

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

30-015-20088

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|--|--|
| Name of Company: Sandlot Energy | Contact: Jackie Brewer |
| Address: PO Box 711; Lovington, NM 88260 | Telephone No. 575-631-4592 |
| Facility Name RESLER YATES #367 | Facility Type Active Production Wellhead |

| | | |
|---------------------|---------------|------------------------|
| Surface Owner NMSLO | Mineral Owner | Lease No. 30-015-20088 |
|---------------------|---------------|------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter F | Section 32 | Township 18S | Range 28E | Feet from the 1650 | North/South Line NORTH | Feet from the 2310 | East/West Line WEST | County 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? <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. | |

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

PMLB 0927236676

2RP-338



ENVIRONMENTAL PLUS, INC.
CONSULTING AND ENVIRONMENTAL REMEDIATION

May 11, 2009

JUN 22 2009

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

RE: **Remediation Plan Letter**

Operator: Sandlot Energy/Cantera
Lease: Ressler Yates #367
API: 30-015-20088
Legal: UL-F (SE ¼ of the NW ¼) of Section 32, T18S, R28E
Eddy County, New Mexico
Coordinates Latitude: N32° 42' 23.93"; Longitude: W104° 11' 55.13"
EPI Ref No.: 455005

Dear Mr. Bratcher:

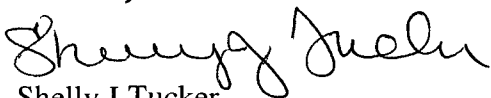
On behalf of Sandlot Energy/Cantera, Environmental Plus, Inc. (EPI) submits the following *Remediation Plan Letter* to address remediation of the aforementioned location. Soil impacts are historical in nature with no data indicating release date(s), volume and nature of release fluid(s) or efforts to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

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: Ressler Yates #367
API: 30-015-20088
Legal: UL-F (SE ¼ of the NW ¼) of Section 32, T18S, R28E
Eddy County, New Mexico
Coordinates Latitude: N32° 42' 23.93"; Longitude: W104° 11' 55.13"
EPI Ref No.: 455005

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-F (SE ¼ of the NW ¼) of Section 32, T18S, R28E at an elevation of approximately 3,560 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 150 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

ENVIRONMENTAL PLUS, INC.



- B. **Site Delineation** – In July of 2008, Sandlot Energy/Cantera mobilized at the well head to excavate an area of six (6) feet by ten (10) 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*).

On April 21, 2009 EPI mobilized at the well head to direct the location and depth of four (4) soil borings. The soil borings were advanced around the well head area and along the flowline. Due to rock encounter during the boring, soil samples were only collected at a depth of four (4) feet bgs, total depth (TD) of the soil boring (reference *Table 2 for Summary of Soil Boring Soil Sample Analytical Results*).

- C. **Remedial Activities** – In July 2008, Sandlot Energy/Cantera excavated the area along the flowline, transported impacted material to Controlled Recovery Inc, and backfilled the hole with material from on site. No soil samples were collected prior to backfilling 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 146 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
Figure 5 – Excavation and Sample Location 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

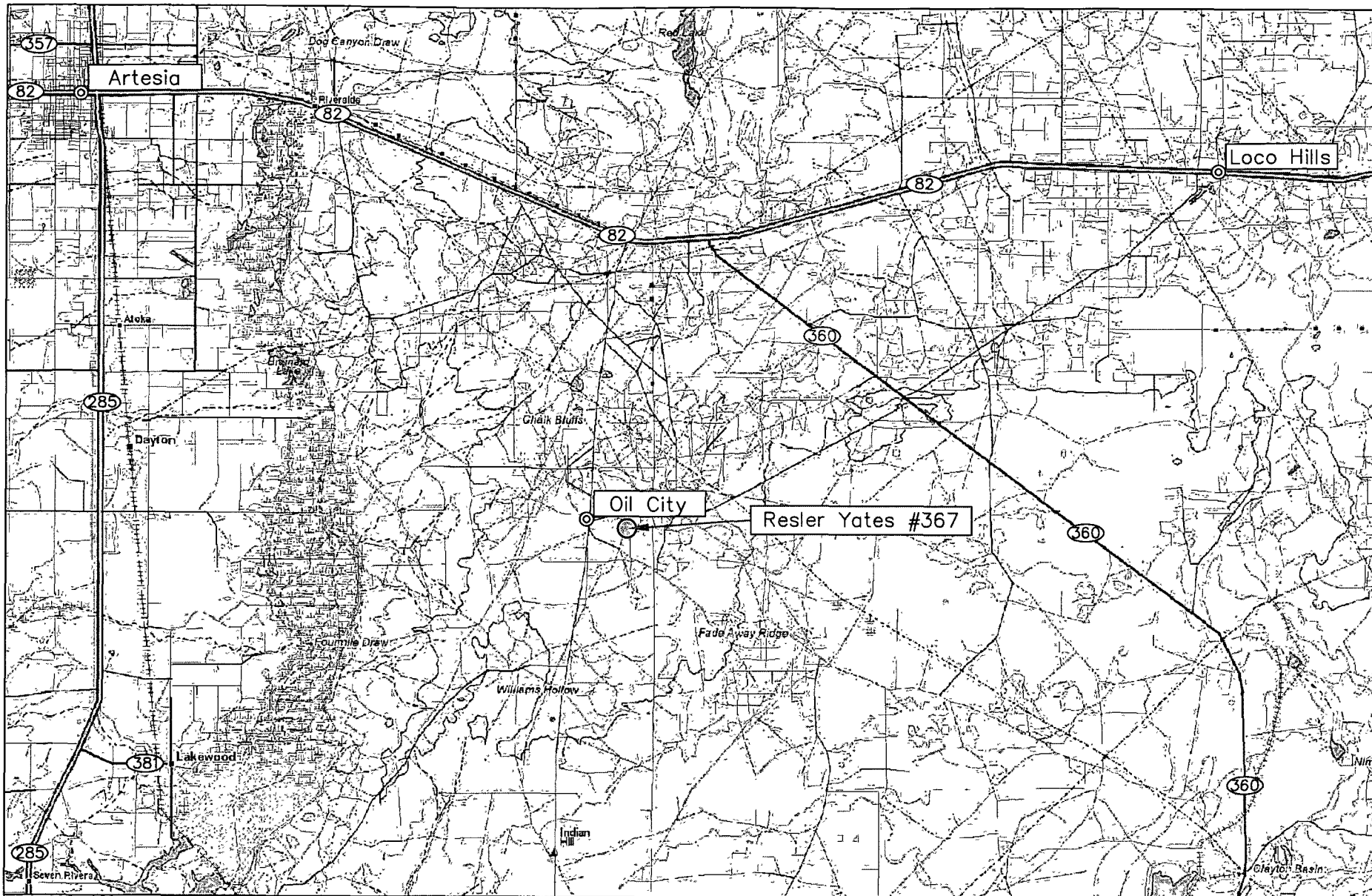
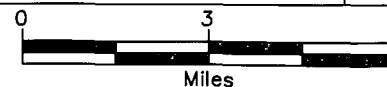


