

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

JUN 22 2009

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

30-015-02589

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

|  |        |  |
|--|--------|--|
| Name of Company: Sandlot Energy          | 154329 | Contact: Jackie Brewer                   |
| Address: PO Box 711; Lovington, NM 88260 |        | Telephone No. 575-631-4592               |
| Facility Name Daugherty State #1         |        | Facility Type Active Production Wellhead |

|                     |               |                        |
|---------------------|---------------|------------------------|
| Surface Owner NMSLO | Mineral Owner | Lease No. 30-015-02589 |
|---------------------|---------------|------------------------|

LOCATION OF RELEASE

|                  |              |                 |              |                      |                           |                      |                        |                |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter<br>D | Section<br>4 | Township<br>18S | Range<br>28E | Feet from the<br>315 | North/South Line<br>NORTH | Feet from the<br>945 | East/West Line<br>WEST | County<br>EDDY |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

|  |   |                            |
|--|---|----------------------------|
| Type of Release HISTORICAL   | Volume of Release N/A                     | Volume Recovered N/A       |
| Source of Release ACCUMULATED RELEASE FROM ACTIVE WH   | Date and Hour of Occurrence               | Date and Hour of Discovery |
| Was Immediate Notice Given?<br><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?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse. |                            |

If a Watercourse was Impacted, Describe Fully.\*

N/A


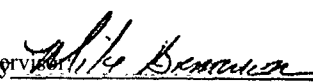
Describe Cause of Problem and Remedial Action Taken.\*

HISTORICAL LEAKS - SITE WAS SAMPLED AND REMEDIATED

Describe Area Affected and Cleanup Action Taken.\*

AREA AROUND WELLHEAD - REMEDIATED

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: JACKIE BREWER  |  | Approved by  |                                   |
| Title: OPERATOR  |  | Approval Date: SEP 29 2009  | Expiration Date: N/A              |
| E-mail Address: BREWER212@AOL.COM  |  | Conditions of Approval: N/A   | Attached <input type="checkbox"/> |
| Date: _____ Phone: 575-631-4592  |  |   |                                   |

\* Attach Additional Sheets If Necessary

PMCB0927232094

2RP-333



ENVIRONMENTAL PLUS, INC.  
CONSULTING AND ENVIRONMENTAL REMEDIATION

May 11, 2009

Mr. Mike Bratcher  
Environmental Field Technician  
New Mexico Oil Conservation Division  
1301 W. Grand Ave  
Artesia, New Mexico 88210

JUN 22 2009

RE: **Remediation Plan**

Operator: Sandlot Energy/Cantera  
Lease: Daugherty State #1  
API: 30-015-02589  
Legal: UL-D (NW ¼ of the NW ¼) of Section 4, T18S, R28E  
Eddy County, New Mexico  
Coordinates Latitude: N32° 46' 58.43"; Longitude: W104° 11' 10.30"  
EPI Ref No.: 455001

Dear Mr. Bratcher:

On behalf of Sandlot Energy/Cantera, Environmental Plus, Inc. (EPI) submits the following *Remediation Plan Letter* to address remediation of the aforementioned location. Soil impacts are historical in nature with no data indicating release date(s), volume and nature of release fluid(s) or efforts to remediate the release area(s).

**Remediation Proposal** – Sandlot Energy/Cantera proposes to delineate and collect samples from location. Submit samples to an independent laboratory for analysis. Contact the NMOCD in regards to the analytical results and remediate per NMOCD guidelines and instruction.

Official communications should be directed to Mr. Jackie Brewer at (575) 631-4592 (mobile) with correspondence addressed to:

Mr. Jackie Brewer  
Sandlot Energy/Cantera  
P.O. Box 711  
Lovington, New Mexico 88260

Sincerely,

Shelly J Tucker  
Environmental Consultant

Cc: Jackie Brewer, Sandlot Energy  
Al Nasser, Cantera

Encl: none

ENVIRONMENTAL PLUS, INC.



# ENVIRONMENTAL PLUS, INC.

CONSULTING AND ENVIRONMENTAL REMEDIATION

ENVIRONMENTAL PLUS, INC.

May 11, 2009

Mr. Mike Bratcher  
Environmental Field Technician  
New Mexico Oil Conservation Division  
1301 W. Grand Ave  
Artesia, New Mexico 88210

**RE: Closure Report**

Operator: Sandlot Energy/Cantera  
Lease: Daugherty State #1  
API: 30-015-02589  
Legal: UL-D (NW ¼ of the NW ¼) of Section 4, T18S, R28E  
Eddy County, New Mexico  
Coordinates Latitude: N32° 46' 58.43"; Longitude: W104° 11' 10.30"  
EPI Ref No.: 455001

Dear Mr. Bratcher:

On behalf of Sandlot Energy/Cantera, Environmental Plus, Inc. (EPI) submits the following *Closure Report Letter* to address remediation of the aforementioned location. Soil impacts are historical in nature with no data indicating release date(s), volume and nature of release fluid(s) or efforts to remediate the release area(s). For clarity and cross reference elimination purposes, the *Closure Report Letter* offers Site Background history, Site Delineation, Remedial Activities, Analytical Data and Conclusion.

