


|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------|
| Submit To Appropriate District Office<br>State Lease - 6 copies<br>Fee Lease - 5 copies<br>District I<br>1625 N. French Dr., Hobbs, NM 88240<br>District II<br>1301 W. Grand Avenue, Artesia, NM 88210<br>District III<br>1000 Rio Brazos Rd., Aztec, NM 87410<br>District IV<br>1220 S. St. Francis Dr., Santa Fe, NM 87505 |                                   | <b>State of New Mexico</b><br><b>Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br>1220 South St. Francis Dr.<br>Santa Fe, NM 87505 |                                                                                                                                                                             | <b>Form C-105</b><br>Revised June 10, 2003                                                          |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b><br/> <b>APR 27 2009</b><br/> <b>HOBBSDO</b> </div>              |                                                                                                                                                                             | WELL API NO.<br><b>30-005-27980</b>                                                                 |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             | State Oil & Gas Lease No.                                                                           |                                          |
| <b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>                                                                                                                                                                                                                                                                        |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| 1a. Type of Well.<br>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<br><br><b>Cato San Andres Unit</b>                             |                                          |
| b. Type of Completion:<br>NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR <input type="checkbox"/> OTHER                                                                                                      |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| 2. Name of Operator<br><br><b>Cano Petro of New Mexico, Inc.</b>                                                                                                                                                                                                                                                             |                                   |                                                                                                                                                             |                                                                                                                                                                             | 8. Well No<br><br><b>505</b>                                                                        |                                          |
| 3. Address of Operator<br><br><b>801 Cherry Street, Unit 25 Suite 3200<br/>Fort Worth, TX 76102</b>                                                                                                                                                                                                                          |                                   |                                                                                                                                                             |                                                                                                                                                                             | 9. Pool name or Wildcat<br><b>Cato; San Andres</b>                                                  |                                          |
| 4. Well Location<br><br>Unit Letter <b>N</b> : <b>20</b> Feet From The <b>South</b> Line and <b>1375</b> Feet From The <b>West</b> Line                                                                                                                                                                                      |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| Section: <b>2</b> Township: <b>08S</b> Range: <b>30E</b> NMPM: <b>27</b> County: <b>Chaves</b>                                                                                                                                                                                                                               |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| 10. Date Spudded<br><b>12/14/07</b>                                                                                                                                                                                                                                                                                          | 11. Date T.D. Reached             | 12. Date Compl. (Ready to Prod)<br><b>1/10/08</b>                                                                                                           | 13. Elevations (DF& RKB, RT, GR, etc.)<br><b>4126 FT GR</b>                                                                                                                 | 14. Elev. Casinghead                                                                                |                                          |
| 15. Total Depth<br><b>3863</b>                                                                                                                                                                                                                                                                                               | 16. Plug Back T.D.<br><b>3700</b> | 17. If Multiple Compl. How Many Zones?                                                                                                                      | 18. Intervals Drilled By                                                                                                                                                    | Rotary Tools<br>UDI                                                                                 | Cable Tools                              |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name<br><b>San Andres P1 P2 P3 3362- 3542</b>                                                                                                                                                                                                                   |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     | 20. Was Directional Survey Made          |
| 21. Type Electric and Other Logs Run<br><b>GR, NEUTRON, DENSITY, RESISTIVITY</b>                                                                                                                                                                                                                                             |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     | 22. Was Well Cored                       |
| <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 3/4</b>                                                                                                                                                                                                                                                                                                                 | <b>24#</b>                        | <b>520</b>                                                                                                                                                  | <b>12 1/4</b>                                                                                                                                                               | <b>350 SX C</b>                                                                                     |                                          |
| <b>5 1/2</b>                                                                                                                                                                                                                                                                                                                 | <b>15.5#</b>                      | <b>3905</b>                                                                                                                                                 | <b>7 7/8</b>                                                                                                                                                                | <b>800 SX POZ</b>                                                                                   |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| <b>24. LINER RECORD</b>                                                                                                                                                                                                                                                                                                      |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| SIZE                                                                                                                                                                                                                                                                                                                         | TOP                               | BOTTOM                                                                                                                                                      | SACKS CEMENT                                                                                                                                                                | SCREEN                                                                                              |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             | <b>25. TUBING RECORD</b>                                                                                                                                                    |                                                                                                     |                                          |