Figure 1
Area Map
Sandlot Energy
Resler Yates #367

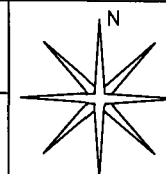
Eddy County, New Mexico
SE 1/4 of the NW 1/4, Sec. 32, T18S, R28E
N 32° 42' 23.93" W 104° 11' 55.13"
Elevation: 3,560 feet amsl

DWG By: D Dominguez
May 2009

REVISED:



SHEET
1 of 1



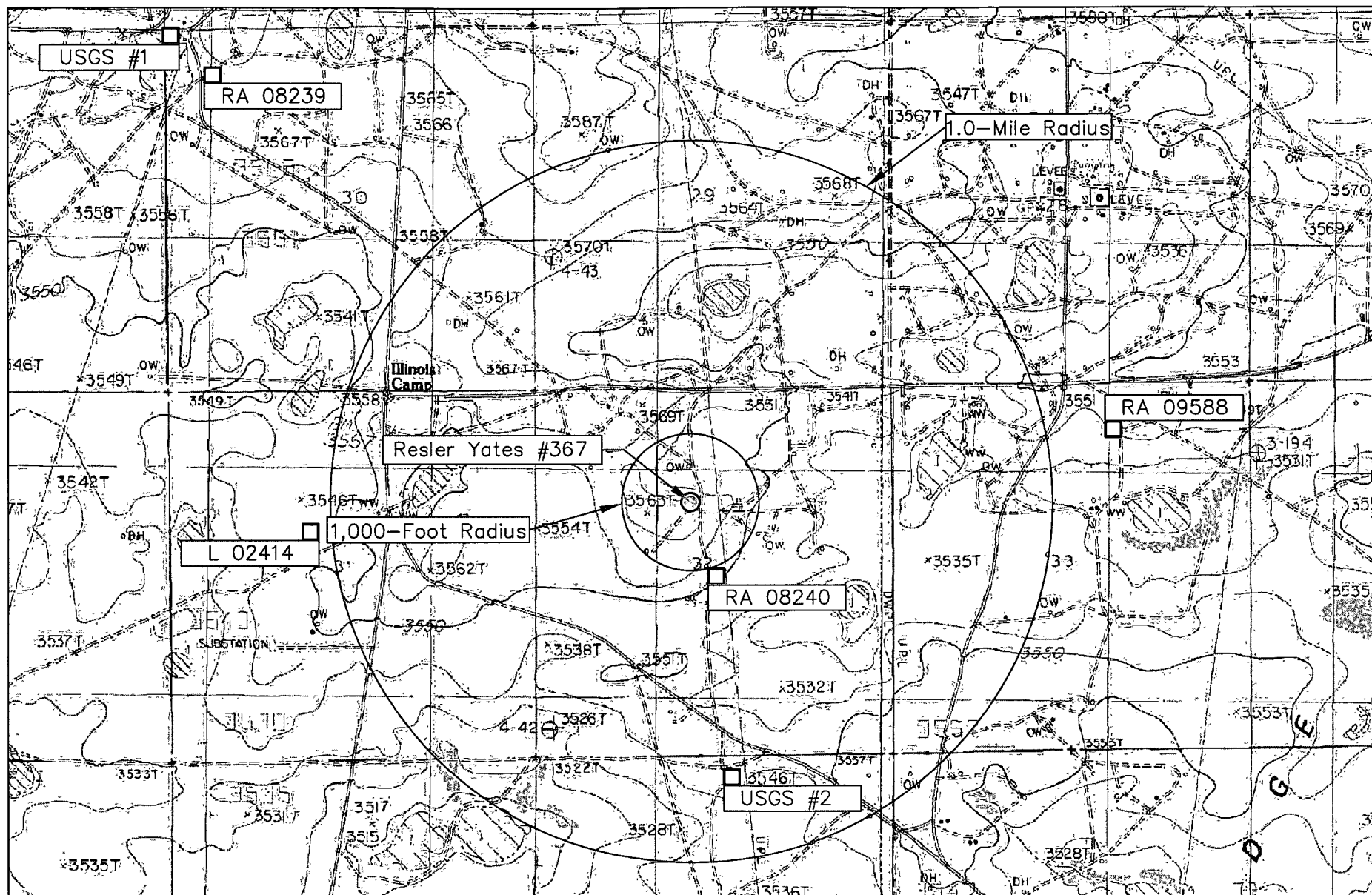
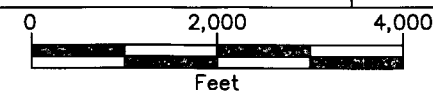