- A. **Site Background** - The Site is located in UL-D (NW ¼ of the NW ¼) of Section 4, T18S, R28E at an elevation of approximately 3,662 feet above mean sea level (amsl). A search for water wells was completed utilizing the New Mexico Office of the State Engineers website and a database maintained by the United States Geological Survey (USGS). No water wells exist within a 1,000 foot radius of the release site. No surface water exists within a 1,000-foot radius of the release area (reference *Figure 2*). Groundwater data taken from domestic and USGS water wells within a one (1) mile radius indicates an average water depth of approximately 107 feet below ground surface (bgs). Utilizing this information, New Mexico Oil Conservation Division (NMOCD) Remedial Goals for this Site were determined as follows:

| Parameter | Remedial Goal          |
|-----------|------------------------|
| Benzene   | 10 parts per million   |
| BTEX      | 50 parts per million   |
| TPH       | 5000 parts per million |

\* Chloride residuals may not be capable of impacting local groundwater above NMWQCC Ground Water Standards of 250 mg/L



- B. **Site Delineation** – In July of 2008, Sandlot Energy/Cantera mobilized at the well head to excavate an area of four (4) feet by six (6) feet by three (3) feet below ground surface (bgs). During excavation, soil samples were collected at a depth of one (1) foot and three (3) feet bgs. Samples were submitted to an independent laboratory for analysis (reference *Table 2 for Summary of Soil Boring Soil Sample Analytical Results*).

Additionally, in July of 2008, Sandlot Energy/Cantera mobilized at the tank battery to excavate an area of four (4) feet by five (5) feet by two (2) feet below ground surface (bgs) around the production tanks. During excavation, soil samples were collected at a depth of two (2) feet bgs. Samples were submitted to an independent laboratory for analysis (reference *Table 2 for Summary of Soil Boring Soil Sample Analytical Results*).

- C. **Remedial Activities** – In July 2008, Sandlot Energy/Cantera excavated the area around the wellhead and tank battery, blended impacted material with on site material and backfilled the hole. No soil samples were collected during blending activities.

A review of *Table 2 Summary of Soil Boring Soil Sample Analytical Results* indicates impacted soil exceeding NMOCD Chloride remedial threshold goals of 250mg/Kg in the bottom of excavation. However, with average depth between known contaminants and ground water greater than 105 feet (reference *Table 1 for Well Data*) and contaminants confined within an area of dense rock, additional vertical excavation is not practical nor performance or cost effective. In addition, contaminants are limited to a small confined area and potential contamination of groundwater diminishes as natural attenuation should greatly reduce concentrations during migration.

The entire area was contoured to allow natural drainage and vehicular traffic.

- D. **Conclusion** - According to recent laboratory analytical results (reference *Attachment II*), soils within the excavation area are moderately hydrocarbon and chloride impacted. With hydrocarbon and chloride impacts confined in dense rock and a small area, natural attenuation should deplete concentrations significantly during migration to groundwater. No additional excavation is necessary.

In view of extensive efforts exerted to remediate the release area, EPI requests NMOCD require no additional remedial activity of the site and issue Sandlot Energy/Cantera a *Site Closure Letter*.

Please address questions, concerns and/or needs for additional technical information to Shelly J. Tucker at (575) 394-3481 (office), (575) 706-9121 (cellular) or via e-mail at



stucker@envplus.net. Official communications should be directed to Mr. Jackie Brewer at (575) 631-4592 (mobile) with correspondence addressed to:

Mr. Jackie Brewer  
Sandlot Energy/Cantera  
P.O. Box 711  
Lovington, New Mexico 88260

Sincerely,

Shelly J Tucker  
Environmental Consultant

Cc: Jackie Brewer, Sandlot Energy  
Al Nasser, Cantera  
David Duncan, Civil Engineer  
File

Encl: Figure 1 – Area Map  
Figure 2 – Site Location Map  
Figure 3 – Groundwater Gradient Map  
Figure 4 – Site Map  
Table 1 – Well Data  
Table 2 – Summary of Excavation Soil Sample Laboratory Analytical Results  
Attachment I – Site Photographs  
Attachment II – Laboratory Analytical Results and Chain-of-Custody Forms  
Attachment III – Initial NMOCD Form C-141  
Final NMOCD Form C-141

