

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District I  
1636 W. French Drive  
Albuquerque, NM 87102

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

NOV-21-2008

HARRIS (M)

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.  
NM 142233

6. If Indian, Allottee or Tribe Name  
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Cano Petro of New Mexico, Inc.

3a. Address 801 Cherry St Unit 25, Ste.  
3200 - Fort Worth, TX 76102

3b. Phone No. (include area code)  
817-698-0900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FSL & 1980 FEL Sec 8 T8S R30E

7. If Unit of CA/Agreement, Name and/or No.  
Cato San Andres Unit

8. Well Name and No.  
Cato San Andres Unit, Well # 66

9. API Well No.  
30-005-20037

10. Field and Pool or Exploratory Area  
Cato, San Andres

11. Country or Parish, State

Chaves County, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

See Plug Prodedure - Attached

See wellbore sketch - Attached

Estimated starting date to plug - 1 Dec 2008. Estimate 3 or 4 days to plug the well.

Bond # for the Cato Field: B003422

Correspondence regarding this Intent to Plug should be sent to:  
Holman Well Services, LLC - P O Box 2740 - Pampa, TX 79066-2742  
806 665-2550 806 665-2719 FAX

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Dennis Lee Holman

P & A Contractor

Title Managing Partner

Signature

*Dennis Lee Holman*

Date 11 Nov 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

NOV 18 2008

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**CANO PETRO OF NEW MEXICO, INC.**  
**Cato San Andes Unit Lease, Well # 66**  
**API # 30-005-20037**  
**Chaves County, New Mexico**

**PLUGGING PROCEDURE**

**Completion Information: 8 5/8" Surface Casing set @ 534' and cemented with 300 sacks of cement (150 sx Incor cement w/12% gel 1/4# flocele and 5# gilsonite per sack) + 150 sx 50/50 posmix (2% gel and 10# salt per sack) Circulated Cement to Surface**  
**4 1/2" Production Casing set @ 3448' and cemented w/300 sx cement – Top of Cement by temperature survey @ 2270'. Perforated 3163 – 3198'**  
**Salt Section from 1221 to 1451'**

**Move in and rig up plugging equipment**

**Run in hole w/tbg to 3063' and spot 35 sx cement. (35 sx should fill 515' in 4 1/2" csng) Pull tbg and WOC. Run in hole w/tbg and tag TOC – need 100' of fill – Will respot if necessary. After tag of cement pull up and circulate hole w/12.5# mud – Est 50 bbls.**

**Perforate 4 1/2" casing @ 1200' – RIH w/tbg and pkr – set pkr at 1000' 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 @ 584' – Test pump perforations. Mix and pump 200 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. (200 x 1.32 = 264 cu ft of cement x 2.797 = 738' 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**

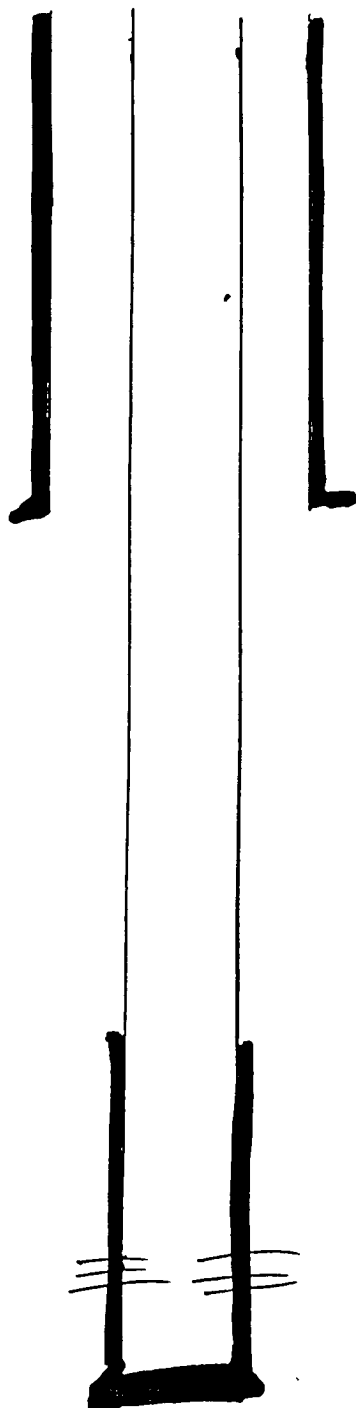
**Wellbore fluids to be contained in a steel pit at the surface**

**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 # 66  
API # 30-005-20037

### Present Condition



scale - none

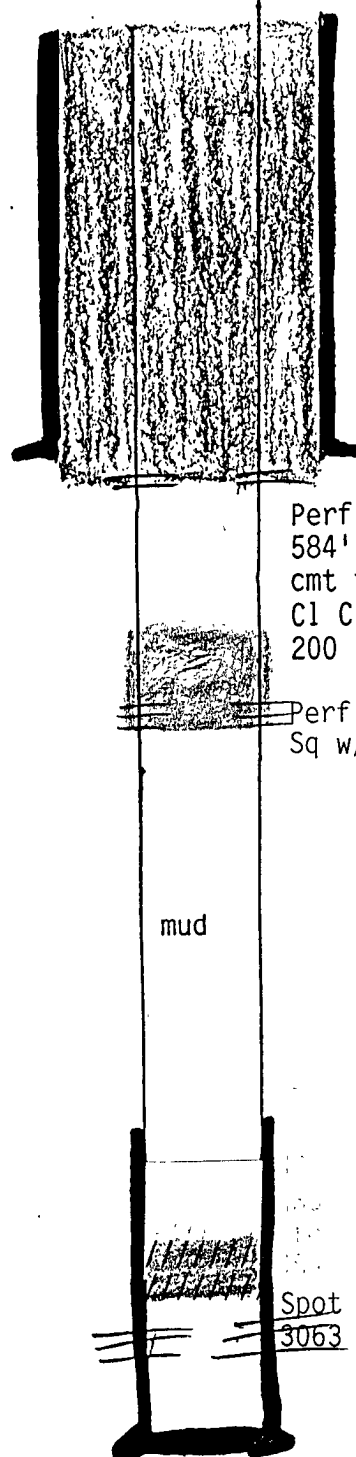
8 5/8" 20# csng  
set @ 534'  
12 1/4" hole  
300 sx cmt - circ to  
surface

TOC - 2270'

Perfs:  
3163 - 3198'

4 1/4" 9.5# csng set @ 3448'  
Cmt'd w/300 sx cement

### After Plugging



Perf 4 1/2" csng @  
584' and circulate  
cmt to surface w/  
C1 C cmt - Est  
200 sx

Perf @ 1200' and  
Sq w/50 sx cmt

mud

Spot 35 sx cmt fr  
3063 to 2963'

## **BUREAU OF LAND MANAGEMENT**

**Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201  
(575) 627-0272**

### **Permanent Abandonment of Federal Wells Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90<sup>th</sup> day provide the BLM Roswell Field Office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when the BLM Roswell Field Office can expect the well to be plugged. Failure to do so will result in enforcement action.**
  2. Notification: Contact the BLM Roswell Field Office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, during office hours call (575) 627-0205 or after office hours call (575) 910-6024. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
  3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
  4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.
  5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.
- Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.
6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
  7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to the BLM Roswell Field Office. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, a Notice of Intent for Final Abandonment with the proposed surface restoration procedure must be submitted for approval.