Figure 2
Site Location Map
Sandlot Energy
Resler Yates #367

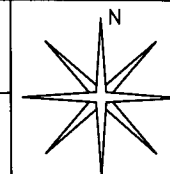
Eddy County, New Mexico
SE 1/4 of the NW 1/4, Sec. 32, T18S, R28E
N 32° 42' 23.93" W 104° 11' 55.13"
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DWG By: D Dominguez
May 2009

REVISED:



SHEET
1 of 1



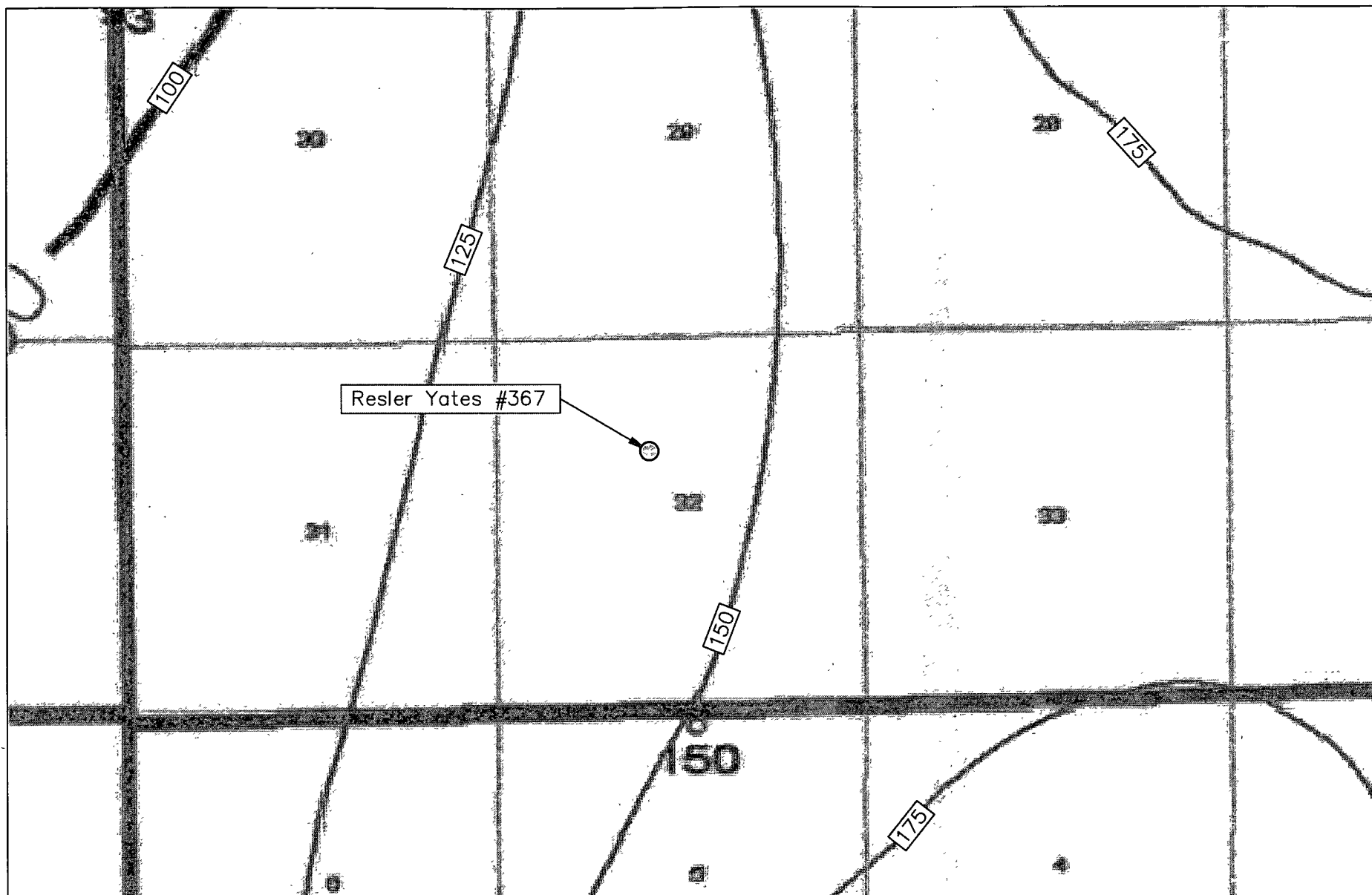
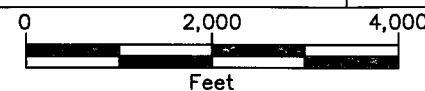


Figure 3
Groundwater Gradient Map
Sandlot Energy
Resler Yates #367

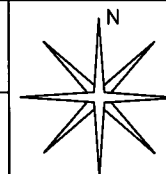
Eddy County, New Mexico
SE 1/4 of the NW 1/4, Sec. 32, T18S, R28E
N 32° 42' 23.93" W 104° 11' 55.13"
Elevation: 3,560 feet amsl