## FIGURES

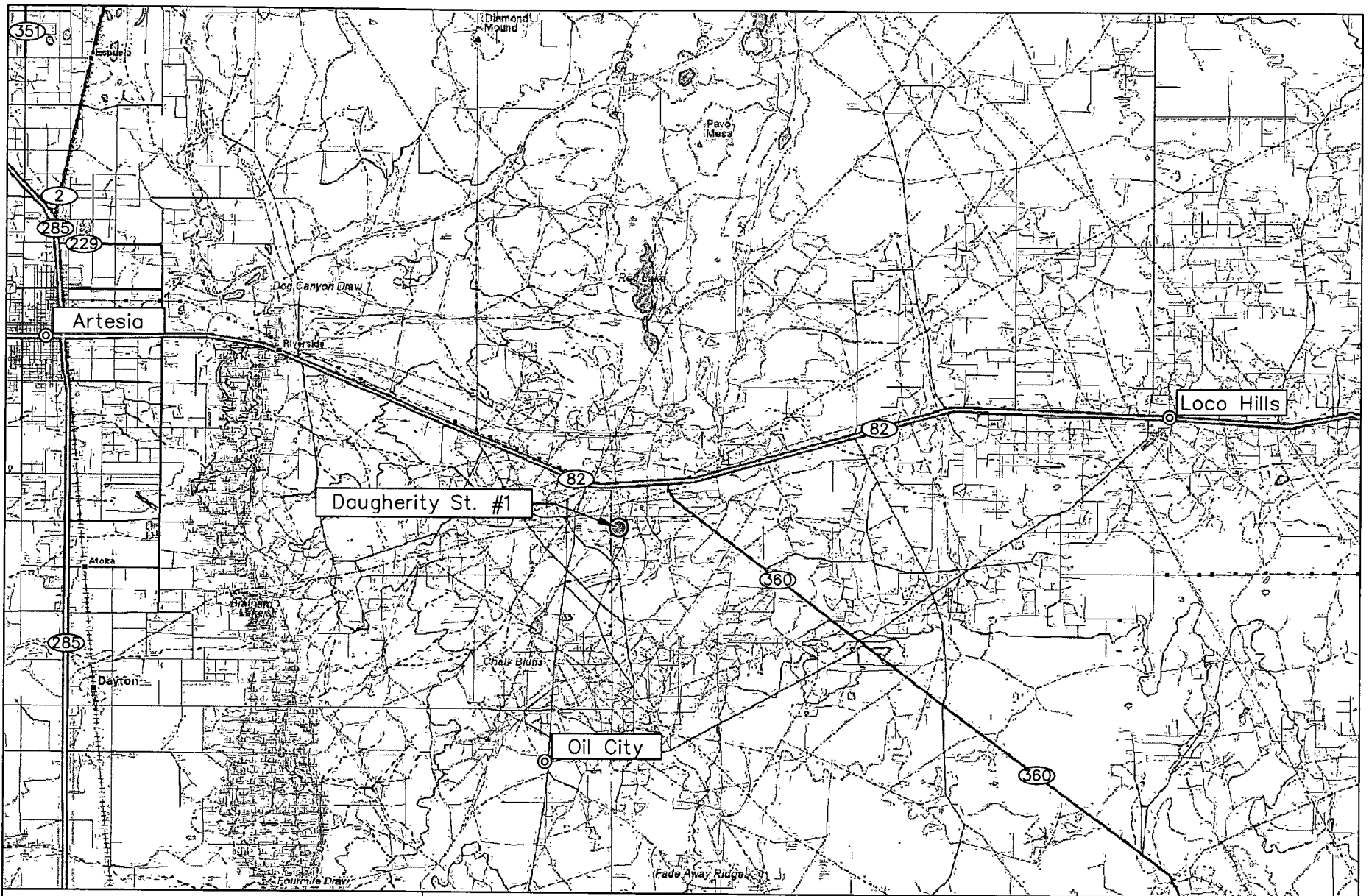
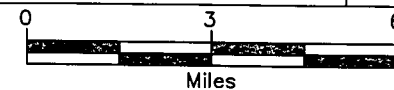


Figure 1  
Area Map  
Sandlot Energy  
Daughterity St. #1

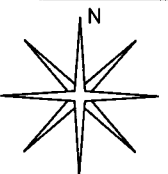
Eddy County, New Mexico  
NW 1/4 of the NW 1/4, Sec. 4, T18S, R28E  
N 32° 46' 58.43" W 104° 11' 10.30"  
Elevation: 3,662 feet amsl

DWG By: D Dominguez  
May 2009

REVISED:



