

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88201 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S St Francis Dr., Santa Fe, NM 87505		<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b> <b>Oil Conservation Division</b> 1220 South St. Francis Dr. Santa Fe, NM 87505		<b>Form C-105</b> Revised June 10, 2003									
<div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: black; opacity: 0.5; pointer-events: none;"></div> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; text-align: center; color: white; font-size: 2em; font-weight: bold;">           RECEIVED            APR 27 2009            HOBBS CO         </div> </div>		WELL API NO. <b>30-05-29025</b>											
		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input checked="" type="checkbox"/>											
		State Oil & Gas Lease No.											
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>													
1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>				7. Lease Name or Unit Agreement Name  <b>Cato San Andres Unit</b>									
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>													
2. Name of Operator <p style="text-align: center;"><b>Cano Petro of New Mexico, Inc.</b></p>				8. Well No. <p style="text-align: center;"><b>586</b></p>									
3. Address of Operator <p style="text-align: center;"><b>801 Cherry Street, Unit 25 Suite 3200 Fort Worth, TX 76102</b></p>				9. Pool name or Wildcat <p style="text-align: center;"><b>Cato San Andres</b></p>									
4. Well Location Unit Letter <b>E</b> : <b>2591</b> Feet From The <b>North</b> Line and <b>1305</b> Feet From The <b>West</b> Line													
Section: <b>14</b> Township: <b>08S</b> Range: <b>30E</b> NMPM: <b>27</b> County: <b>Chaves</b>													
10. Date Spudded <b>4/23/08</b>	11. Date T D. Reached	12. Date Compl. (Ready to Prod.) <b>5/13/08</b>	13. Elevations (DF& RKB, RT, GR, etc.) <b>4105 FT (GL)</b>	14. Elev. Casinghead									
15. Total Depth <b>3995</b>	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools								
19. Producing Interval(s), of this completion - Top, Bottom, Name <b>San Andres P1 P2 P3 3450-3624</b>					20. Was Directional Survey Made NO								
21. Type Electric and Other Logs Run <b>GR, Neutron, Density, Resistivity</b>					22. Was Well Cored NO								
<b>23. CASING RECORD (Report all strings set in well)</b>													
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED								
<b>8 5/8</b>	<b>24#</b>	<b>850</b>	<b>12 1/4</b>	<b>600</b>									
<b>5 1/2</b>	<b>15.5#</b>	<b>3995</b>	<b>7 7/8</b>	<b>800</b>									
<b>24. LINER RECORD</b>													
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN									
26. Perforation record (interval, size, and number) <p style="text-align: center;"> <b>P1- 3450-3494</b>  <b>P2- 3518-3540</b>  <b>P3- 3612-3624</b> </p>				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>3450-3624</td> <td>12,000 gal 28% Acid</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	3450-3624	12,000 gal 28% Acid				
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3450-3624	12,000 gal 28% Acid												
<b>28. PRODUCTION</b>													
Date First Production <b>5/15/08</b>		Production Method ( <i>Flowing, gas lift, pumping - Size and type pump</i> ) <b>Pumping</b>		Well Status ( <i>Prod or Shut-in</i> ) <b>Prod.</b>									
Date of Test <b>5/15/08</b>	Hours Tested <b>24 hrs.</b>	Choke Size	Prod'n For Test Period	Oil - Bbl <b>7</b>	Gas - MCF <b>5</b>								
Flow Tubing Press. <b>0</b>	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl. <b>7</b>	Gas - MCF <b>5</b>	Water - Bbl. <b>166</b>								
29. Disposition of Gas ( <i>Sold, used for fuel, vented, etc.</i> ) <b>Sold</b>					Test Witnessed By								
30. List Attachments													
31. Signature <i>Shana McNeal</i> Printed Name <b>Shana McNeal</b> Title <b>Production Assistant I</b> E-mail Address: <a href="mailto:shana@canopetro.com">shana@canopetro.com</a> Date: 05/25/08													

CSAU 586

## INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt 1081	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 1571	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers 1734	T. Devonian	T. Cliff House	T. Leadville
T. Queen 2232	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres 2725	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T. Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS  
SANDS OR ZONES

No. 1, from 341341 to 34198  
No. 2, from 3517 to 3556

No. 3, from 3608 to 3655  
No. 4, from to

## IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet.  
No. 2, from to feet.  
No. 3, from to feet.

## LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
							<b>RECEIVED</b>  MAY 12 2009 HOBBSOCD