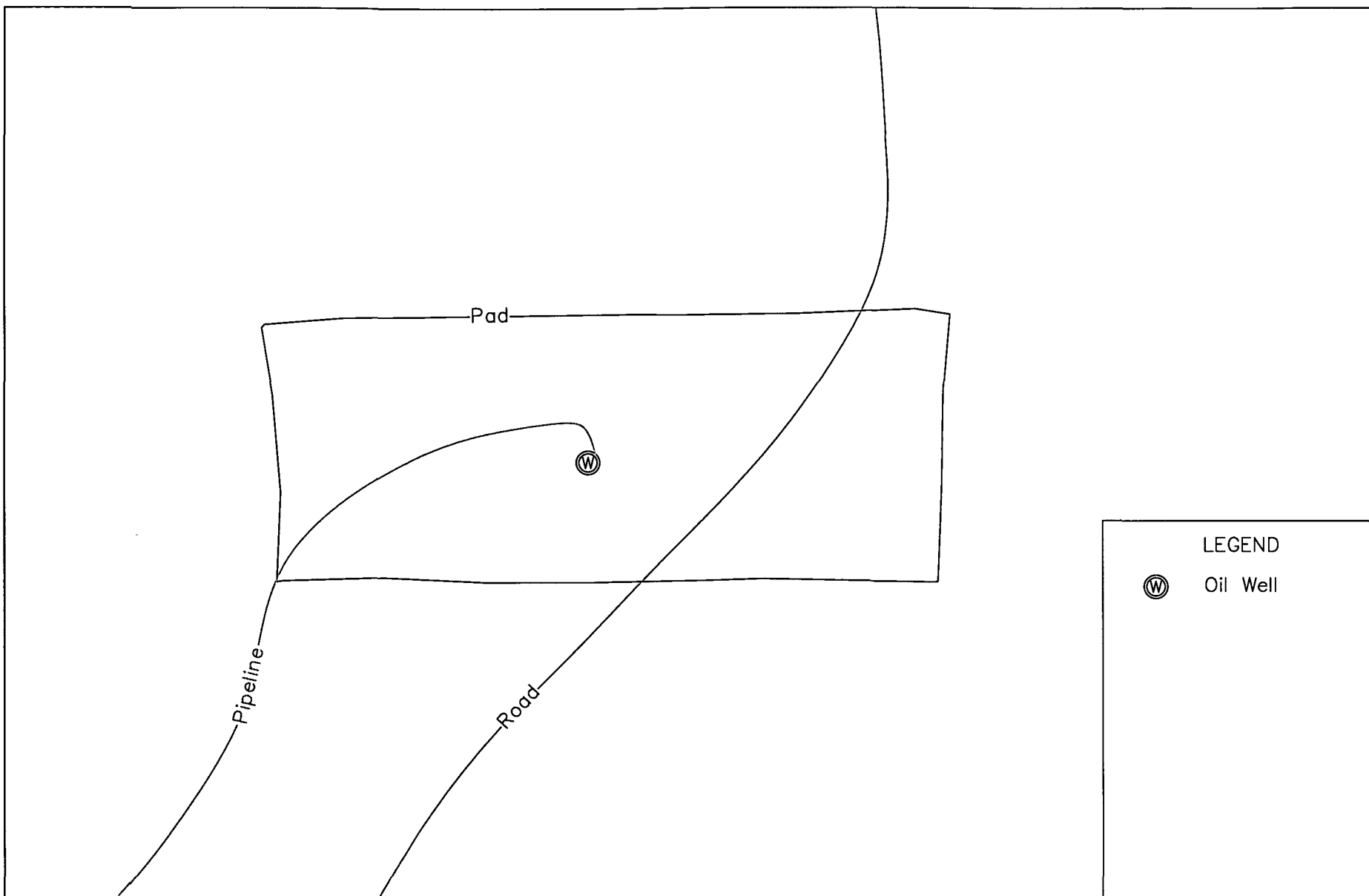
DWG By: D Dominguez
May 2009

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SHEET
1 of 1





LEGEND

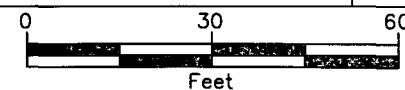
Ⓢ Oil Well

Figure 4
Site Map
Sandlot Energy
Resler Yates #367

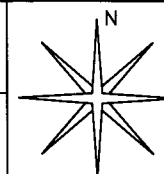
Eddy County, New Mexico
SE 1/4 of the NW 1/4, Sec. 32, T18S, R28E
N 32° 42' 23.93" W 104° 11' 55.13"
Elevation: 3,560 feet amsl