SHEET  
1 of 1



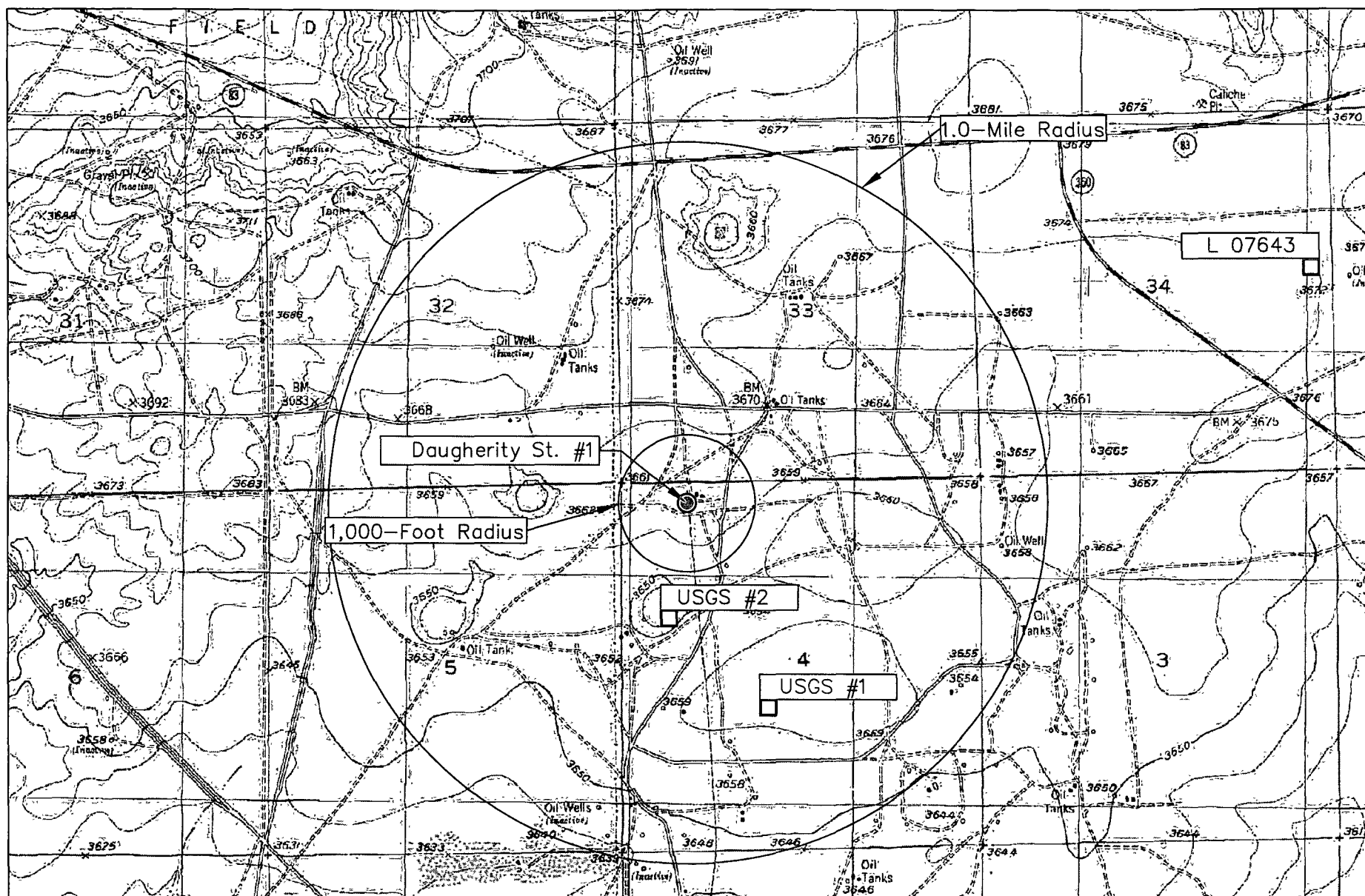


Figure 2  
Site Location Map  
Sandlot Energy  
Daughterity St. #1

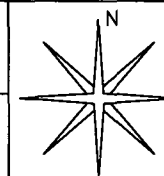
Eddy County, New Mexico  
NW 1/4 of the NW 1/4, Sec. 4, T18S, R28E  
N 32° 46' 58.43" W 104° 11' 10.30"  
Elevation: 3,662 feet amsl

DWG By: D Dominguez  
May 2009

REVISED:

0 2,000 4,000  
Feet

SHEET  
1 of 1





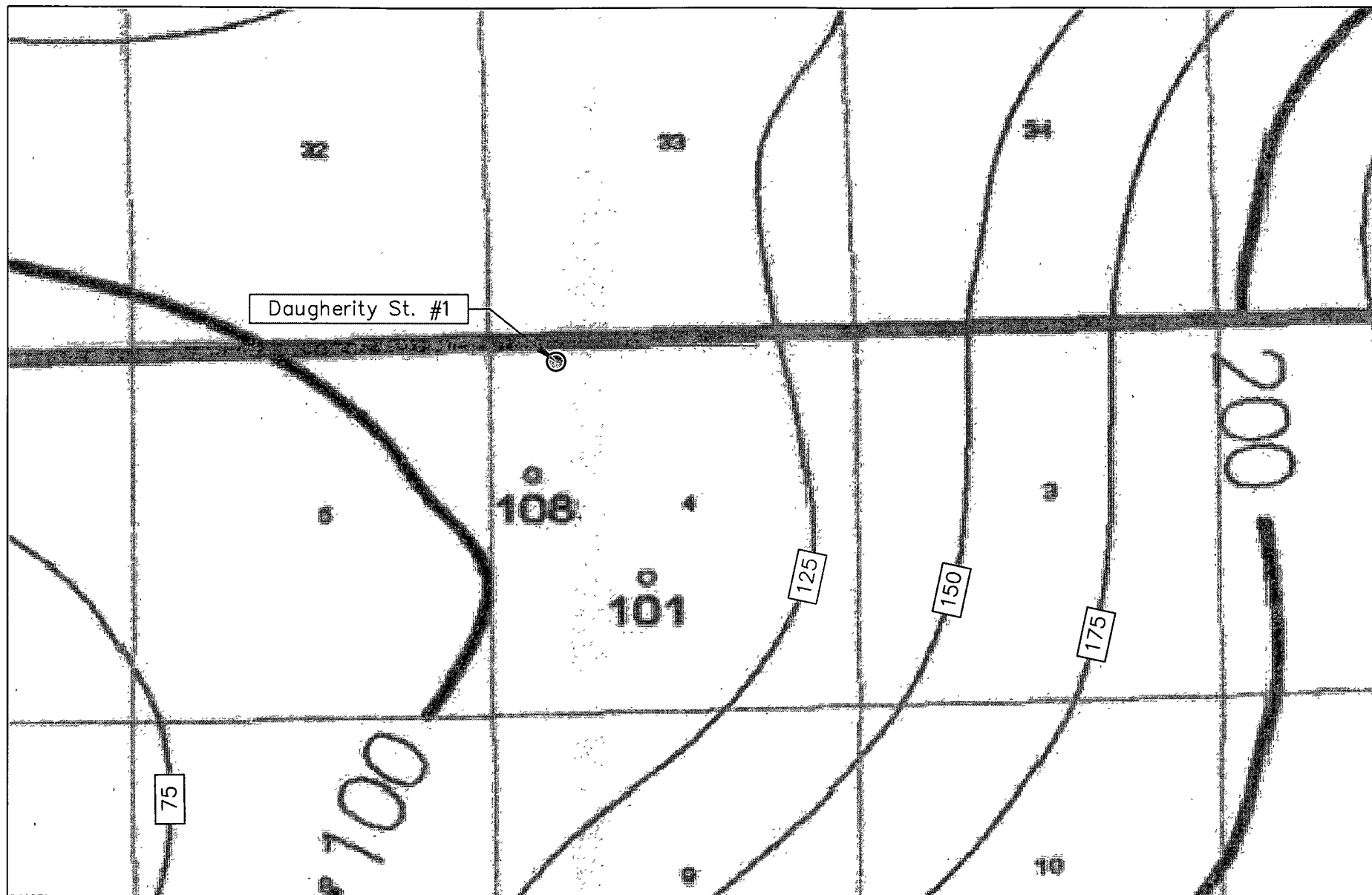
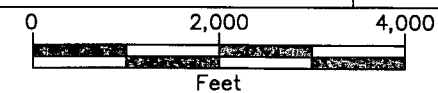


