New Mexico Oil Conservation Division, District 1

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

1625 N. French Drive Hobbs, NM 88240

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

| Lease Serial No. | NM-1501 | 9 |
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SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. CONE FEDERAL 1. Type of Well 8. Well Name and No. CONE FEDERAL Oil Well Gas Well Other 2. Name of Operator CANO PETRO OF NEW MEXICO, INC. 9. API Well No. 3b. Phone No. (include area code) 3a. Address 10. Field and Pool or Exploratory Area 801 CHERRY STREET, UNIT 25 SUITE 3200 FORT WORTH, TEXAS TOMAHAWK SAN ANDRES 817-698-0900 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit M 11. Country or Parish, State 19-1175-32E CHAVES-Rosevelt 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acıdize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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) Surab test to evaluate well. Swab on 1/24/08 1 bbl in 4 hrs. Accepted For Record Only! Approval Subject To Returning Well To Continuous Production And Keeping Well On Continuous MAY 1.5.2008 Production Or Plugging Well With An Approved Plugging Program! 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) CINDY CHAVEZ Title REGUALORTY COORDINATOR Signature FOR RETHINGPACE FOR FEDERAL OR STATE OFFICE USE if and are attached. Approval of this notice does not warrant or certify OC DISTUIT SUPERVISOR/GENERAL MANIAGER Conditions of approval

Title 18 U.S.C. Section 100 Dany Hard 3 Discussion 1212, make it a crime for any person knd fictitious or fraudulent satements of the second section 1212, make it a crime for any person knd fictitious or fraudulent satements of the second section 1212, make it a crime for any person knd fictitious or fraudulent satements of the second section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the second section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fictions of the section 1212, make it a crime for any person knd fiction 1212, make it a crime for any p

that the applicant holds legal or equitable title to those rights in the subject lease which would

Conditions of Approval:

OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producting this well. Accompanied by Subsequent report on C-103with dates and what was done, perfs producing from, along with tubing size and depth

(Instructions on page 2)

entitle the applicant to conduct operations thereon.