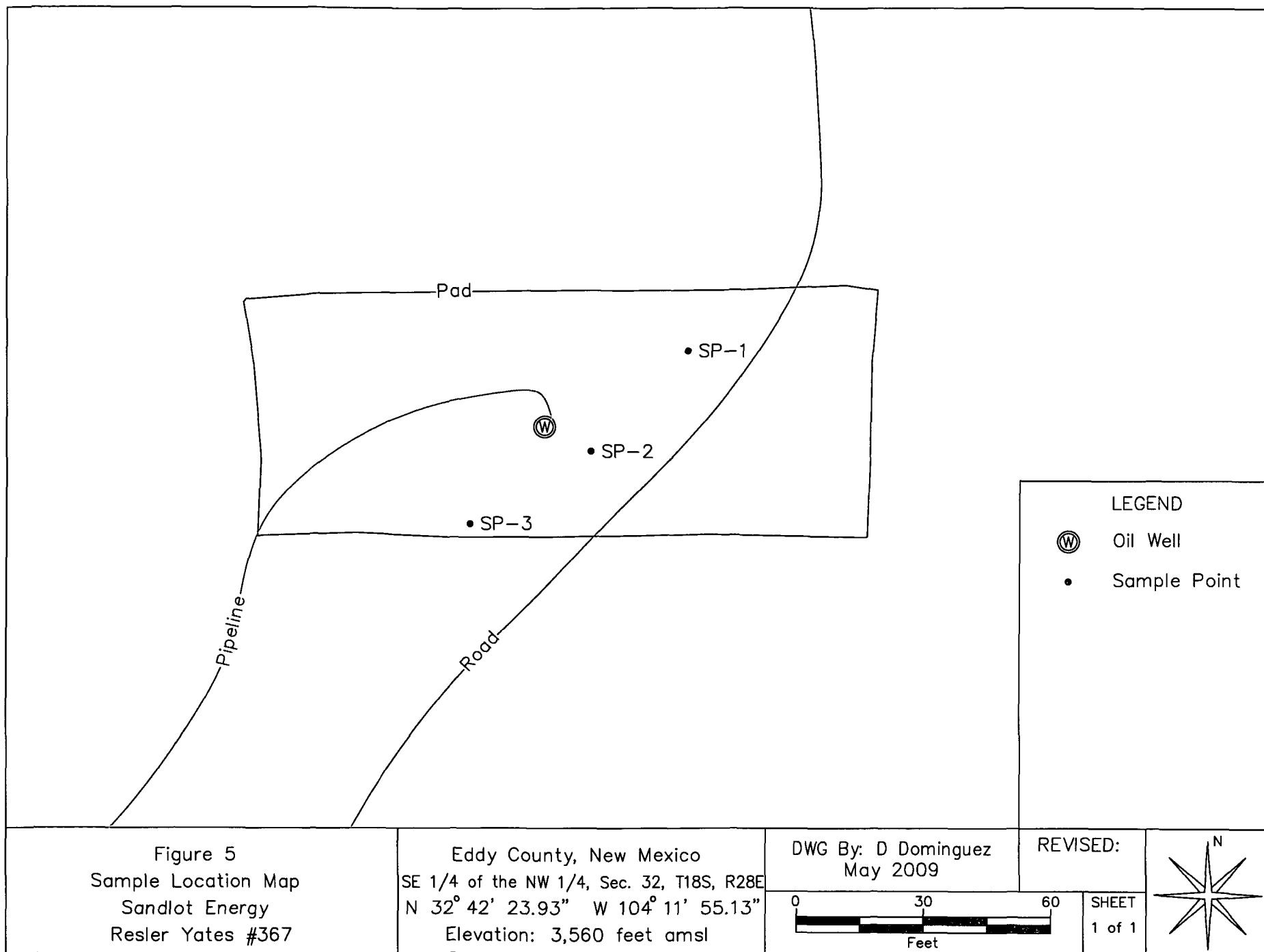
DWG By: D Dominguez
May 2009

REVISED:



SHEET
1 of 1





TABLES

TABLE 1

Well Data

Sandlot Energy - Resler Yates #367 (Ref. #455005)

| Well Number | Diversion ^A | Owner | Use | Twsp | Rng | Sec q q q | Latitude | Longitude | Date Measured | Surface Elevation ^B | Depth to Water |
|-------------|------------------------|--------------------------|-----|------|-----|-----------|-----------------|------------------|---------------|--------------------------------|----------------|
| | | | | | | | | | | | (ft bgs) |
| L 02414 | 3 | A FIRST CHRISTIAN CHURCH | DOM | 18S | 28E | 31 1 4 | N32° 42' 19.78" | W104° 13' 0.11" | | 3,546 | |
| RA 08239 | 1.8 | BOGLE FARMS | STK | 18S | 28E | 30 1 1 | N32° 43' 24.90" | W104° 13' 16.90" | | 3,569 | |
| RA 08240 | 1.52 | BOGLE FARMS | STK | 18S | 28E | 32 | N32° 42' 13.59" | W104° 11' 50.88" | | 3,550 | |
| RA 09588 | 0 | MARATHON OIL COMPANY | DOM | 18S | 28E | 33 2 1 | N32° 42' 34.30" | W104° 10' 43.24" | 26-Oct-00 | 3,560 | |
| USGS #1 | | | | 18S | 28E | 30 1 1 1 | | | 22-Feb-89 | 3,569 | 93.25 |
| USGS #2 | | | | 19S | 28E | 5 2 1 1 | | | 09-Mar-94 | 3,546 | 150.18 |

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

^A = In acre feet per annum

^B = Elevation interpolated from USGS topographical map based on referenced location.

STK = 72-12-1 Livestock watering

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 Soil Boring Soil Sample Field Analyses and Laboratory Analytical Results
Sandlot Energy
Resler Yates #367 (Ref. #455005)

| Sample I.D. | Depth (feet) | Soil Status | Sample Date | PID Field Analysis (ppm) | Field Chloride Analyses (mg/Kg) | Benzene (mg/Kg) | Toluene (mg/Kg) | Ethylbenzene (mg/Kg) | Total Xylenes (mg/Kg) | Total BTEX (mg/Kg) | GRO (C06-C10) (mg/Kg) | DRO (C10-C28) (mg/Kg) | Total Hydrocarbons (C6-C35) (mg/Kg) | Chloride (mg/Kg) |
|---------------------------|--------------|-------------|-------------|--------------------------|---------------------------------|-----------------|-----------------|----------------------|-----------------------|--------------------|-----------------------|-----------------------|-------------------------------------|------------------|
| 367 Flowline | 1 | | 16-Jul-08 | | | | | | | | 131 | 5,510 | | 5720 |
| 367-1' | 1 | | 16-Jul-08 | | | | | | | | <10 | 15 | | 624 |
| 367-3' | 3 | | 16-Jul-08 | | | | | | | | <10 | 57 | | 832 |
| | | | | | | | | | | | | | | |
| WH | 4 | | 21-Apr-09 | | | | | | | | | | | 848 |
| FL | 3 | | 21-Apr-09 | | | | | | | | | | | 112 |
| NMOCD Remedial Thresholds | | | | 100 | | 10 | | | | 50 | | | 5,000 | 250 |

