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30005-20144
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> Fed
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cato San Andres Unit
8. Well Number 575
9. OGRID Number 248802
10. Pool name or Wildcat Cato; San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4165'

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

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

3. Address of Operator
 801 Cherry Street Suite 3200 Unit 25 Fort Worth, Tx 76102

4. Well Location
 Unit Letter E : 1360 feet from the North line and 150 feet from the West line
 Section 13 Township 08S Range 30 E NMPM 27 County Chaves

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Drill new well <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud 12-1/4" hole and drill to 1200'
 Run 8-5/8" 24# casing from surface to 1200'
 Cement w/ 600 sx and circulate to surface. WOC
 Drill 7-7/8" hole to 4000'
 RU wireline and run open-hole logs
 Run 5-1/2" 17# casing from surface to TD
 Cement w/ 1000 sx and WOC
 Run cased-hole logs
 Perforate and acidize San Andres
 RIH w/ 2-7/8" tubing and set seating nipple below perfs
 RIH w/ rods and 2" insert pump and hang on pumping unit

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Jethu Chavez* TITLE Regulatory Coordinator DATE 4/08/10
 Type or print name Cindy Chavez E-mail address: cindy@canopetro.com PHONE: 817-698-0900 ext153
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

MAY 11 2010