Figure 3  
Groundwater Gradient Map  
Sandlot Energy  
Daughterity St. #1

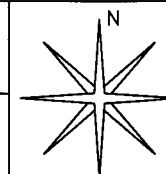
Eddy County, New Mexico  
NW 1/4 of the NW 1/4, Sec. 4, T18S, R28E  
N 32° 46' 58.43" W 104° 11' 10.30"  
Elevation: 3,662 feet amsl

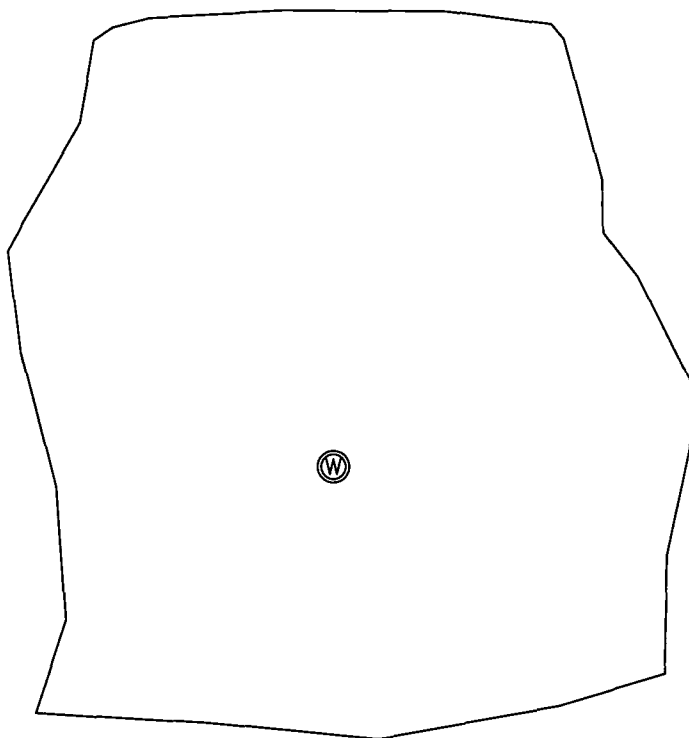
DWG By: D Dominguez  
May 2009

REVISED:



SHEET  
1 of 1





LEGEND



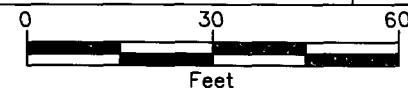
Oil Well

Figure 4  
Site Map  
Sandlot Energy  
Daughterity St. #1

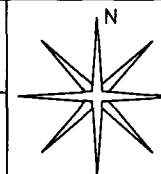
Eddy County, New Mexico  
NW 1/4 of the NW 1/4, Sec. 4, T18S, R28E  
N 32° 46' 58.43" W 104° 11' 10.30"  
Elevation: 3,662 feet amsl

DWG By: D Dominguez  
May 2009

REVISED:



