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## New Mexico Oil Conservation Division, District 1 1625 N. French Drive

Hobbs, NM 88240 Form 31605N 28 2010 UNITED STATES FORM APPROVED OM B No 1004-0137 HOBBSOCDBUREAU OF LAND MANAGEMENT DEPARTMENT OF THE INTERIOR Expires: March 31, 2007 5 Lease Serial No NMNM82050X SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE- Other instructions on reverse side. Cato San Andres Unit 1. Type of Well Other Water injection well Öil Well□ □ Gas Well □□ Well Name and No. CSAU #050 2. Name of Operator Cano Petro of New Mexico, Inc. API Well No. 30-005-29021 3a. Address 3b Phone No. (include area code) 801 Cherry St., Suite 3200, Fort Worth, TX 76102 817-698-0900 10. Field and Pool, or Exploratory Area Cato; San Andres 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1980' FSL & 1922' FEL, Section 11, T08S, R30E Chaves County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Production (Start/Resume) ■ Water Shut-Off Deepen Notice of Intent ✓ Well Integrity Alter Casing Reclamation Fracture Treat ✓ Other Test tubing and Casing Repair New Construction Recomplete Subsequent Report Change Plans packer for leaks Temporarily Abandon Plug and Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) MIRU pulling unit. Unset packer and POOH w/ tubing and packer. Inspect packer for damage. Test tubing as follows: RIH w/ bull plug on the end of tubing. Run 5 stands at a time, pressure testing tubing after each 5 stands to find leak. Replace bad tubing. RIH w/ tubing and packer to previous depth, within 100' of top perforation. Perform MIT. After well passes MIT, resume water injection.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)	<u> </u>
Collin Strawn	Title Petroleum Engineer
Signature Cliff	Date 06/01/2010
ACCEPTED FORTINE SPACE FOR FEDERAL OR STATE OFFICE USE	
Approves DAVID R. GLASSEG	JUN 2 8 2010
Conditions of approval Jany are attached Approval of this notice does not warran	nt or
certify that the applicant holds legal or equitable tille to those rights in the subject le which would entitle the applicant to conduct operations thereon	ase Office
Title 18 USC Section 1001 and Fill 38 ASS Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false Destribus of Franchise states any false Destribus of Franchise states any false of Franchise states any false of Franchise states and false states	
(Instructions on page 2)	. · ·

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

S.W.