

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. ~~1000000270225~~ **82050x NM-0276225**
 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. Cato San Andres Unit
2. Name of Operator Cano Peto of New Mexico, Inc.		8. Well Name and No. Cato San Andres Unit #140 ✓
3a. Address 801 Cherry Street Suite 3200 Unit 25 Fort Worth, TX 76102	3b. Phone No. (include area code) 817-698-0900	9. API Well No. 30-005-20087 ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) J-22-08S-30E 1980 FSL 1980 FEL ✓		10. Field and Pool or Exploratory Area Cato; San Andres
		11. Country or Parish, State Chaves Co, 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 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 checked="" type="checkbox"/> Other tag bottom	
	<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.)

BLM ORDER NO. 24-003-10W

MIRU pulling unit.

RIH w/ sinker bar on the end of sand line to check depth. Results of data obtained from this procedure will determine whether this well can be returned to production.

RD and move to next well

RECEIVED

JUL 28 2010

HOBBSOCD

DENIED

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Collin Strawn		Title Engineer
Signature <i>Collin Strawn</i>		Date 06/14/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Denied /S/ DAVID R. GLASS	Title PETROLEUM ENGINEER	Date JUL 21 2010
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office ROSWELL FIELD OFFICE	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

7-m



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.nm.blm.gov



In Reply Refer To:
NM-82050X
3160 (P0130)

CERTIFIED-RETURN RECEIPT REQUESTED
7000 0520 0023 4992 4731

Cano Petroleum of New Mexico, Inc.
801 Cherry Street, Suite 3200
Fort Worth, TX 76102

JUL 22 2010

RECEIVED

JUL 28 2010

HOBBSOCD

Gentlemen:

The Bureau of Land Management (BLM) received Sundry Notices of Intent Form 3160-5 on June 18, 2010 for Cato Unit Wells Numbers 12, 15, 34, 62, 66, 117, 132, 134, 138, 140, 151, 152, 153, 160, 161, 164, 165, 166, 171, 172, 174, 175, 177, 178, 179, 181, and 184 in response to Written Order Number 24-002-10W (enclosed). The subject Sundry Notices state Cano's plans to run in hole with sinker bar on the end of sand line to check depth to determine which well(s) can returned to production is not considered a sufficient plan in response to Written Order Number 24-002-10W. The subject Sundry Notices are being returned to you Denied. These Sundry Notices also refer to an incorrect Written Order Number 24-003-10W. BLM is requiring Cano provide a more detailed plan to return the subject well(s) to continuous production or plug the well(s) with a plugging program approved by this BLM office within 60 days from receipt of this letter.

If you need additional information and/or have any questions regarding this letter, please contact David Glass, Petroleum Engineer at the above address or at (575) 627-0275.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc:
NM (P0130, File Room)
Well Files