Form 3160-5 (August 2007)

1625 N. French Drive Hobbs, NM 88240 **UNITED STATES**

DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

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

5. Lease Serial No. NMNM0354427A

SUNDRY NOTICES AND DEDODES ON WELLS

Do not use this	form for proposals to drill or Use Form 3160-3 (APD) for s	to re-enter an	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				7. If Unit of CA/Agreement, Name and/or No. Cato San Andres Unit 8. Well Name and No. Cato San Andres Unit #132	
			8. Well Name and No		
			Cato San Andres U		
Cano Peto of New Mexico, Inc. 3a. Address 3b. Phone No. (include mag and a)			9. API Well No. 30-005-20129		
801 Cherry Street Suite 3200 Unit 25 Fort Wol	No. (include area code) 900	10. Field and Pool or Cato; San Andres	10. Field and Pool or Exploratory Area Cato; San Andres		
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) G-23-08S-30E 1980 FNL 1980 FEL			11. Country or Parish, State Chaves Co, NM		
12. CHEC	CK THE APPROPRIATE BOX(ES) TO IN	NDICATE NATURE OF NO	OTICE, REPORT OR OTH	ER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION -				
Notice of Intent			Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity	
Subsequent Report			Recomplete -	✓ Other tag bottom	
Final Abandonment Notice	-		Femporarily Abandon Water Disposal		
BLM ORDER NO. 24-003-10W MIRU pulling unit. RIH w/ sinker bar on the end of sand production. RD and move to next well.	d line to check depth. Results of data o	obtained from this proced	ure will determine wheth RECEIV JUL 28 20 HOBBSO	'ED 10	
14. I hereby certify that the foregoing is tr	ue and correct. Name (Printed/Typed)	T			
Collin Strawn		Title Engeneer			
Signature Coll. Some		Date 06/14/2010			
	THIS SPACE FOR FEDI	ERAL OR STATE O	FFICE USE		
Conditions of approval, if any, are attached. Approval of this notice does not warrant or contact that the applicant holds legal or equitable title to these rights in the subject least which wo entitle the applicant to conduct operations thereof. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any pe		Title certify ould Office Person knowingly and willful	Date.		
fictitious or fraudulent statements or repres-	entations as to any matter within its jurisdiction	on,	, to any department	or agoney of the Officer States any false,	

(Instructions on page 2)



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 2 2 2010

RECEIVED

JUL 2 8 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,

15/ Angel Mayes

Angel Mayes Assistant Field Manager, Lands and Minerals

cc: NM (P0130, File Room) Well Files