

Office

Energy, Minerals and Natural Resources

June 19, 2008

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

APR 2 / 2009

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-005-27962

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & 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

7. Lease Name or Unit Agreement Name

CATO SAN ANDRES UNIT

8. Well Number 517

9. OGRID Number

248802

4. Well Location

Unit Letter E : 1375 feet from the N line and 1290 feet from the W line

Section 11 Township 08S Range 30E NMPM 27 County CHAVES

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

4134

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: ☒

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.

11/19/2007: Spud 12-1/4" hole and drilled to 515'. Ran 8-5/8" 24# J-55 csg to 515 and cemented w/ 400 sx class C. WOC 8 hours

11/20 - 12/5/2007: drilled 7-7/8" hole from 515' to 4015' (TD).

12/6/2007: ran open hole logs. Ran 4003' of 5-1/2" 17# J-55 casing and cemented w/ 1100 sx 65/35 Pozmix. WOC 24 hours.

12/8/2007: ran cased hole logs (GR/CBL) and perforated at 2 spf: P1 3362-3406'; P2 3440-3482'; P3 3510-3540'.

12/10/2007: Acidized all three zones together down casing w/ 8,000 gal 15% HCl at 5 BPM. Flowed back 20 bbls fluid and swabbed 46 bbls total fluid

12/15/2007: Sand frac'd P1, P2, P3 together w/ 50,000# sand @ 40 BPM

12/18/2007: RIH w/ 112 jts 2-3/8" tbgs, rods and 2" x 1.5" x 16' pump and hung well on

Spud Date:

11/19/2007

Rig Release Date:

12/7/2007

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

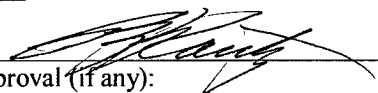
Type or print name Collin Strawn

E-mail address:

PHONE: 817-698-0900

For State Use Only

APPROVED BY:



TITLE

PETROLEUM ENGINEER

DATE

MAY 14 2009

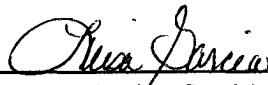
Conditions of Approval (if any):

WELL NAME AND NUMBER Cato San Andres Unit #517 Unit E
LOCATION Section 11, T 8S, R 30E, 1375 FNL, 1290 FWL, Chaves County ✓
OPERATOR Cano Petroleum, Inc. of New Mexico
DRILLING CONTRACTOR United Drilling, Inc.

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:

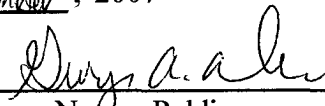
Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1/4 @ 1004'		
1/4 @ 1480'		
1/2 @ 2007'		
3/4 @ 2502'		
3/4 @ 2950'		
1 @ 3451'		
1-1/2 @ 4015'		

UNITED DRILLING, INC.

By: 
(Luisa Garcia)

Title: Assistant Office Manger

Subscribed and sworn to before me this 6 day of December, 2007


Notary Public

Chaves New Mexico
County State

My Commission Expires:

10-8-08

