

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
NMNM14154

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.

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

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

4. Location of Well (Footage, Sec, T., R., M. or Survey Description)
P-30-07S-32E 660 FSL 660 FEL ✓

7. If Unit of CA/Agreement, Name and/or No

8. Well Name and No
Chambers Federal #1

9. API Well No
30-041-20432

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

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 recompleat 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 recompleat 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.

RIH w/ tubing and packer. Set packer within 100' of top perforation (top perf is 4162' 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 4174' 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 Chambers Federal battery

RECEIVED

AUG 09 2010

HOBBSOCD

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

ELG 8-10-10

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

Title Engineer

Date 07/13/2010

Signature *Collin Strawn*

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 warrant that the applicant holds legal or equitable title to those rights in the subject lease which entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and 1125 make it a crime for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations or to knowingly conceal any material within its jurisdiction. (Instructions on page 2)

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

United States any false,