

District I

1625 N. French Dr., Hobbs, NM 88210

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

DEC 02 2009

HOBBSDOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.	30-005-27970
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	407
9. OGRID Number	248802
10. Pool name or Wildcat	Cato San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	4169 FT GL

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 : 1980 feet from the South line and 2025 feet from the East line
Section 27 Township 08S Range 30E NMPM 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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: perforate, acidize, frac, install 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.

- 10/23/2007: Spudded 12-1/4" hole and drilled from surface to 515'. Ran 13 jts 8-5/8" 24# csg from surface to 515'. Cemented w/ 350 sx C. WOC 8 hours.
- 10/24 - 11/2/2007: Drilled 7-7/8" hole from 515' to 4000' (TD). TOOH for log.
- 11/3/2007: Ran open-hole logs. Ran 5-1/2" 17# J-55 csg from surface to 3995. Cemented w/ 900 sx 65/35 Pozmix. WOC 24 hours.
- 11/8/2007: Ran GR/CBL and perforated San Andres @ 4 spf: 3510-3558' and 3578-3592'
- 12/1/2007: Acidized well w/ 13,500 gal 15% HCl @ 7.5 BPM
- 12/7/2007: RIH w/ 3583' 2-3/8" tbg, rods, and 2.0" x 1.5" x 16' pump and hung on

Spud Date:

10/23/2007

Rig Release Date:

12/8/07

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 5/1/09

Type or print name Collin Strawn

E-mail address:

PHONE: 817-698-0900

For State Use Only

TITLE

PETROLEUM ENGINEER

DATE

DEC 07 2009

APPROVED BY:

[Signature]

Conditions of Approval (if any):

RECEIVED