Bolded values are in excess of NMOCD Remediation Threshold Goals

-- = Not Analyzed

J = Detected, but below the Reporting Limit. Therefore, result is an estimated concentration (CPL J-Flag)

Nomenclature: SB =Soil Boring

ATTACHMENTS

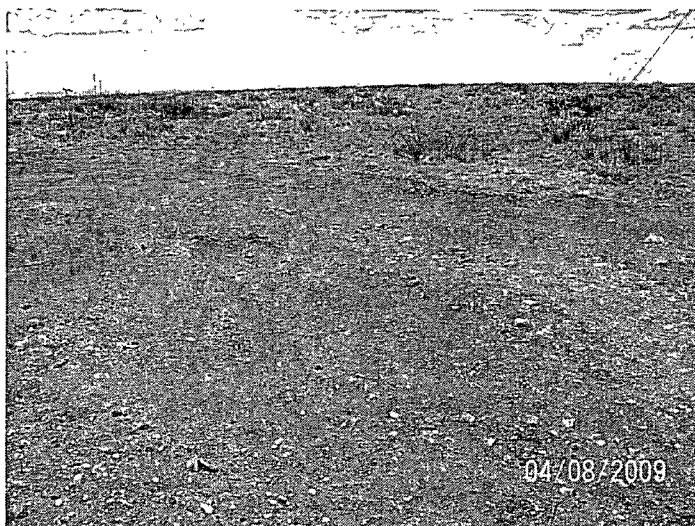
ATTACHMENT I
SITE PHOTOGRAPHS



LEASE: Resler Yates #367



Flowline Post-Remediation



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



CARDINAL 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 (C ₆ -C ₁₀) (mg/kg) | DRO (C ₁₀ -C ₂₈) (mg/kg) | Cr (mg/kg) |
|-----------------------------|--------------|--|---|---------------|
| | | | | |
| ANALYSIS DATE | | 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 | LA2 1' | <10.0 | 84.2 | 9,120 |
| H15176-10 | LA2 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.

Chemist

Date

H15176TCL PPI

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 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 analysis. 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: PPI (Canterra) | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | |
| Project Manager: Al Nasser | | P.O. #: | | <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> BTEX TPH CHL </div> <div style="width: 70%;"></div> </div> | | | | | | | | | |
| Address: 800 Gessner | | Company: PPI | | | | | | | | | | | |
| City: Houston State: TX Zip: 77024 | | Attn: Sandra | | | | | | | | | | | |
| Phone #: 832-3264719 Fax #: 575-396-0063 | | Address: 800 Gessner | | | | | | | | | | | |
| Project #: 001 Project Owner: Canterra | | City: Houston | | | | | | | | | | | |
| Project Name: OCUPOOPER | | State: TX Zip: 77024 | | | | | | | | | | | |
| Project Location: SEC 32 (Sandlot Oper) | | Phone #: 7134642200 | | | | | | | | | | | |
| Sampler Name: Al Nasser | | Fax #: | | | | | | | | | | | |

| FOR LAB USE ONLY | | Lab I.D. | Sample I.D. | (GRAB OR C)OMP. | # CONTAINERS | MATRIX | | | | | | PRESERV. | | SAMPLING | |
|------------------|--|----------|-------------|-----------------|--------------|-------------|------------|------|-----|--------|-------|-----------|----------|----------|------|
| | | | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER | ACID/BASE | ICE/COOL | OTHER | DATE |
| | | H15176-1 | 367-1' | | | | | | | | | | | | |
| | | -2 | 381-1' | | | | | | | | | | | | |
| | | -3 | 381-TB | | | | | | | | | | | | |
| | | -4 | D-1' | | | | | | | | | | | | |
| | | -5 | DTB 2' | | | | | | | | | | | | |
| | | -6 | TB 1' | | | | | | | | | | | | |
| | | -7 | TB 2' | | | | | | | | | | | | |
| | | -8 | LEVERTB 2' | | | | | | | | | | | | |
| | | -9 | LA 2 1' | | | | | | | | | | | | |
| | | -10 | LA 2 3' | | | | | | | | | | | | |
| | | -11 | LA TB 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 analysis. 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, or its affiliates. This limitation shall not apply 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: <i>[Signature]</i> | Date: 7/16/08 | Received By: <i>[Signature]</i> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| Relinquished By: | Time: 5p | Received By: | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Delivered By: (Circle One) | | Sample Condition | REMARKS: | |
| Sampler - UPS - Bus - Other: | | Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Email Mike Bratcher | |
| | | Checked By: <i>[Signature]</i> | Brewer 212@aol.com | |
| | | | * Oilgasdetician.alb@gmail.com | |