SHEET  
1 of 1



## TABLES

TABLE 1

Well Data**Sandlot Energy - Daugherity St. #1 (Ref. #455001)**

| Well Number | Diversion <sup>A</sup> | Owner      | Use | Twsp | Rng | Sec q q q | Latitude        | Longitude        | Date Measured | Surface Elevation <sup>B</sup> | Depth to Water |
|-------------|------------------------|------------|-----|------|-----|-----------|-----------------|------------------|---------------|--------------------------------|----------------|
|             |                        |            |     |      |     |           |                 |                  |               |                                | (ft bgs)       |
| USGS #1     |                        |            |     | 18S  | 28E | 4 3 2 4   |                 |                  | 09-Mar-94     | 3,661                          | 100.78         |
| USGS #2     |                        |            |     | 18S  | 28E | 4 1 3 1   |                 |                  | 09-Mar-94     | 3,660                          | 107.65         |
| L 07643     | 3                      | LARRY SELL | DOM | 17S  | 28E | 34 2 4 4  | N32° 47' 32.20" | W104° 09' 23.50" | 11-Feb-77     | 3,670                          | 53             |

\* = Data obtained from the New Mexico Office of the State Engineer Website ([http://iwaters.ose.state.nm.us:7001/iWATERS/wr\\_RegisServlet1](http://iwaters.ose.state.nm.us:7001/iWATERS/wr_RegisServlet1)) and USGS Database

<sup>A</sup> = In acre feet per annum

<sup>B</sup> = Elevation interpolated from USGS topographical map based on referenced location.

DOM = 72-12-1 Domestic one household

quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest

**Shaded area indicates wells not shown in Figure 2**

TABLE 2

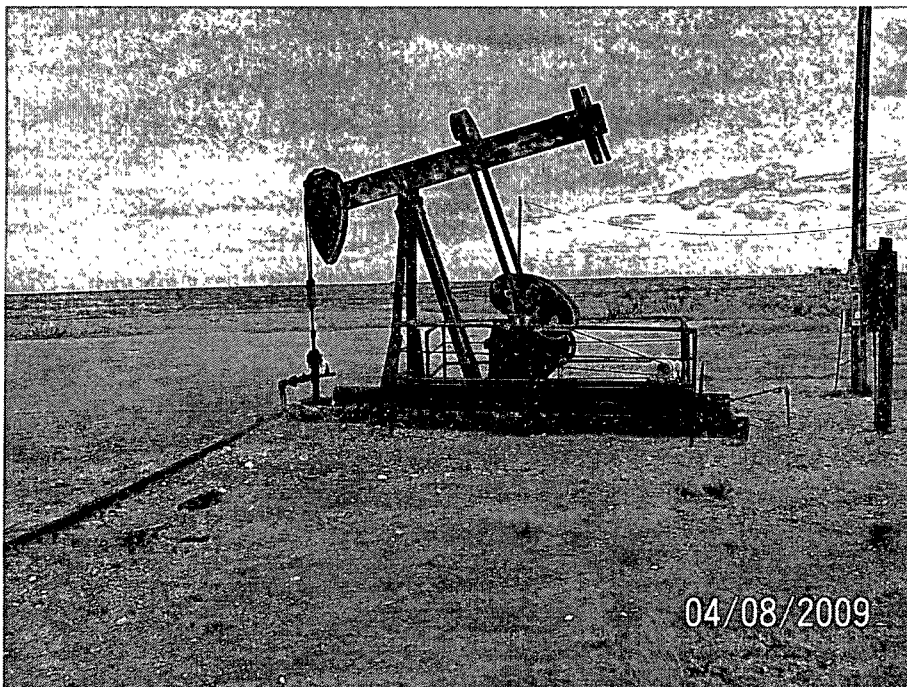
Summary of Excavation Soil Sample Field Analyses and Laboratory Analytical Results

Sandlot Energy - Daugherity St. #001 (EPI Ref. #455001)

| Sample I D.               | Depth (feet) | Soil Status | Sample Date | Field PID Analyses (ppm) | Field Chloride Analyses (mg/Kg) | Benzene (mg/Kg) | Toluene (mg/Kg) | Ethylbenzene (mg/Kg) | Total Xylenes (mg/Kg) | Total BTEX (mg/Kg) | TPH (as gasoline) (mg/Kg) | TPH (as diesel) (mg/Kg) | TPH (mg/Kg) | Chloride (mg/Kg) |
|---------------------------|--------------|-------------|-------------|--------------------------|---------------------------------|-----------------|-----------------|----------------------|-----------------------|--------------------|---------------------------|-------------------------|-------------|------------------|
| D-1'                      | 1            |             | 7/16/2008   |                          |                                 |                 |                 |                      |                       |                    | <10                       | 1100.0                  |             | 208.0            |
| DTB-2'                    | 2            |             | 7/16/2008   |                          |                                 |                 |                 |                      |                       |                    | <10                       | 57.4                    |             | <b>336.0</b>     |
|                           |              |             |             |                          |                                 |                 |                 |                      |                       |                    |                           |                         |             |                  |
|                           |              |             |             |                          |                                 |                 |                 |                      |                       |                    |                           |                         |             |                  |
| NMOCD Remedial Thresholds |              |             |             | 100                      |                                 | 10              |                 |                      |                       | 50                 |                           |                         | 5,000       | 250 <sup>1</sup> |

*Bolded values are in excess of NMOCD Remediation Threshold Goals**BH = Bottom Hole**SW = Sidewall, N= North side, S= South side, W= West side and E= East side**<sup>1</sup> = Chloride and sulfate residuals may not be capable of impacting local groundwater above NMWQCC Groundwater Standards of 250 mg/Kg and 600 mg/Kg, respectively**Shaded areas indicate soil samples collected from excavated sample points*

