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HOBBSD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-29128

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Cato San Andres Unit

8. Well Number 548

9. OGRID Number

248802

10. Pool name or Wildcat

Cato; San Andres

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 ☒ Gas Well ☐ Other

2. Name of Operator

Cano Petro of New Mexico, Inc.

3. Address of Operator

801 Cherry Street Suite 3200 Unit 25 Fort Worth, Tx 76102

4. Well Location

Unit Letter P : 1172 feet from the South line and 10 feet from the East line
Section 11 Township 08S Range 30 E NMPM 27 County Chaves11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4166'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☐OTHER: Drill new well ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spud 12-1/4" hole and drill to 1200'

Run 8-5/8" 24# casing from surface to 1200'

Cement w/ 600 sx and circulate to surface. WOC

Drill 7-7/8" hole to 4000'

RU wireline and run open-hole logs

Run 5-1/2" 17# casing from surface to TD

Cement w/ 1000 sx and WOC

Run cased-hole logs

Perforate and acidize San Andres

RIH w/ 2-7/8" tubing and set seating nipple below perfs

RIH w/ rods and 2" insert pump and hang on pumping unit

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Regulatory Coordinator

DATE 4/08/10

Type or print name Cindy Chavez

E-mail address: cindy@canopetro.com

PHONE: 817-698-0900 ext153

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

APR 19 2010

Conditions of Approval (if any):