

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

JUN 19 2009

HOBBSOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-20101

5. Indicate Type of Lease

STATE ☐ FEE ☐ Fed ☒

6. State Oil & Gas Lease No.

2807559

7. Lease Name or Unit Agreement Name

Cato San Andres Unit

8. Well Number 163

9. OGRID Number

248802

10. Pool name or Wildcat

Cato, San Andres

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 Street Unit 25 Suite 3200
Fort Worth Texas 761023

4. Well Location

Unit Letter K : 1980 feet from the S line and 1980 feet from the W lineSection 27 Township 8S Range 30E NMPM County Chavez

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

GR 4160

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 SWAB TEST TO EVALUATE WELL.

3/27/09 SWAB AND MADE 1 BBL OF OIL AND 15 BBLS OF WATER IN 4 HRS WITH SWABBING UNIT.

3/28/09 SWAB AND MADE 2 BBLS OF OIL AND 15 BBLS OF WATER IN 4 HRS WITH SWABBING UNIT.

ALL OIL AND WATER 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 [Signature] TITLE Regulatory Coordinator DATE 4/15/09

Type or print name

E-mail address:

Telephone No.

For State Use Only

APPROVED BY: [Signature]

TITLE

DISTRICT 1 SUPERVISOR

DATE

JUN 23 2009

Conditions of Approval (if any):

FOR RECORD ONLY