

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 88211

District IV

1220 S St Francis Dr, Santa Fe, NM 87505

RECEIVED

NOV 18 2009

HOBBSDO

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-005-27961 ✓
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	534 ✓
9. OGRID Number	248802 ✓
10. Pool name or Wildcat	CATO; SAN ANDRES
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4157

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 J : 2577 feet from the S line and 2460 feet from the E line
 Section 11 Township 08S Range 30E NMPM 27 County CHAVES ✓

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: perf, acidize, run 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.

1/5/08: Spud 12-1/4" hole and drill to 520'.
 1/6/08: ran 520' 8-5/8" 24# J-55 casing and cemented w/ 350 sx class C. WOC 8 hours
 1/7 - 1/12/08: drilled 7-7/8" hole from 520' to 4010' (TD).
 1/13/08: ran open-hole logs and ran 5-1/2" 15.5# J-55 casing from surface to TD. Cemented w/ 800 sx 65/35 Pozmix and WOC 24 hours.
 1/15/08: ran cased-hole logs and perforated San Andres at 1 spf: 3470-3510', 3550-3574', 3632-3636'
 1/18/08: Acidized all zones together w/ 15,000 gal 15% HCl @ 8 BPM
 1/20/08: Ran 3640' 2-7/8" tubing, rods and 2.5" x 2.0" x 16' pump and hung on

Spud Date:

1/05/08

Rig Release Date:

1/24/08

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:

Tanya W. Hill

TITLE

DISTRICT 1 SUPERVISOR

DATE

NOV 20 2009

Conditions of Approval (if any):