

District I

1625 N French Dr, Hobbs, NM 88240

District II

1301 W Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

Form C-101

June 16, 2008

RECEIVED

APR 16 2010

HOBBS

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------|
| Cano Petro Of New Mexico, Inc. ¹ Operator Name and Address 801 Cherry Street Suite 3200 Unit 25 Fort Worth, Tx 76102 | | 248802 ² OGRID Number |
| | | 30 - 005 - 21164 ³ API Number |
| 38262 ⁴ Property Code | Crosby ⁵ Property Name | 328 ⁶ Well No |
| Queen ⁷ Proposed Pool 1 | Wildcat <96032> ⁸ Proposed Pool 2 | |

7 Surface Location

| UL or lot no | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 09 | 08S | 30E | | 1298 | SOUTH | 1306 | WEST | CHAVES |

8 Proposed Bottom Hole Location If Different From Surface

| UL or lot no | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

| | | | | |
|-------------------------------------|---------------------------------------|----------------------------------|------------------------------------|-----------------------------------------------|
| ¹¹ Work Type Code E P | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 4058' |
| ¹⁶ Multiple Yes | ¹⁷ Proposed Depth 3444' | ¹⁸ Formation Queen | ¹⁹ Contractor | ²⁰ Spud Date |

21 Proposed Casing and Cement Program


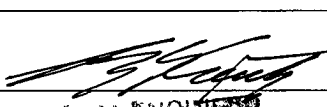
| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Using existing wellbore. Casing and cement stays the same. This well was drilled in 2000, therefore a liner will not be used.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

Formerly CSAU #328

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief | | OIL CONSERVATION DIVISION | |
| Signature  | | Approved by  | |
| Printed name Cindy Chavez | | Title PETROLEUM ENGINEER | |
| Title Regulatory Coordinator | | Approval Date AUG 03 2010 | Expiration Date |
| E-mail Address cindy@canopetro.com | | OCD CONDITION OF APPROVAL of Drilling Intent to drill ONLY --- CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office | |
| Date 4/15/10 | Phone 817-698-0900 ext 153 | | |

District I
PO Box 1968, Hobbs, NM 88241-1968
District II
PO Drawer DD, Artesia, NM 88211-0712
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED
OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

APR 16 2000
HOBBSOCD

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|------------------------------------------------|----------------------------------------------|
| API Number 30-005-21164 | Pool Code 10540 | Pool Name Wildcat Queen Cato (San Andres) |
| Property Code 024879-38262 | Property Name Cato (San Andres) Unit Crosby | Well Number 328 |
| OGRID No. 183718 | Operator Name UHC New Mexico Corporation | Elevation 4058 |

10 Surface Location

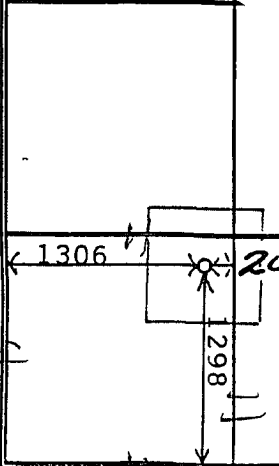
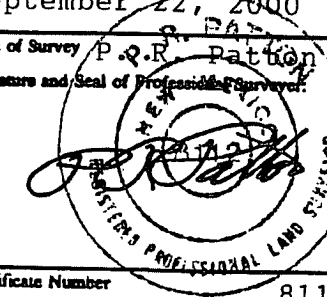
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 9 | 8 S | 30 E | | 1298 | South | 1306 | West | Chaves |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------------|----------------------|-------------------------|-----------|
| Dedicated Acres 20.40 | Joint or Infill N | Consolidation Code U | Order No. |
|--------------------------|----------------------|-------------------------|-----------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>16</p> <p>OPERATOR: Please do not report production under this pool code until you have checked with the OCD District I Geologist Paul Kautz, and he confirms where your perfs are producing from and gives you the correct pool code.</p>  | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Tobin D. Andrews</p> <p>Signature</p> <p>Tobin D. Andrews</p> <p>Printed Name</p> <p>Oil + Gas Operations Manager</p> <p>Title</p> <p>9/28/00</p> <p>Date</p> |
| | <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>September 22, 2000</p> <p>Date of Survey</p> <p>P.R. Patton</p> <p>Signature and Seal of Professional Surveyor</p>  <p>Certificate Number 8112</p> |

**CURRENT
COMPLETION**

CSAU #328

Strawn 4/15/2010

1298 FSL & 1306 FWL
Section 9 T8S R30E
Chaves County, NM

12 1/4" hole to 533'
8 5/8" 24# csg @ 533'

surface csg cmt circ to surface

from CBL: TOC @ 225'

est. TOC @ 1365'

San Andres perfs
3224-3270'

3306-3312'

3354-3358'

5 1/2" 15.5# csg @ 3444'
7 7/8" hole to 3444'

TD = 3444'

**PROPOSED
COMPLETION**

Crosby #328

Strawn 4/15/2010

1298 FSL & 1306 FWL
Section 9 T8S R30E
Chaves County, NM

12 1/4" hole to 533'
8 5/8" 24# csg @ 533'

surface csg cmt circ to surface

from CBL: TOC @ 225'

est. TOC @ 1365'

Queen perfs
2024-2040'

CIBP @ 2080'

San Andres perfs
3224-3270'

3306-3312'

3354-3358'

5 1/2" 15.5# csg @ 3444'
7 7/8" hole to 3444'

TD = 3444'

