

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

RECEIVED
NOV 23 2009
HOBBSD

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-005-29030
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 827
9. OGRID Number 284402
10. Pool name or Wildcat CATO; SAN ANDRES
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4130 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 <input 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>F</u> : <u>1980</u> feet from the <u>N</u> line and <u>2037</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.) 4130 GL	

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

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

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.

10/8/08: Rig up drilling rig. 10/10/08: Drill 12-1/4" hole to 955'. 10/11/08: Drill to 1109'. TOH for lost circulation. TIH w/ drill pipe open-ended and pump cement plug and TOH and WOC. 10/12/08: TIH and tag up at 1040'. Lost circulation. 10/13/08: Pump paper pill and POOH. 10/14/08: Pumped 100 sx C and POOH. WOC. TIH w/ 10 stands DP. 10/15/08: Circulate and drill from 1113' to 1151'. Ran 8-5/8" csg from surface to TD with DV tool @ 505'. Cemented w/ 500 sx C. WOC. 10/16/08: Ran bond log, no cement from 50' to 504'. Perf'd 4 squeeze holes @ 501'. Squeezed w/ 400 sx C and WOC. Nippled up BOP and drilled to 1150' and lost circulation. 10/17/08: Ran temp log, GR, bond log. Pumped 200 sx C w/ 2% CaCl and WOC. 10/18/08: TIH and tag cement @ 1060'. Drill cement 1060-1150' and lost circulation. LD drill pipe. RU wireline and set retainer plug @ 1130'. Loaded with fluid and it held. Released rig.

Spud Date: 10/8/08

Rig Release Date: 10/18/08

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 11/18/09
Type or print name Collin Strawn E-mail address: _____ PHONE: 817-698-0900
For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 07 2009
Conditions of Approval (if any): _____