

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator name and Address Cano Petro of New Mexico, Inc. 801 Cherry Street Unit 25 Suite 3200 Fort Worth, Texas 76102		<sup>2</sup> OGRID Number 248802
		<sup>3</sup> Reason for Filing Code/ Effective Date New Drill
<sup>4</sup> API Number 30-005-29051	<sup>5</sup> Pool Name Cato San Andres	<sup>6</sup> Pool Code 10540
<sup>7</sup> Property Code 303560	<sup>8</sup> Property Name Cato San Andres Unit	<sup>9</sup> Well Number 557Y

II. <sup>10</sup> Surface Location

UI or lot no. O	Section 10	Township 08S	Range 30E	Lot Idn O	Feet from the 164	North/South line South Line	Feet from the 1416	East/West line East Line	County Chaves
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<sup>11</sup> Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Lse Code P	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date				

III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> O/G/W
34053	Plains Marketing L.P. PO Box 4648 Houston, TX 77210	Oil
159160	Versado 1000 Louisiana Street Houston, TX 77007	Gas

IV. Well Completion Data

<sup>21</sup> Spud Date 9/07/08	<sup>22</sup> Ready Date 9/25/08	<sup>23</sup> TD 4022'	<sup>24</sup> PBTB	<sup>25</sup> Perforations 3400-3441', 3473-3492' 3560-3572'	<sup>26</sup> DHC, MC
<sup>27</sup> Hole Size 12 ¼"	<sup>28</sup> Casing & Tubing Size 8 ⅝"	<sup>29</sup> Depth Set 1240'	<sup>30</sup> Sacks Cement 700 SX		
7 ⅞"	5 ½	4022'	1200sx		

V. Well Test Data

<sup>31</sup> Date New Oil 9/25/08	<sup>32</sup> Gas Delivery Date	<sup>33</sup> Test Date 10/25/08	<sup>34</sup> Test Length 24hrs.	<sup>35</sup> Tbg. Pressure 0	<sup>36</sup> Csg. Pressure
<sup>37</sup> Choke Size NA	<sup>38</sup> Oil 4	<sup>39</sup> Water 101	<sup>40</sup> Gas 2		<sup>41</sup> Test Method Pumping

<sup>42</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Shana McNeal</i>		OIL CONSERVATION DIVISION	
Printed name: Shana McNeal		Approved by: <i>[Signature]</i>	
Title: Production Assistant I		Title: PETROLEUM ENGINEER	
E-mail Address: shana@canopetro.com		Approval Date: DEC 03 2009	
Date: 5/2/08	Phone: 817-698-0090		