

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 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

JUN 19 2009

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-005-10491
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 2807559
7. Lease Name or Unit Agreement Name Cato San Andres Unit
8. Well Number 27
9. OGRID Number 248802
10. Pool name or Wildcat Cato, San Andres

<p>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>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Cano Petro of New Mexico, Inc.	
3. Address of Operator 801 Cherry Street Unit 25 Suite 3200 Fort Worth Texas 76102	
<p>4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>W</u> line Section <u>11</u> Township <u>8S</u> Range <u>30E</u> NMPM County <u>Chavez</u></p>	
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>KB 4149</u></p>	
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>	
<p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p>	
<p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☒ SWAB

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.

Conducted a Swabbing Test to evaluate well.

May 14, 2009 - swabbed well and made 2 bbl of oil and 10 bbls of water in 4hrs with a swabbing unit.

May 15, 2009- swabbed well and made 1 bbl of oil an 13 bbls of water in 4 hrs with a swabbing unit.

All oil and water made was hauled to battery 2 and pumped thru separator.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Guthrie Chavez TITLE Regulatory Coordinator DATE 6/8/09

Type or print name _____ E-mail address: _____ Telephone No. _____

For State Use Only

APPROVED BY: Tammy W. Lipp TITLE DISTRICT 1 SUPERVISOR DATE JUN 23 2009

Conditions of Approval (if any):

FOR RECORD ONLY