

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No
NMNM13419

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Cano Petro of New Mexico, Inc.

8. Well Name and No
Paye Federal #4

9. API Well No
30-005-20492

3a. Address
801 Cherry Street Suite 3200 Fort Worth, TX 76102

3b. Phone No (include area code)
817-698-0900

10. Field and Pool or Exploratory Area
Tom Tom ; San Andres

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)
B-04-08S-31E 660 FNL 1980 FEL

11. Country or Parish, State
Chaves, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Operations expected to start on or about August 1, 2010

MIRU pulling unit

RIH w/ wireline to check depth. (In September 2009, depth was found to be 3934' from GL)

RIH w/ tubing and packer. Set packer within 100' of top perforation (top perf is 3832' from GL)

Load backside and pressure up to 300 psi for 30 minutes to test casing integrity

If casing is good, we will RIH w/ 2-3/8" tubing (no packer), and set seating nipple about 30' below bottom perforation (bottom perf is 3860' from GL)

Run 3/4" D rods and 1-1/2" x 16' insert pump and install 114 pumping unit on well. Produced fluids will be pumped into newly set tanks at the location of the old Paye Federal battery

RECEIVED

AUG 09 2010

HOBSOCD

Conditions of Approval:

OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producing this well. Accompanied by Subsequent report with dates and what was done, perfs producing from, along with tubing size and depth

EEG 8-10-10

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Collin Strawn

Title Engineer

Signature

Collin Strawn

Date 07/13/2010

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Conditions of approval, if any, are attached. Approval of this notice does not entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a criminal offense to make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of the United States any false,

**Accepted For Record Only For 90 Day
Period Ending OCT 31 2010! Work
Must Be Commenced On Or Before
OCT 31 2010!**

ROSWELL FIELD OFFICE

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