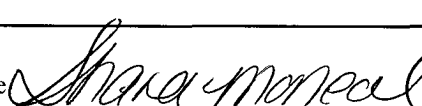


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N French Dr, Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd, Aztec, NM 87410 District IV 1220 S St Francis Dr, Santa Fe, NM 87505	<div style="font-size: 2em; opacity: 0.5; transform: rotate(-15deg); position: absolute; top: 0; left: 0;">RECEIVED</div> <div style="position: absolute; top: 50px; left: 50px; font-weight: bold;">NOV 23 2009</div> <div style="position: absolute; top: 100px; left: 0; font-weight: bold;">HOBBS CO</div> <div> State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 220 South St. Francis Dr. Santa Fe, NM 87505 </div>	Form C-105 Revised June 10, 2003
WELL API NO. 30-005-29051		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.		7 Lease Name or Unit Agreement Name Cato San Andres Unit
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		8 Well No 557Y
1a. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		9. Pool name or Wildcat Cato San Andres
b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF <input type="checkbox"/> WELL OVER <input type="checkbox"/> BACK RESVR <input type="checkbox"/> OTHER <input type="checkbox"/>		
2 Name of Operator Cano Petro of New Mexico, Inc.		
3. Address of Operator 801 Cherry Street, Unit 25 Suite 3200 Fort Worth, TX 76102		
4 Well Location Unit Letter O 164 Feet From The South Line and 1416 Feet From The E Line Section: 10 Township 08S Range 30E NMPM. 27 County Chaves		
10 Date Spudded 9/7/08	11 Date T.D Reached 9/14/08	12 Date Compl (Ready to Prod.) 9/25/08
13 Elevations (DF& RKB, RT, GR, etc) 4109 GL		14. Elev Casinghead
15 Total Depth 4022'	16 Plug Back T D	17. If Multiple Compl How Many Zones? 18 Intervals Drilled By
19 Producing Interval(s), of this completion - Top, Bottom, Name San Andres P1-P3		20 Was Directional Survey Made NO
21. Type Electric and Other Logs Run GR, Neutron, Density, Resistivity		22 Was Well Cored No
23. CASING RECORD (Report all strings set in well)		
CASING SIZE	WEIGHT LB /FT	DEPTH SET
8 5/8	24#	1240'
5 1/2	15.5#	4022'
24. LINER RECORD		
SIZE	TOP	BOTTOM
25. TUBING RECORD		
SIZE	DEPTH SET	PACKER SET
2 7/8	3583'	3583'
26. Perforation record (interval, size, and number) 3400-3441', 3473-3492', 3560-3572'		
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	
3400-3572'	8,000 gal 28% Acid	
	50,000 # sand	
28. PRODUCTION		
Date First Production 9/25/08	Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping	Well Status (Prod or Shut-in) Prod.
Date of Test 9/25/08	Hours Tested 24 hrs.	Choke Size
Prod'n For Test Period	Oil - Bbl 4	Gas - MCF 2
Water - Bbl 101	Gas - Oil Ratio	
Flow Tubing Press 0	Casing Pressure	Calculated 24-Hour Rate
Oil - Bbl 4	Gas - MCF 2	Water - Bbl 101
Oil Gravity - API - (Corr) 22°		
29. Disposition of Gas (Sold, used for fuel, vented, etc)		Test Witnessed By
30. List Attachments		
31 Signature  Printed Name Shana McNeal Title Production Assistant I E-mail Address: shana@canopetro.com Date: 05/2/08		

CSAU 5574

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple 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 1,224	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 1,654	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers 1,802	T. Devonian	T. Cliff House	T. Leadville
T. Queen 2,242	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres 2,707	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	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 3,408 to 3,462
 No. 2, from 3,486 to 3,533
 No. 3, from 3,578 to 3,691
 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 In Feet	Lithology	From	To	Thickness In Feet	Lithology
							RECEIVED MAY 12 2009 HOBBSOC