## ATTACHMENTS



**ATTACHMENT I  
SITE PHOTOGRAPHS**



**ATTACHMENT II**  
**LABORATORY ANALYTICAL RESULTS**  
**AND**  
**CHAIN-OF-CUSTODY FORMS**



# ARDINAL LABORATORIES

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

## ANALYTICAL RESULTS FOR

PPI (Canterra)

ATTN: AL NASSER

800 GESSNER

HOUSTON, TX 77024

FAX TO: (575) 396-0063

cell # 832-326-4719

Receiving Date: 07/16/08

Reporting Date: 07/18/08

Project Owner: Canterra

Project Name: OCUPPOOPER

Project Location: SEC 32 Sandlott Oper

Sampling Date: 07/16/08

Sample Type: SOIL

Sample Condition: COOL-INTACT

Sample Received By: ML

Analyzed By: ZL/AB/KS

| LAB NUMBER                  | SAMPLE ID    | GRO<br>(C <sub>6</sub> -C <sub>10</sub> )<br>(mg/kg) | DRO<br>(>C <sub>10</sub> -C <sub>28</sub> )<br>(mg/kg) | Cl*<br>(mg/kg) |
|-----------------------------|--------------|--|--|----------------|
|                             |              | 07/17/08   | 07/17/08   | 07/17/08       |
| H15176-1                    | 367-1'       | <10.0  | 14.9   | 624            |
| H15176-2                    | 381-1'       | 467  | 25,400   | 3,440          |
| H15176-3                    | 381 TB       | <10.0  | 1,090  | 1,630          |
| H15176-4                    | D-1'         | <10.0  | 1,100  | 208            |
| H15176-5                    | DTB 2'       | <10.0  | 57.4   | 336            |
| H15176-6                    | T # 1        | <10.0  | 672  | 2,220          |
| H15176-7                    | TTB 2'       | 23.2   | 3,770  | 3,200          |
| H15176-8                    | LEVERTB 2'   | <10.0  | 628  | 14,400         |
| H15176-9                    | L-A2 1'      | <10.0  | 94.2   | 9,120          |
| H15176-10                   | L-A2 3'      | 41.6   | <10.0  | 7,440          |
| H15176-11                   | LATB 1'      | <10.0  | 1,530  | 11,900         |
| H15176-12                   | 317-3'       | <10.0  | 138  | 1,520          |
| H15176-13                   | 317-1'       | 19.6   | 296  | 640            |
| H15176-14                   | 322-1'       | <10.0  | <10.0  | 1,330          |
| H15176-15                   | 322-3'       | <10.0  | 117  | 4,000          |
| H15176-16                   | WD 18 3'     | <10.0  | 1,220  | 2,600          |
| H15176-17                   | WD 18 1'     | 54.1   | 193  | 2,640          |
| H15176-18                   | 370-3'       | 186  | 3,140  | 496            |
| H15176-19                   | 370-1'       | 41.9   | 2,530  | 528            |
| H15176-20                   | 367-3'       | <10.0  | 56.8   | 832            |
| H15176-21                   | 367 Flowline | 131  | 5,510  | 5,720          |
| Quality Control             |              | 550  | 555  | 500            |
| True Value QC               |              | 500  | 500  | 500            |
| % Recovery                  |              | 110  | 111  | 100            |
| Relative Percent Difference |              | 9.6  | 10.4   | <0.1           |

METHODS: TPH GRO & DRO: EPA SW-846 8015 Std. Methods 4500-CFB

\*Analyses performed on 1:4 w:v aqueous extracts.

*ZL*

Chemist

7/18/08

Date

H15176TCL PPI

DISCLAIMER: 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 client for analyses. Claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603

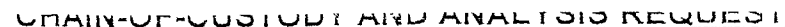
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

