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

5. Lease Serial No. MM-022636

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.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE – Other instructions on page 2.					7. If Unit of CA/Agreement, Name and/or No. Cato San Andres Unit		
1. Type of Well						nit	
Oil Well Gas Well Other 2. Name of Operator				Cato San Ar	8. Well Name and No. Cato San Andres Unit #178		
Cano Peto of New Mexico, Inc.				I	9. API Well No. 30-005-20224		
3a. Address 801 Cherry Street Suite 3200 Unit 25 Fort Wor	817-698-0900	hone No. <i>(include area code)</i> 698-0900		10. Field and Pool or Exploratory Area Cato; San Andres			
4. Location of Well (Footage, Sec., T., M-34-08S-30E 660 FSL 660 FWL	n)	11. Country or Paris Chaves Co, NM			State		
12. CHEC	CK THE APPROPRIATE B	OX(ES) TO INDIC	ATE NATUR	E OF NOTICE, REPORT C	R OTHE	ER DATA	
TYPE OF SUBMISSION			TY	PE OF ACTION			
Notice of Intent	Acidize Alter Casing Casing Repair	Deepen Fracture		ruction Recomplete		Water Shut-Off Well Integrity ✓ Other tag bottom	
Subsequent Report	Change Plans	_	d Abandon			ther tag bottom	
Final Abandonment Notice	Convert to Injection	Plug Ba	ck	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 w	l line to check depth. Re	sults of data obtai	ined from this	procedure will determine			
		JUL 28 2010					
		HOBBSOCD					
14. I hereby certify that the foregoing is tru	ue and correct. Name (Printe	d/Typed)	<u> </u>				
Collin Strawn			Title Engineer				
Signature Collin Sun Date 06/14/2010							
	THIS SPACE	FOR FEDERA	AL OR ST	ATE OFFICE USE			
Penied /S/ DAVID R. GLASS Conditions of approval, if any, are attached. Approval of this notice does not warrant or c			PETR	OLEUM ENGINEER	Dai		
that the applicant holds legal or equitable tit entitle the applicant to conduct operations the	le to those rights in the subject nereon.	not warrant or certical lease which would	Office	MOS	WELL	FIELD OFFICE	
Title 18 H.S.C. Section 1001 and Title 43 I	I C C Section 1212 marter it a						

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)



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,

15/ Angel Mayes

Angel Mayes Assistant Field Manager, Lands and Minerals

cc: NM (P0130, File Room) Well Files