

Office

District I

1625 N. French Dr., Hobbs, NM 87401

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

Minerals and Natural Resources

June 19, 2008

RECEIVED

APR 27 2008

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

HOBBSD

Santa Fe, NM 87505

WELL API NO.

30-005-27981

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

## 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 STR, UNIT 25 SUITE 3200 FT WORTH TX 76102

4. Well Location

Unit Letter 0 : 20 feet from the S line and 2540 feet from the E line  
Section 2 Township 08S Range 30E NMPM 27 County CHAVES

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

4138

7. Lease Name or Unit Agreement Name

CATO SAN ANDRES UNIT

8. Well Number 506

9. OGRID Number

248802

10. Pool name or Wildcat

CATO; SAN ANDRES

## 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: perforate, acidize, run tubing rods and pump ☒

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.

1/15/2008: Spudded 12-1/4" hole and drilled to 520'. Ran 12 jts 8-5/8" 24# J-55 csg to 520'.  
Set surface pipe w/ 350 sx class C. WOC 8 hours.

1/16 - 2/2/2008: Nipped up BOP and drilled 7-7/8" hole from 505' to 3935' TD.

2/3/2008: Ran open hole logs and rigged up casing crew

2/4/2008: Ran 100 jts 5-1/2" 17# J-55 casing and cemented with 800 sx 65:35 Pozmix. WOC 24 hours

2/6/2008: ran cased hole gamma ray/ cement bond log

2/7/2008: Perforated P1 3398-3410'; P2 3470-3532' and 3539-3548'; P5 3794-3830'

2/15/2008: Acid frac'd P1, P2 and P5 together w/ 15,000 gal 15% HCl @ 25 BPM.

2/16/2008: Bled off pressure and RIH w/ 2-7/8" tubing, rods and 2.5" x 2.0" x 16' pump. Hung well on.

Spud Date:

1/15/2008

Rig Release Date:

2/4/2008

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Collin Strawn

TITLE

Engineer

DATE 4-14-09

Type or print name

Collin Strawn

E-mail address:

PHONE: 817-698-0900

For State Use Only

APPROVED BY:

Collin Strawn

TITLE

PETROLEUM ENGINEER

DATE

MAY 14 2009

Conditions of Approval (if any):

WELL NAME AND NUMBER Cato San Andres Unit # 506 Unit 8  
LOCATION Section 2, T 8S, R 30E, 20 FSL, 2540 FEL, Chaves County, NM ✓  
OPERATOR Cano Petroleum, Inc. of New Mexico  
DRILLING CONTRACTOR United Drilling, Inc. 30-005-27981

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and had conducted deviation test and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1/2 @ 520'		
3/4 @ 1006'		
3/4 @ 1500'		
1 @ 2000'		
1-1/4 @ 2492'		
1-3/4 @ 3023'		
2 @ 3516'		

**UNITED DRILLING, INC.**

By: Luisa Garcia  
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 5 day of February, 2008

Duane A. Caho  
Notary Public

My Commission Expires:

10-8-08

Chaves NM  
County State

KZ