

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

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|---|---|---|
| ¹ Operator name and Address Cano Petro of New Mexico, Inc. 801 Cherry Street Unit 25 Suite 3200 Fort Worth, Texas 76102 | | ² OGRID Number 248802 |
| | | ³ Reason for Filing Code/ Effective Date Return to Production 8/26/07 |
| ⁴ API Number 30-005-21167 | ⁵ Pool Name Cato San Andres | |
| | | ⁶ Pool Code 10540 |
| ⁷ Property Code 303560 | ⁸ Property Name Cato San Andres Unit | |
| | | ⁹ Well Number 355 |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| Ul or lot no. E | Section 16 | Township 08S | Range 30E | Lot Idn | Feet from the 1330 | North/South line North | Feet from the 1305 | East/West line West | County Chaves |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|------------------|

¹¹ Bottom Hole Location

| | | | | | | | | | |
|-----------------------------|-------------------------------------|-----------------|-----------------------------------|---------|-----------------------------------|------------------------------------|-----------------------|-------------------------------------|------------------|
| UL or lot no. E | Section 16 | Township 08S | Range 30E | Lot Idn | Feet from the 1330 | North/South line North | Feet from the 1305 | East/West line West | County Chaves |
| ¹² Lse Code S | ¹³ Producing Method Code | | ¹⁴ Gas Connection Date | | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | | ¹⁷ C-129 Expiration Date | |

III. Oil and Gas Transporters

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|---------------------------------|--|---------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
| 034053 | Plains Marketing L.P. PO Box 4648 Houston, TX 77210 | Oil |
| 159160 | Versado Gas Processor, LLC 1000 Louisiana St. Suite 4300 Houston, TX 77007 | Gas |
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IV. Well Completion Data

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|---------------------------------------|---------------------------------------|------------------------------------|--------------------|--|-----------------------|
| ²¹ Spud Date 12/19/2000 | ²² Ready Date 3/10/2001 | ²³ TD 3,552 | ²⁴ PBTD | ²⁵ Perforations 3286-3300' 3340-3386' 3428-3440' 3484-3488' | ²⁶ DHC, MC |
| ²⁷ Hole Size | | ²⁸ Casing & Tubing Size | | ²⁹ Depth Set | |
| 12 ¼" | | 8 5/8" | | 540' | |
| 7 7/8" | | 5 ½" | | 3552' | |
| | | 2 3/8" Tubing | | 3475' | |
| | | | | | |

V. Well Test Data

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|---------------------------------------|---------------------------------|------------------------------------|------------------------------------|--------------------------------------|-----------------------------|
| ³¹ Date New Oil 3/27/01 | ³² Gas Delivery Date | ³³ Test Date 3/27/01 | ³⁴ Test Length 24hrs | ³⁵ Tbg. Pressure 0 | ³⁶ Csg. Pressure |
| ³⁷ Choke Size NA | ³⁸ Oil 42 | ³⁹ Water 97 | ⁴⁰ Gas 0 | ⁴¹ Test Method Pumping | |

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| ⁴² 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: JAN 08 2010 | |
| Date: 12/15/2009 | | Phone: 817-698-0090 | |