

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 State of New Mexico Energy, Minerals and Natural Resources

APR 30 2009 OIL CONSERVATION DIVISION
HOBBSON 220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

June 19, 2008

WELL API NO. 30-005-27963
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CATO SAN ANDRES UNIT
8. Well Number 518
9. OGRID Number 248802
10. Pool name or Wildcat CATO; SAN ANDRES
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4146

<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 STR, UNIT 25 SUITE 3200 FT WORTH TX 76102	
4. Well Location Unit Letter <u>E</u> : <u>1380</u> feet from the <u>N</u> line and <u>2490</u> feet from the <u>W</u> line Section <u>11</u> Township <u>08S</u> Range <u>30E</u> NMPM <u>27</u> County <u>CHAVES</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4146	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input checked="" type="checkbox"/></p> <p>OTHER: <input checked="" type="checkbox"/> perforate, acidize, and run tubing, rods, and pump</p>
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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.

12/7/2007: Spud well w/ 12-1/4" hole and drill to 515'. Set 13 jts 8-5/8" 24# J-55 casing w/ 400 sx class C. WOC 8 hours.

12/8 - 12/14/2007: Nippled up BOP drilled 7-7/8" hole from 515' to TD at 4081'.

12/15/2007: ran open-hole logs and ran 103 jts 5-1/2" 17# J-55 csg. Cemented w/ 900 sx 65/35 Pozmix and WOC 24 hours.

12/18/2007: ran cased hole logs (CBL/GR). Perforated at 1 spf: P1 3396-3440'; P2 3475-3520'; P3 3572-3582'; P5 3802-3814'

12/19/2007: Acidized all zones together w/ 10,000 gal 15% HCl and ball sealers @ 5 BPM

12/27/2007: RIH w/ 3830' 2-3/8" J-55 tbgr, rods and 2" x 1.5" x 16' pump and hung on

Spud Date:

12/7/2007

Rig Release Date:

12/14/2007

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: [Signature] TITLE PETROLEUM ENGINEER DATE

Conditions of Approval (if any):

SEP 09 2009