

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave.,

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
FEB 01 2010
HOBBSUCD

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

WELL API NO. 30-005-10539
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CATO SAN ANDRES UNIT
8. Well Number 51
9. OGRID Number 248802
10. Pool name or Wildcat Cato; San Andres Unit

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 Injector <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 I : 1980 feet from the South line and 700 feet from the East line Section 11 Township 08S Range 30E NMPM County Chaves 11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

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

1/29/08: MIRU pulling unit and RIH w/ bit and tagged @ 3426'. Washed down to 3668' and circ clean.
 1/30/08: RIH w/ scraper, tagged at 750', POOH, RIH w/ tapered mill and worked past bad spot, POOH.
 1/31/08: RU casing equipment and RIH w/ 20 jts 3-1/2" 9.3# flush joint liner. 2/1/08: finished running 3-1/2" flush joint down to 3682'. RU cement crew and pumped 830 sx class C. SDFW.
 2/8/08: RIH w/ 2-3/4" bit, 6 collars, 2-1/16" tubing to 3525'. Drill out to 3668' and circ clean.
 2/11/08: POOH and LD tubing, RD pulling unit. MIRU wireline and ran gamma ray/ bond log. Est TOC @ 1580' from surface. 2/28/08: MIRU wireline and perf'd San Andres 3518-3548', 3582-3628', and 3658-3674' @ 4 spf. 3/5/08: Acidized San Andres w/ 16,500 gal 15% HCl @ 3.3 BPM. Flowed back 56 bbls. 3/6/08: Started RIH w/ 2-1/16" Seal Tite tubing. 3/7/08: Finished RIH w/ tubing and set packer @ 3444'. Loaded backside and RDMO.

** Need Original Chart!*

Spud Date: 11-2-66

Rig Release Date:

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 1/29/10
 Type or print name Collin Strawn E-mail address: PHONE: 817-698-0900
For State Use Only ext 152
 APPROVED BY: [Signature] TITLE DISTRICT 1 SUPERVISOR DATE FEB 26 2010
 Conditions of Approval (if any):