

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

Form C-141  
Revised October 10, 2003

APR 28 2008 Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form  
OCD-ARTESIA

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company Cano Petro of New Mexico	Contact John O'Malley, Health Safety Environmental Manager
Address 801 Cherry Street Suite 3200 Fort Worth, TX 76012	Telephone No. 817-698-0900
Facility Name Cato San Andres Unit #560	Facility Type Well

Surface Owner Mr. Preston Berry	Mineral Owner Undertermined	AP1 Lease No. Undetermined
---------------------------------	-----------------------------	----------------------------

LOCATION OF RELEASE

30 005 28012

Unit Letter O	Section 11	Township 8S	Range 30E	Feet from the 520	North/South Line S	Feet from the 2490	East/West Line E	County Chavez
------------------	---------------	----------------	--------------	----------------------	-----------------------	-----------------------	---------------------	------------------

Latitude 33.6273444 Longitude -103.8490787

NATURE OF RELEASE

Type of Release Oil and Gas	Volume of Release 5-10 bbl	Volume Recovered None
Source of Release well head	Date and Hour of Occurrence 4-3-08 about 1200 pm	Date and Hour of Discovery 4-3-08 about 1200 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

RECEIVED

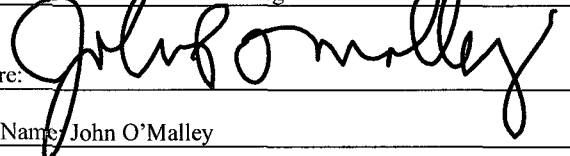
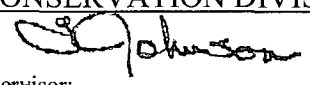
MAY 16 2008

HOBBS OCD

Describe Cause of Problem and Remedial Action Taken.\* Crew putting frac valve on well head. Opened 2-inch valve and found no pressure. Then opened 5.5 inch swage and put on larkin flange. Pressure increased and released oil in fine spray. Wind spread from well to the east. Shut off valve and flow stopped. On April 4 John O'Malley spoke with Mike Bratcher of District II on the phone. Mr. Bratcher concurred that application of microbial agent would be most appropriate and that tilling would not be needed. On around April 11 applied 5 gallons of microblaze according to package directions, using a sprayer. Location is shown on attached map.

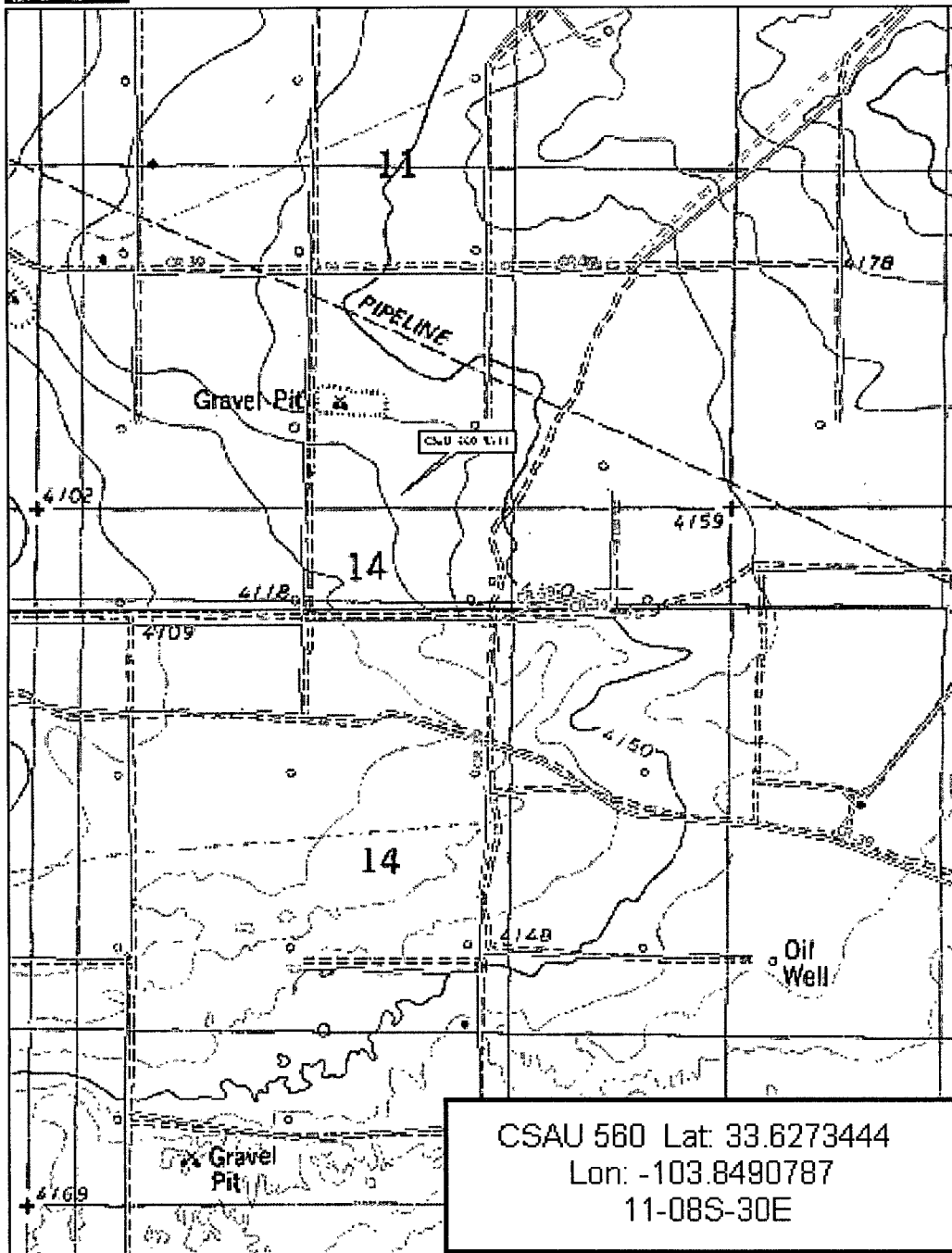
Describe Area Affected and Cleanup Action Taken.\* The release is in cattle range. No sensitive receptors. Oil and water spread by wind as droplets. Oil stain is observable on vegetation over about 450 by 200 foot area. There was not sufficient oil to stain soil and water has not caused appearance of salt crust at this time. There are no obvious odors or signs of impact other than described. We believe that we have done all appropriate steps and that we do not plan further treatment or any sampling unless directed by OCD. We have notified the property surface owner.

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: 	OIL CONSERVATION DIVISION	
Printed Name: John O'Malley	Approved by District Supervisor:  ENVIRONMENTAL ENGINEER HOBBS DIST 1	
Title: Health, Safety and Environmental Manager	Approval Date: 5.8.08	Expiration Date: —
E-mail Address: johno@canopetro.com	Conditions of Approval:	
Date: 4-18-08 Phone: 817-698-0900	Attached <input type="checkbox"/> 1 RP # 1855	

\* Attach Additional Sheets If Necessary

PC40812940712



Data use subject to license.

© 2006 DeLorme. Topo USA® 6.0.

[www.delorme.com](http://www.delorme.com)



Data Zoom 13-7