| SIZE                                                                                                                                                                                                                                                                                                                         |                                   | DEPTH SET                                                                                                                                                   | PACKER SET                                                                                                                                                                  |                                                                                                     |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| 26. Perforation record (interval, size, and number)<br><br>See Attachment                                                                                                                                                                                                                                                    |                                   |                                                                                                                                                             | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.<br>DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED<br><b>3362-3802      ACID FRAC</b><br><b>20,000 GAL 15% HCl 30 BPM</b> |                                                                                                     |                                          |
| <b>28. PRODUCTION</b>                                                                                                                                                                                                                                                                                                        |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| Date First Production<br><b>1/14/08</b>                                                                                                                                                                                                                                                                                      |                                   | Production Method (Flowing, gas lift, pumping - Size and type pump)<br><b>Pumping</b>                                                                       |                                                                                                                                                                             | Well Status (Prod. or Shut-in)<br><b>Prod.</b>                                                      |                                          |
| Date of Test<br><b>1/14/08</b>                                                                                                                                                                                                                                                                                               | Hours Tested<br><b>24 hrs.</b>    | Choke Size                                                                                                                                                  | Prod'n For Test Period                                                                                                                                                      | Oil - Bbl<br><b>0</b>                                                                               | Gas - MCF<br><b>0</b>                    |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             | Water - Bbl.<br><b>250</b>                                                                          | Gas - Oil Ratio                          |
| Flow Tubing Press.<br><b>0</b>                                                                                                                                                                                                                                                                                               | Casing Pressure                   | Calculated 24-Hour Rate                                                                                                                                     | Oil - Bbl.<br><b>0</b>                                                                                                                                                      | Gas - MCF<br><b>0</b>                                                                               | Water - Bbl.<br><b>250</b>               |
|                                                                                                                                                                                                                                                                                                                              |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     | Oil Gravity - API - (Corr.)<br><b>NA</b> |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)<br><b>Sold</b>                                                                                                                                                                                                                                                    |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     | Test Witnessed By                        |
| 30. List Attachments                                                                                                                                                                                                                                                                                                         |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |
| 31. Signature  Printed Name <b>Shana McNeal</b> Title <b>Production Assistant I</b><br>E-mail Address: <a href="mailto:shana@canopetro.com">shana@canopetro.com</a> Date: 02/1/08                                                         |                                   |                                                                                                                                                             |                                                                                                                                                                             |                                                                                                     |                                          |

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This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of the well and not later than 60 days after completion of closure. When submitted as a completion report, it shall include a copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For 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 1,109           | T. Strawn        | T. Kirtland             | T. Penn. "B"     |
| B. Salt                 | T. Atoka         | T. Fruitland            | T. Penn. "C"     |
| T. Yates 1,546          | T. Miss          | T. Pictured Cliffs      | T. Penn. "D"     |
| T. 7 Rivers 1,714       | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen 2,199          | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg             | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres 2,677     | T. Simpson       | T. Mancos               | T. McCracken     |
| T. Glorieta 3,902       | 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 3,352 to 3,408  
No. 2, from 3,432 to 3,482

No. 3, from.....3,576.....to.....3,588.....  
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<br>In Feet | Lithology |
|------|----|----------------------|-----------|
|      |    |                      |           |

## Attachment for C-105

**Perforations for Well Number    505**

- P1    3362-3408
- P2    3450-3482
- P3    3512-3542

CIBP        Depth: 3700

- P5    3762-3802