

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

JUL 12 2010

HOBSOCD

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 11-16 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Cato Petro of New Mexico	Contact: John O'Malley
Address: 801 Cherry St. Unit #25 Suite 3200 Ft. Worth, TX 76102	Telephone No.
Facility Name: Cato San Andres Unit #561	Facility Type: <i>Production Well</i>
Surface Owner: <i>BLM</i>	Mineral Owner:
<i>7/12/10</i>	Lease No: 561

LOCATION OF RELEASE

Unit Letter: P	Section: 11	Township: 08S	Range: 30E	Feet from the:	North/South Line:	Feet from the:	East/West Line:	County: Chaves, NM
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Latitude: 33 37 38.7" N Longitude: 103 50 45.0" W

NATURE OF RELEASE

Type of Release: Disposal Pit	Volume of Release:	Volume Recovered:
Source of Release: Breach in liner	Date and Hour of Occurrence:	Date and Hour of Discovery:
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse:	

If a Watercourse was Impacted, Describe Fully *

Describe Cause of Problem and Remedial Action Taken *

Describe Area Affected and Cleanup Action Taken *

Safety and Environmental Solutions, Inc. (SESI) was onsite on June 7, 2010 to excavate *disposal* pit and transfer into a lined deep bury trench. Upon excavation samples were obtained at floor bottom. Due to Chloride contamination two (2) test trenches were installed. Samples were transported to Cardinal Laboratories in Hobbs, NM under Chain-of-Custody to be analyzed for Chlorides (EPA Method 4500B). See Attached Laboratory results. It is requested that the pit be excavated to a depth of 10' below grade surface and contaminated soils transferred into deep bury trench. The two (2) test trenches will be backfilled with clean soil from onsite stockpiled soils. A 20-mil liner will be installed at the bottom of the excavated area and cap the top of the deep bury trench. *20 mil COVER*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rodger Butts</i>		OIL CONSERVATION DIVISION	
Printed Name: <i>Rodger Butts</i>		Approved by District <i>Johnson</i>	
Title: <i>Prod Foreman</i>		ENVIRONMENTAL ENGINEER	
E-mail Address: <i>rodger@carnopetro.com</i>		Approval Date: <i>7-12-10</i>	Expiration Date: <i>9-13-10</i>
Date: <i>6-28-10</i> Phone: <i>575-763-5731</i>		Conditions of Approval:	Attached ☐
		<i>Submit final C-141 w/ Docs by</i>	<i>IRP# 10.7.2579</i>

* Attach Additional Sheets If Necessary

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