New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary
Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 29, 2010

Cano Petro of New Mexico INC ATT: Cindy Chavez 801 Cherry Street, Unit 25, Suite 3200 Ft Worth, TX 76102

RE: CANCELLATION OF INTENT TO DRILL

Cato San Andres Unit #400

D-10-8s-30e, 660/N & 660/W

API # 30-005-27982

Gentlemen:

Twelve months or more have elapsed since Division Form C-101, Notice of Intention to drill, for the subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has now expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drilling has been done, please file subsequent reports of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

Larry Hill

District I Supervisor

CC: OCD Santa Fe OCD Hobbs

BLM

State Land Office