

Submit 3 Copies 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
June 19, 2008

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

WELL API NO. 30-005-20020 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cato San Andres Unit ✓
8. Well Number 71 ✓
9. OGRID Number 248802 ✓
10. Pool name or Wildcat Cato; San Andres ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 St Unit 25 Suite 3200 Fort Worth TX 76102

4. Well Location
Unit Letter C : 660 feet from the NORTH line and 1980 feet from the WEST line
Section 16 Township 08S Range 30E NMPM 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 checked="" 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: <input 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Plug procedure attached.

See wellbore sketch attached.

The Oil Conservation Division **Must be notified**
24 hours prior to the beginning of plugging operations

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 Dennis Lee Holman TITLE P & A Contractor DATE 11-05-2008

Type or print name Dennis Lee Holman E-mail address: dennisholman@centramedia.net PHONE: 806-665-2550
For State Use Only

APPROVED BY: [Signature] TITLE OIL DISTRICT SUPERVISOR/GENERAL MANAGER DATE NOV 13 2008
Conditions of Approval (if any):

CANO PETRO OF NEW MEXICO, INC.
Cato San Andes Unit Lease, Well # 71
API # 30-005-20020
Chaves County, New Mexico

PLUGGING PROCEDURE

Completion Information: 8 5/8" Surface Casing set @ 451' and cemented with 300 sacks of cement, Circulated Cement to Surface

4 1/2" Production Casing set @ 3480' and cemented w/300 sx cement – Top of Cement @ 2386' (calculated). Based on known data from well # 66 this calculation appears to be sound. Perforated 3250' to 3412'.

Salt Section from 999' to 1283'

Move in and rig up plugging equipment

RIH w/tbg to 3250' and load hole w/12.5# mud (est 50 bbls)

Spot 35 sx Cl C cement plug from 3150' to 2644'. POOH w/tbg & WOC. RIH w/tbg and tag cement plug – should fill to 3050' – will respot cement plug if necessary.

Perforate 4 1/2" casing @ 975' – RIH w/tbg and pkr – set pkr at 775' and test pump perforations – squeeze with 50 sx cl C cement – leave 200' of cement in 4 1/2" casing. Release packer and pull out of hole. WOC RIH w/tbg and tag TOC.

Rig up wireline truck and perforate 4 1/2" casing @ 501' – Test pump perforations. Mix and pump 150 sx Cl C cement down 4 1/2" casing filling the annulus between the 4 1/2" casing and the 8 5/8" casing – leave 4 1/2" casing full of cement. Circulate cement to surface. (150 x 1.32 = 198 cu ft of cement x 2.797 = 553' of fill in 8 5/8" casing)

All cement will be Class C

All mud will be 12.5# gallon

Cement not placed on a BP will be proven – tag with tubing and/or visual inspection

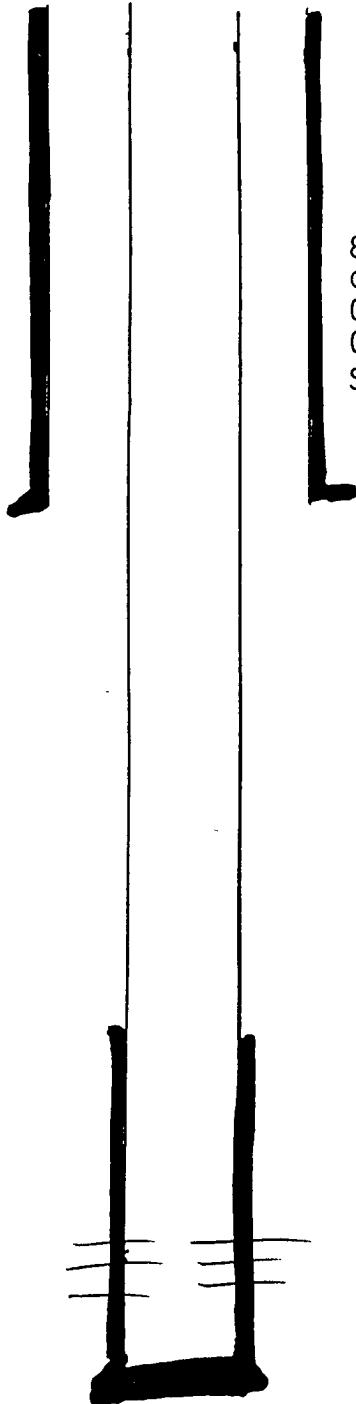
Wellbore fluids to be contained in a steel pit at the surface

25 sack cement plug is the minimum to be pumped

Required marker to be installed on plugged well – welded to the surface casing

Cano Petro of New Mexico, Inc.
Cato San Andres Unit, Well # 71
API # 30-005-20020

Present Condition



scale - none

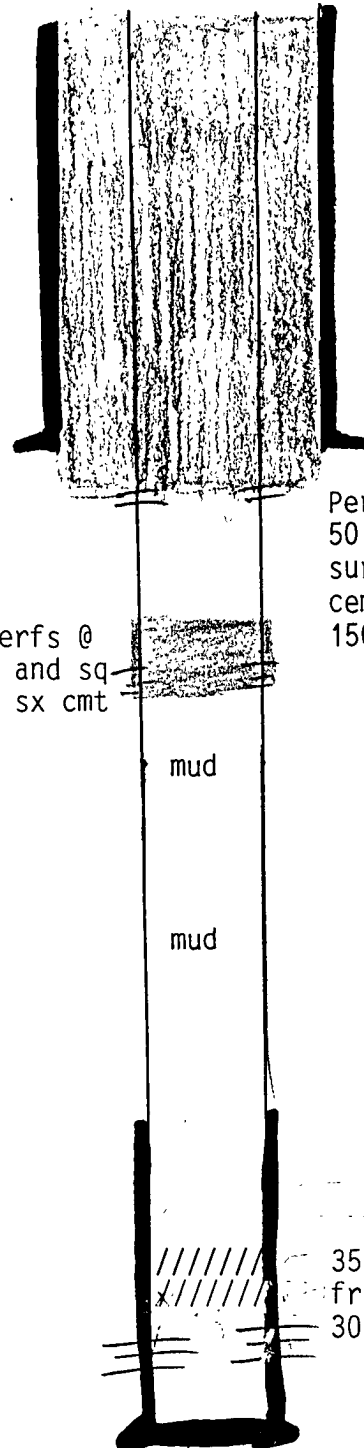
8 5/8" 20# Surface casing - 12 1/4" hole
Cemented w/300 sx cmt
Circulated to Surface
Set @ 451'

TOC - 2386'

Perfs:
3250 - 3412

4 1/2" 9.5# csng
set @ 3480' &
cemented w/300
sx cement

After Plugging



Sq Perfs @
975' and sq
w/50 sx cmt

Perf 4 1/2" csng @
501' - fill to
surface w/C1 C
cement - Est
150 sx

mud

mud

35 sk cmt plug
fr 3150' to
3050'