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Submit 2 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

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

Form C-103
October 25, 2007

<p align="center">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.)</p>		<p>WELL API NO. 30-005-10519 ✓</p>
<p>1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other ✓</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Cano Petro of New Mexico, Inc.</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator 801 Cherry Street, Unit 25 Suite 3200, Fort Worth, Texas 76102</p>		<p>7. Lease Name or Unit Agreement Name Cat San Andres Unit ✓</p>
<p>4. Well Location Unit Letter <u>I</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>East</u> line Section <u>3</u> Township <u>8-S</u> Range <u>30-E</u> NMPM _____ County <u>Chaves</u></p>		<p>8. Well Number <u>CSAU 4</u> ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4105-KB</p>		<p>9. OGRID Number 248802 ✓</p>
<p>12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data</p>		<p>10. Pool name or Wildcat Cato; San Andres ✓</p>

<p align="center">NOTICE OF INTENTION TO:</p> <p>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"/></p>		<p align="center">SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</p>	
<p><input checked="" type="checkbox"/> All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.</p> <p><input checked="" type="checkbox"/> Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.</p> <p><input checked="" type="checkbox"/> A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the</p>			

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Guthrie Chavez TITLE Regulatory Coordinator DATE 11/20/08
 TYPE OR PRINT NAME CINDY CHAVEZ E-MAIL: cindy@canopetro.com PHONE: 817-698-0900
 For State Use Only
 APPROVED BY: Maley Brown TITLE Compliance Officer DATE 12/2/2008
 Conditions of Approval (if any):

COMPLIANCE OFFICER