

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.	30-005-20065 ✓
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Cato San Andres Unit ✓
8. Well Number	36 ✓
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 E : 1980 feet from the NORTH line and 660 feet from the WEST line
Section 9 Township 08S Range 30E NMPM County CHAVES ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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 OG DISTRICT SUPERVISOR/GENERAL MANAGER DATE NOV 13 2008
Conditions of Approval (if any):

CANO PETRO OF NEW MEXICO, INC.

Cato San Andres Unit, Well # 36

API # 30-005-20065

Chaves County, New Mexico

PLUGGING PROCEDURE

Completion Information: 8 5/8" Surface Casing set @ 476' and cemented with 300 sacks of cement. Circulated Cement to Surface

4 1/2" Production Casing set @ 3350' and cemented w/600 sx cement – Top of Cement @ 1000' – calculated. Perforated 3100 to 3294' (Csng parted @ 416')

Salt Section from 1036' to 1328'

Move in and rig up plugging equipment

Pull 4 1/2" csng from well – parted @ 416'. RIH w/overshot and connect to lower portion of 4 1/2" csng. RIH w/tbg – work tbg into lower part of 4 1/2" csng (parted @ 416'). With tbg @ 3100' load with 12.5# mud (Estimate 50 bbls mud) Spot 35 sx Cl C cement from 3000' to 2494' – Pull tbg and WOC – tag top of cement plug – should have fill to 2900'. (Will respot cement plug if necessary)

Perforate 4 1/2" casing @ ^{1300'}1000' – RIH w/tbg and pkr – set pkr at 800' 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.

Cut 4 1/2" csng @ approx 530' and pull out of hole. RIH w/tbg to 530' and pump 200 sx Cl C cement – circulate cement ot surface. POOH w/tbg. (200 sx x 1.32 = 264 cu ft x 2.797 = 738' of fill in 8 5/8" csng)

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

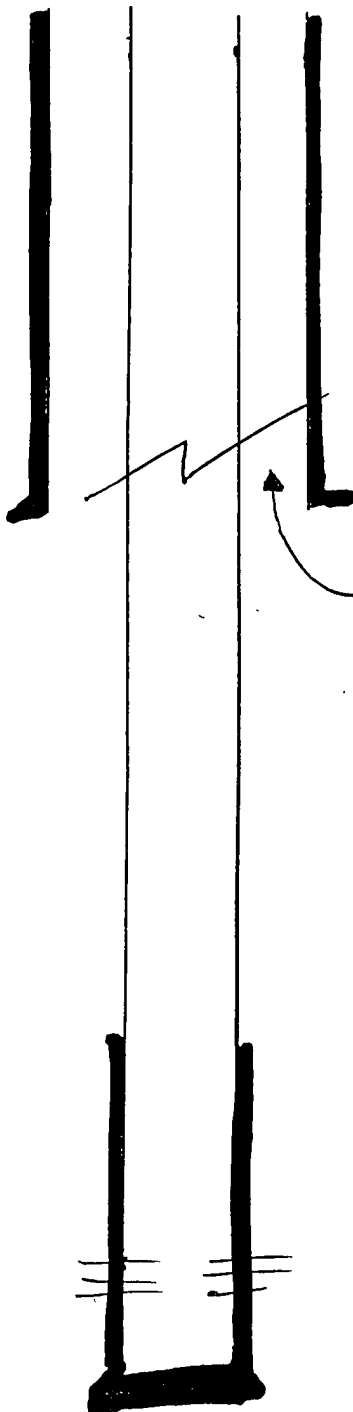
Wellbore fluids to be contained in a steel pit at the surface

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 # 36
API # 30-005-20065

Present Condition



scale - none

8 5/8" 24# surface
csng - 12 1/4" hole
set @ 476'
w/300 sx - Circ to
Surface

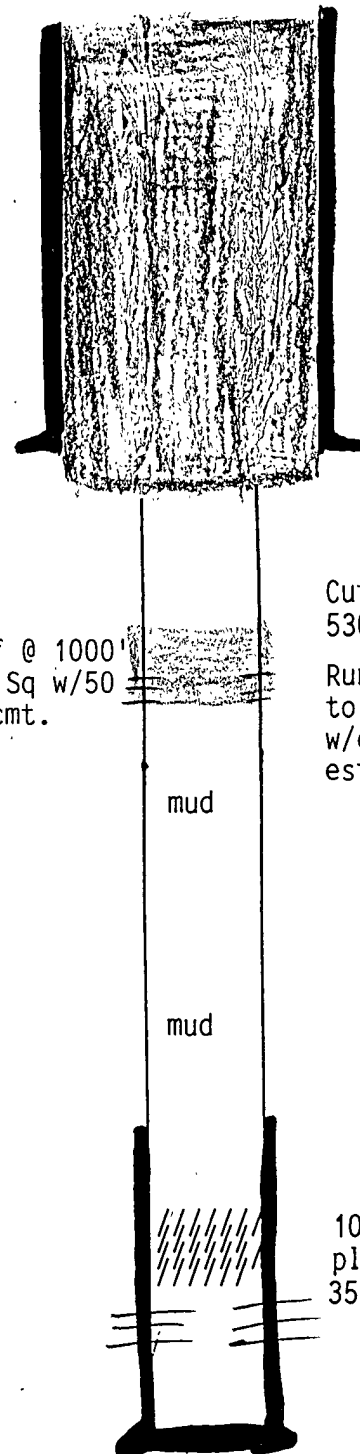
4 1/2" csng parted
@ 416'

Est TOC @ 1000'

Perfs:
3100 - 3294'

4 1/2" 9.5# csng set @ 3350'
& Cmt w/600 sx

After Plugging



Pull 4 1/2" csng
out of hole fr
416' (parted)
Run in hole w/
overshot and
connect to lowe
portion of 4 1/2"
csng.

RIH w/tbg and
spot 35 sx Cl
cmt from 3000'
to 2900' - WOC
Tag top of cmt
Need 100' of
fill.

Cut 4 1/2" csng @
530' and pull.

Run in hole w/tbg
to 530' and fill
w/cement. Cl C
est @ 200 sx

Perf @ 1000'
and Sq w/50
sx cmt.

100' cement
plug 3000-2900'
35 sx Cl C