

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 21 2009

HOBBSD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-28027

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

4. Well Location

Unit Letter H : 1365 feet from the N line and 10 feet from the E line
Section 11 Township 08S Range 30E NMPM 27 County CHAVES11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4178

7. Lease Name or Unit Agreement Name

CATO SAN ANDRES UNIT

8. Well Number 520

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 ☐OTHER: ☐

SUBSEQUENT REPORT OF:

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

7/20/2008: Spud 12-1/4" hole and drill to 1200'.

7/21/2008: ran 1200' 8-5/8" 24# J-55 casing and cemented w/ 440 sx class C. WOC 8 hours

7/21 - 7/25/2008: drilled 7-7/8" hole from 1200' to 4090' (TD).

7/26/2008: ran open-hole logs and ran 5-1/2" 17# J-55 casing from surface to TD. Cemented w/ 1100 sx 65/35 Pozmix and WOC 24 hours.

7/30/2008: ran cased-hole logs and perforated at 1 spf: P1 3498-3542'; P2 3574-3612'; P3 3644-3690 and 3702-3714'; P5 3910-3917'

8/1/2008: Acidized all zones together w/ 9,000 gal 28% HCl at 6 BPM

8/4/2008: Ran 3730' 2-7/8" tubing, rods and 2.5" x 2.0" x 16' pump and hung on

Spud Date:

7/20/2008

Rig Release Date:

7/27/2008

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:

TITLE

PETROLEUM ENGINEER

DATE

SEP 02 2009

Conditions of Approval (if any):