

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 27 2009

HOBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-05-29027
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 588
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 <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 St. Suite 3200 Ft. Worth, TX 76102	
4. Well Location Unit Letter <u>H</u> <u>2471</u> feet from the <u>North</u> line and <u>1293</u> feet from the <u>East</u> line Section <u>14</u> Township <u>O8S</u> Range <u>30E</u> NMPM <u>27</u> County <u>Chaves</u>	
11 Elevation (Show whether DR, RKB, RT, GR, etc.) 4121 (GL)	

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 ☐

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

Work Over:

7-10-08 Rig up rig Drill 12 1/4 hole to set 1080' 8 5/8" 24# casing. Cement with 750 sx Class C Cement

7-14-08 Install BOD & Begin drill w/ 7 7/8" bit 5.5"

7-17-08 TD well TOOH to Log Run 15.5# csg.

7-18-08 Cement with 1200 sx cement

Completion:

7-22-08 Log & Perforate 3492-3538, 3568-80,3652-67

7-25-08 Acidize w/10,000 gal 28% Acid.

7-29-08 Run tubing & rods set @ 3950'

7-30-08 Install Unit

Spud Date.

7-10-08

Rig Release Date:

7-18-08

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Colling Strawn

TITLE Engineer

DATE 4/21/08

Type or print name Colling Strawn

E-mail address

PHONE: 817-698-0900

For State Use Only

APPROVED BY

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

SEP 09 2009

Conditions of Approval (if any)