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

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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

| | | | | | | | | | | | | | | | | | | | | | |
|---|------------------|------------------|--------------|------------------------------------|------------|----------|-----|-------------------------|-------|-----------|------------|-------|------|-------|---|--|--|--|--|--|--|
| Company Name: PPE (Canterra) | | | | BILL TO | | | | ANALYSIS REQUEST | | | | | | | | | | | | | |
| Project Manager: AL Nasser | | | | P.O. #: | | | | | | | | | | | | | | | | | |
| Address: 800 Gessner | | | | Company: PPE | | | | | | | | | | | | | | | | | |
| City: Houston State: TX Zip: 77024 | | | | Attn: Sandra | | | | | | | | | | | | | | | | | |
| Phone #: 832-3264719 Fax #: 575-346-0063 | | | | Address: 800 Gessner | | | | | | | | | | | | | | | | | |
| Project #: 001 Project Owner: Canterra | | | | City: Houston | | | | | | | | | | | | | | | | | |
| Project Name: OCUPOOPER | | | | State: TX Zip: 77024 | | | | | | | | | | | | | | | | | |
| Project Location: 32 SEC - (Sandlot Oper) | | | | Phone #: 713-464-7200 | | | | | | | | | | | | | | | | | |
| Sampler Name: AL Nasser | | | | Fax #: ? | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | MATRIX | | PRESERV. | | SAMPLING | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (G)RAB OR (C)OMP | # CONTAINERS | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER | ACID/BASE | ICE / COOL | OTHER | DATE | TIME | | | | | | | |
| H1576-12 | 317-3 | G | | | | X | | | | X | | | 7-16 | 8:30 | BTEX TPH CHK (ALL SAMPLES) (ALL SAMPLES) (ALL SAMPLES) | | | | | | |
| -13 | 317-1 | G | | | | X | | | | X | | | | 8:30 | | | | | | | |
| -14 | 322-1 | | | | | X | | | | X | | | | 9:00 | | | | | | | |
| 4-15 | 322-3 | | | | | X | | | | X | | | | | | | | | | | |
| 5-16 | WD 18 3' | | | | | X | | | | X | | | | 10:00 | | | | | | | |
| -17 | WD 18 1' | | | | | X | | | | X | | | | | | | | | | | |
| -18 | 370-3 | | | | | X | | | | X | | | | | | | | | | | |
| -19 | 370-1 | | | | | X | | | | X | | | | | | | | | | | |
| -20 | 367-3 | | | | | X | | | | X | | | | | | | | | | | |
| 10-21 | 367 Flowline | | | | | X | | | | X | | | | | | | | | | | |

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 analysis. As to the 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, or its affiliates. A copy of this agreement shall be attached to the invoice for services rendered by Cardinal. Regardless of whether such claim is based upon any of the above stated reasons or otherwise.

| | | | | |
|-------------------------------------|--|---------------------------------|--|----------------|
| Relinquished By: [Signature] | Date: 7/16/08 | Received By: [Signature] | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| Time: 5p | | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Relinquished By: | Date: | Received By: | REMARKS: | |
| | | | Email Mike Bratcher * Ange Brewer 212@aol.com (Record Sample Temp on arrival) | |
| Delivered By: (Circle One) | Sample Condition | CHECKED BY: | | |
| Sampler - UPS - Bus - Other: | <input checked="" type="checkbox"/> Cool <input type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No | MCB | | |

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call before invoicing for signature



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

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: SHELLY TUCKER
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (575) 394-2601

Receiving Date: 04/30/09
Reporting Date: 04/30/09
Project Owner: PPI (SANDLOT ENERGY/CANTERA)
(EPI 45501-455013)
Project Name: SANDLOT WELLS - SEC 32
Project Location: NOT GIVEN


Analysis Date: 04/30/09
Sampling Date: 04/14/09, 04/17/09 & 04/21/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM


| LAB NUMBER | SAMPLE ID | Cl ⁻ (mg/kg) |
|-----------------------------|------------------------------|----------------------------|
| H17330-1 | RESLER YATES ST 317 - 4' WH | 1,600 |
| H17330-2 | RESLER YATES ST 317 - 4' LOC | 320 |
| H17330-3 | RESLER YATES ST 322 - 4' WH | 560 |
| H17330-4 | RESLER YATES ST 367 - 4' WH | 848 |
| H17330-5 | RESLER YATES ST 367 - 3' FL | 112 |
| H17330-6 | RESLER YATES ST 370 - 4' WH | 704 |
| H17330-7 | RESLER YATES ST 381 - 3' WH | 1,150 |
| H17330-8 | RESLER YATES ST 381 - 5' TB | 2,040 |
| H17330-9 | LEVERS A2 - 5' WH | 2,120 |
| H17330-10 | LEVERS A2 - 5' LOC | 2,200 |
| H17330-11 | LEVERS A STATE 2 - 3' TB | 4,880 |
| H17330-12 | LEVERS A STATE - 4' TB | 1,120 |
| H17330-13 | THOMAS ST 1 - 4' WH | 752 |
| H17330-14 | THOMAS ST 1 - 5' TB | 5,200 |
| H17330-15 | WELCH DUKE ST 18 - 10' WH | 768 |
| Quality Control | | 500 |
| True Value QC | | 500 |
| % Recovery | | 100 |
| Relative Percent Difference | | < 0.1 |

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H17330 EPI

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 client for 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 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.




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

FAX TO: (575) 394-2601

Project Location: NOT GIVEN

Analyzed By: AB

| ANALYSIS DATE | | 05/02/09 | 05/02/09 |
|-----------------------------|---------------------------|----------|----------|
| H17330-8 | RESLER YATES ST 381-5' TB | <10.0 | <10.0 |
| H17330-11 | LEVERS A STATE 2 - 3' TB | <10.0 | <10.0 |
| H17330-12 | LEVERS A STATE - 4' TB | <10.0 | 19.2 |
| H17330-14 | THOMAS ST 1 - 5' TB | <10.0 | <10.0 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Quality Control | | 485 | 530 |
| True Value QC | | 500 | 500 |
| % Recovery | | 97.0 | 106 |
| Relative Percent Difference | | 9.1 | 6.3 |

Chemist 

05/05/09
Date

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 client for analysis. All 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.

