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

RECEIVED
JUN 14 2010
HOBBSOCD

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐
Type of action. Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒ PI-02095

Operator Cano Petro of NM Telephone 817-698-0900 e-mail address.
Address 801 Cherry St Unit #25 Suite 3200 Fort Worth, Texas 76102
Facility or well name: CSA Unit #585 API #·30-005-29026 U/L or Qtr/Qtr E Sec 14 T 8S R 30E
County: Chaves, NM Latitude N 33 37'12 4" Longitude W 103 51'29.7" NAD· 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit	**Below-grade tank**
Type. Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☐ Thickness 12 mil Clay ☐ Pit Volume 2000 bbl	Volume· bbl Type of fluid: Construction material· Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No	(20 points) (0 points)	0
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location. (check the onsite box if your are burying in place) onsite ☒ offsite ☐ If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface ft. and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments· On March 22, 2010 Safety and Environmental Solutions, Inc was onsite to obtain samples from excavated pit floor Samples were transported to Cardinal Laboratories in Hobbs, NM under Chain-of-Custody to be analyzed for Chlorides (EPA Method 4500B), Benzene, Toluene, Ethly Benzene, and Xylenes (BTEX EPA Method 8260) and Total Petroleum Hydrocarbons (TPH EPA Method 418.1) See Attachment for results Upon approval from NMOCD. On May 17, 2010, Safety and Environmental Solutions, Inc contracted Watson Construction to backfill excavated pit area and already lined deep bury trench A 20-mil liner was installed to place on top of deep bury trench The material that was used for backfill was already stockpiled with top soil on location pad

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Date. 6-10-10
Printed Name/Title Rodger Butts Prod foreman Signature Rodger Butts

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval·
Printed Name/Title ENVIRONMENTAL ENGINEER Signature Johnson Date· 6·14·10

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

March 30, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Cato SA 585 (CAN-10-003)

Enclosed are the results of analyses for sample number H19524, received by the laboratory on 03/23/10 at 3:30 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited though the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

Receiving Date: 03/23/10
Reporting Date: 03/29/10
Project Owner: CANO (CAN-10-003)
Project Name: CATO SA 585
Project Location: CHAVEZ CO., NM

Sampling Date: 03/22/10
Sample Type: SOIL
Sample Condition: INTACT @ 11°C
Sample Received By: JH
Analyzed By: AB/ZL/HM

LAB NO.	SAMPLE ID	GRO (C_6-C_{10}) (mg/kg)	DRO (>C_{10}-C_{28}) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE:		03/26/10	03/26/10	03/25/10	03/25/10	03/25/10	03/25/10	03/24/10
H19524-1	#1 8' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	< 16
H19524-2	#2 8' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	96
H19524-3	#3 8' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	448
H19524-4**	#4 8' BGS	<10.0	<10.0	<0.050	<0.050	0.121	0.411	< 16
H19524-5	#5 8' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	0.674	16
Quality Control		516	518	0.054	0.057	0.050	0.150	500
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		103	104	108	114	100	100	100
Relative Percent Difference		1.7	7.3	2.7	<1.0	2.5	<1.0	< 0.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; Cl-: Std. Methods 4500-Cl-B
*Analyses performed on 1:4 w:v aqueous extracts. Reported on wet weight.
TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.
**One or more TPH surrogates outside historical limits due to matrix interference.

Lab Director

03/30/10
Date

H19524 TBCL SESI

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 (915) 673-7001 Fax (915) 673-7020
101 East Marland, Hobbs, NM 88240 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: SESI	BILL TO PO #:
Project Manager:	Company: SAME
Address: 703 E. CLINTON, #103	Attn:
City: HOBBS State: NM Zip: 88240	Address:
Phone #: (505) 397-0510	City:
Fax #: (505) 393-4388	State: Zip:
Project #: CAN-10-003 Project Owner: Cano	Phone #:
Project Name: Cato SA 585	Fax #:
Project Location: Chaves Co, NM	

FOR LAB USE ONLY				MATRIX						PRES.			SAMPLING		ANALYSIS REQUEST		
LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:	DATE	TIME	Chlorides	TPH 80,15	BTEX
H19524-1	#1 8'bgs	G	1			✓							3/22/10	1110	X	X	X
-2	#2 8'bgs													1115			
-3	#3 8'bgs													1120			
-4	#4 8'bgs													1125			
-5	#5 8'bgs													1130			

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:	Date: 3/23/10	Received By:	Phone Result: ☐ Yes ☐ No Additional Fax #:
	Time:		Fax Result: ☐ Yes ☐ No
Relinquished By:	Date: 3/23/10	Received By: (Lab Staff) Jodi Henson	REMARKS:
	Time: 1530		
Delivered By: (Circle One)	Sample Condition: Cool ☑ Yes ☐ No; Intact ☑ Yes ☐ No	CHECKED BY: (Initials)	
Sampler - UPS - Bus - Other: 11°C			

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.