|   |             |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
|---|-------------|------------------------------------|--------------|---|------------|----------|-----|----------|-------|-----------|----------|-------|------|------|--|--|--|--|--|--|
| Company Name: <b>PPI (Canterra)</b>                     |             | <b>BILL TO</b>                     |              | <b>ANALYSIS REQUEST</b>   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Project Manager: <b>Al Nasser</b>                       |             | P.O. #:                            |              | <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">BTEX</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">TPH</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">CHL</div> </div> |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Address: <b>890 Gessner</b>                             |             | Company: <b>PPI</b>                |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| City: <b>Houston</b> State: <b>TX</b> Zip: <b>77024</b> |             | Attn: <b>Sandra</b>                |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Phone #: <b>832-326-4719</b> Fax #: <b>575-396-0063</b> |             | Address: <b>800 Gessner</b>        |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Project #: <b>001</b> Project Owner: <b>Canterra</b>    |             | City: <b>Houston</b>               |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Project Name: <b>OCUPOOPER</b>                          |             | State: <b>TX</b> Zip: <b>77024</b> |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Project Location: <b>SEC 32 (Sandlot Oper)</b>          |             | Phone #: <b>713-464-2200</b>       |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| Sampler Name: <b>Al Nasser</b>                          |             | Fax #:                             |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| FOR LAB USE ONLY  |             |                                    |              | MATRIX  |            | PRESERV. |     | SAMPLING |       |           |          |       |      |      |  |  |  |  |  |  |
| Lab I.D.  | Sample I.D. | (GRAB OR C/COMP.)                  | # CONTAINERS | GROUNDWATER   | WASTEWATER | SOIL     | OIL | SLUDGE   | OTHER | ACID/BASE | ICE/COOL | OTHER | DATE | TIME |  |  |  |  |  |  |
| H15176-1  | 367-1'      |                                    |              |   |            |          |     |          |       |           |          |       | 7-16 | 11   |  |  |  |  |  |  |
| -2  | 381-1'      |                                    |              |   |            | X        |     |          |       |           | X        |       |      |      |  |  |  |  |  |  |
| -3  | 381-TB      |                                    |              |   |            | X        |     |          |       |           | X        |       |      |      |  |  |  |  |  |  |
| -4  | D-1'        |                                    |              |   |            |          |     |          |       |           |          |       |      | 11   |  |  |  |  |  |  |
| -5  | DTB 2'      |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| -6  | #1          |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| -7  | TB 2'       |                                    |              |   |            |          |     |          |       |           |          |       |      | 12   |  |  |  |  |  |  |
| -8  | LEVERTB 2'  |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| -9  | LA2 1'      |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| -10   | LA2 3'      |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |
| -11   | LA2B 1'     |                                    |              |   |            |          |     |          |       |           |          |       |      |      |  |  |  |  |  |  |

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 charges. 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. No credit shall be given for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, or its employees as a result 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.

|                              |   |              |  |                |
|------------------------------|---|--------------|--|----------------|
| Relinquished By:             | Date: <b>7/16/08</b>  | Received By: | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| Time: <b>5P</b>              |   |              | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No   | Add'l Fax #:   |
| Relinquished By:             | Date:   | Received By: | REMARKS:   |                |
|                              |   |              | Email <b>Mike Bratcher</b>   |                |
|                              |   |              | Brewer <b>212@aol.com</b>  |                |
| Delivered By: (Circle One)   | Sample Condition  | CHECKED BY:  | * <b>oilgasdietician.alb@gmail.com</b>                                 |                |
| Sampler - UPS - Bus - Other: | Cool <input type="checkbox"/> Intact <input type="checkbox"/><br>Yes <input type="checkbox"/> No <input type="checkbox"/> |              |  |                |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

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**ATTACHMENT III**  
**INITIAL NMOCD FORM C-141**  
**FINAL NMOCD FORM C-141**

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

OCT 20 2008

OCD-ARTESIA

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

30-015-02589

OPERATOR

☐ Initial Report ☐ Final Report

|  |  |
|--|--|
| Name of Company SANDLOTT ENERGY        | Contact JACKIE BREWER                    |
| Address P.O BOX 711 LOVINGTON NM 88260 | Telephone No. 575-631-4592               |
| Facility Name DAUGHERITY STATE # 1     | Facility Type ACTIVE PRODUCTION WELLHEAD |

|                     |               |                        |
|---------------------|---------------|------------------------|
| Surface Owner NMSLO | Mineral Owner | Lease No. 30-015-02587 |
|---------------------|---------------|------------------------|

LOCATION OF RELEASE

|                  |              |                 |              |                      |                           |                      |                        |                |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter<br>D | Section<br>4 | Township<br>18S | Range<br>28E | Feet from the<br>315 | North/South Line<br>NORTH | Feet from the<br>945 | East/West Line<br>WEST | County<br>EDDY |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

|  |   |                            |
|--|---|----------------------------|
| Type of Release HISTORICAL   | Volume of Release N/A                     | Volume Recovered N/A       |
| Source of Release ACCUMULATED RELEASE FROM ACTIVE WH   | Date and Hour of Occurrence               | Date and Hour of Discovery |
| Was Immediate Notice Given?<br><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?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse. |                            |

If a Watercourse was Impacted, Describe Fully.\*

NOT APPLICABLE

Describe Cause of Problem and Remedial Action Taken.\*

WELL HEAD LEAK AT STUFFING BOX LESS THAN 5BBLs 3FT BY 3FT RADIUS

BATTERY HAD HISTORICAL CONTAMINATION

Describe Area Affected and Cleanup Action Taken.\*

DUG AROUND WELLHEAD 4FT BY 6FT RADIUS APPROX. 3FT IN DEPTH HAULED SOIL TO CRI REFILLED WITH CLEAN SOIL

DUG AROUND BATTERY 4FT BY 5FT RADIUS APPROX. 2FT IN DEPTH HAULED SOIL TO CRI REFILLED W/CLEAN SOIL

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>J. Brewer</i>       | OIL CONSERVATION DIVISION        |                                   |
| Printed Name: Jackie Brewer       | Approved by District Supervisor: |                                   |
| Title: Operator                   | Approval Date:                   | Expiration Date:                  |
| E-mail Address: Brewer212@AOL.com | Conditions of Approval:          | Attached <input type="checkbox"/> |
| Date: 10-14-08 Phone: 631-4592    |                                  |                                   |

\* Attach Additional Sheets If Necessary

Accepted for record  
NMOCD

OCT 22 2008

*AB*