

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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-022636**

6. If Indian, Allottee or Tribe Name  
N/A

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. CATO SAN ANDRES UNIT
2. Name of Operator CANO PETRO OF NEW MEXICO, INC.		8. Well Name and No. CSAU 170
3a. Address 801 CHERRY STREET UNIT 25 SUITE 3200 FORT WORTH, TEXAS 76102	3b. Phone No. (include area code) 817-698-0900	9. API Well No. 30-005-20133
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter D, 660 feet FNL and 660 feet FWL, Section-34, T-O8S, R-30E		10. Field and Pool or Exploratory Area CATO; SAN ANDRES
		11. Country or Parish, State CHAVES, TEXAS

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" 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 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.)

HOOKED UP WELL INTO GAS SYTEM AND STARTED SELLING GAS ON 10/9/2008.  
Bond # B00342

RECEIVED

NOV 21 2008

HOBBS (N.M.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Shana McNeal		Title Production Assistant I
Signature <i>Shana McNeal</i>		Date 10/17/2008

ACCEPTED FOR RECORD			THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <b>/S/ DAVID R. GLASS</b>			Title <i>K2</i>		Date
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		

Title 18 U.S.C. Section 1001 and 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 to any matter within its jurisdiction

(Instructions on page 2)