New Mexico Oil Conservation Division, District

1625 N. French, Drive Hobbs, NM 88240

TYPE OF ACTION

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

Chaves Co. NM

Production (Start/Resume)

MMNM022636

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.	
1. Type of Well		Cato San Andres Unit	
Oil Well Gas Well Other		8. Well Name and No. Cato San Andres Unit #151	
2. Name of Operator Cano Peto of New Mexico, Inc.		9. API Well No. 30-005-20282	
3a. Address	3b. Phone No. (include area code)	10. Field and Pool or Exploratory Area	
801 Cherry Street Suite 3200 Unit 25 Fort Worth, TX 76102	817-698-0900	Cato; San Andres	
4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) H-27-08S-30E 1980 FNL 660 FFL		11. Country or Parish, State	

Water Shut-Off ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity ✓ Other tag bottom Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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. the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

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

Deepen

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.)

BLM ORDER NO. 24-003-10W

1980 FNL

TYPE OF SUBMISSION

660 FEL

Acidize

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.

JUL 28 2010 HOBBSOCD

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THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Signature Collin Strange	Date 06/14/2010		
Collin Strawn	Title Engineer		
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)			

THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Denied /S/DAVIDR. GLASS	Title PETROLEUM ENGINEER	JUL 2 1 2010		
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify	Office	ELD 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)



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 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