

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

RECEIVED
NOV 17 2008
HOBBS, NM

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 May 27, 2004

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.)		WELL API NO. 30-005-20039 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> ✓
2. Name of Operator Cano Petro of New Mexico, Inc. ✓		6. State Oil & Gas Lease No. 2807559
3. Address of Operator 801 Cherry Street Unit 25 Suite 3200 Fort Worth Texas 76102		7. Lease Name or Unit Agreement Name Cato San Andres Unit ✓
4. Well Location Unit Letter <u>L</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>West</u> line ✓ Section <u>16</u> Township <u>8-S</u> Range <u>30-E</u> NMPM County <u>Chaves</u>		8. Well Number <u>102</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 4114		9. OGRID Number <u>248802</u> ✓
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

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

10/19/08: Hooked up well into gas system. Started selling gas.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Collin Strawn TITLE Petroleum Engineer DATE 10/19/08

Type or print name Collin Strawn E-mail address: collin@canopetro.com Telephone No. 817-698-0900

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 19 2008
 Conditions of Approval (if any): _____