Environmental Plus, Inc.

2100 Avenue O, Eunice, NM 88231
(505) 394-3481 FAX: (505) 394-2601

P.O. Box 1558, Eunice, NM 88231

Chain of Custody Form

LAB: Cardinal

| Company Name | | Environmental Plus, Inc. | | Bill To: | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | |
|-----------------------|------------------------------|------------------------------|--------------|---|------------|--|-----------|--------|--------|-----------|----------|----------|-----------|------------|-----------|----------------|-----------------------------|----|------|-----------|-----|--|--|------|--|
| EPI Project Manager | | Shelly Tucker | | PPI (Cantera) ATTN: Accounts Payable 800 Gessner Houston, TX 77024 | | | | | | | | | | | | | | | | | | | | | |
| Mailing Address | | P.O. BOX 1558 | | | | | | | | | | | | | | | | | | | | | | | |
| City, State, Zip | | Eunice New Mexico 88231 | | | | | | | | | | | | | | | | | | | | | | | |
| EPI Phone#/Fax# | | 575-394-3481 / 575-394-2601 | | | | | | | | | | | | | | | | | | | | | | | |
| Client Company | | PPI (Sandlot Energy/Cantera) | | | | | | | | | | | | | | | | | | | | | | | |
| Facility Name | | Sandlot Wells - Sec 32 | | | | | | | | | | | | | | | | | | | | | | | |
| Location | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Reference | | EPI 45501-455013 | | | | | | | | | | | | | | | | | | | | | | | |
| EPI Sampler Name | | Shelly Tucker | | | | | | | | | | | | | | | | | | | | | | | |
| LAB I.D. | SAMPLE I.D. | (G)RAB OR (C)OMP. | # CONTAINERS | MATRIX | | | | | | PRESERV. | | SAMPLING | | BTEX 8021B | TPH 8015M | CHLORIDES (Cl) | SULFATES (SO ₄) | pH | TCLP | OTHER >>> | PAH | | | | |
| | | | | GROUND WATER | WASTEWATER | SOIL | CRUDE OIL | SLUDGE | OTHER: | ACID/BASE | ICE/COOL | OTHER | DATE | | | | | | | | | | | TIME | |
| H17330 - 1 | Resler Yates St 317 - 4' WH | C | 1 | | | X | | | | | X | | 17-Apr-09 | 9:20 | | | X | | | | | | | | |
| - 2 | Resler Yates St 317 - 4' LOC | C | 1 | | | X | | | | | X | | 17-Apr-09 | 9:45 | | | X | | | | | | | | |
| - 3 | Resler Yates St 322 - 4' WH | C | 1 | | | X | | | | | X | | 17-Apr-09 | 10:45 | | | X | | | | | | | | |
| - 4 | Resler Yates St 367 - 4' WH | C | 1 | | | X | | | | | X | | 21-Apr-09 | 9:30 | | | X | | | | | | | | |
| - 5 | Resler Yates St 367 - 3' FL | C | 1 | | | X | | | | | X | | 21-Apr-09 | 9:45 | | | X | | | | | | | | |
| - 6 | Resler Yates St 370 - 4' WH | C | 1 | | | X | | | | | X | | 21-Apr-09 | 12:30 | | | X | | | | | | | | |
| - 7 | Resler Yates St 381 - 3' WH | C | 1 | | | X | | | | | X | | 21-Apr-09 | 10:45 | | | X | | | | | | | | |
| - 8 | Resler Yates St 381 - 5' TB | C | 1 | | | X | | | | | X | | 21-Apr-09 | 11:30 | | X | X | | | | | | | | |
| - 9 | Levers A2 - 5' WH | C | 1 | | | X | | | | | X | | 17-Apr-09 | 12:30 | | | X | | | | | | | | |
| - 10 | Levers A2 - 5' LOC | C | 1 | | | X | | | | | X | | 17-Apr-09 | 12:50 | | | X | | | | | | | | |
| Sampler Relinquished: | | 04/29/09 | | Received By: | | E-mail results to: stucker@envplus.net | | | | | | | | | | | | | | | | | | | |
| Relinquished by: | | Time | | Received By: (lab staff) | | REMARKS: | | | | | | | | | | | | | | | | | | | |
| Delivered by: | | Time | | Sample Cool & Intact | | Checked By: | | | | | | | | | | | | | | | | | | | |
| | | | | Yes No | | AB | | | | | | | | | | | | | | | | | | | |

Environmental Plus, Inc.

2100 Avenue O, Eunice, NM 88231
(505) 394-3481 FAX: (505) 394-2601

P.O. Box 1558, Eunice, NM 88231

Chain of Custody Form

LAB: Cardinal

| Company Name | | Environmental Plus, Inc. | | Bill To | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | |
|---------------------|---------------------------|------------------------------|--------------|---|------------|------------------|-----------|--------|--------|-----------|----------|-------|----------|-----------|-----------|-----------|----------------|---|----|------|-----------|-----|--|--|--|--|--|
| EPI Project Manager | | Shelly Tucker | | PPI (Cantera) ATTN: Accounts Payable 800 Gessner Houston, TX 77024 | | | | | | | | | | | | | | | | | | | | | | | |
| Mailing Address | | P.O. BOX 1558 | | | | | | | | | | | | | | | | | | | | | | | | | |
| City, State, Zip | | Eunice New Mexico 88231 | | | | | | | | | | | | | | | | | | | | | | | | | |
| EPI Phone#/Fax# | | 575-394-3481 / 575-394-2601 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Client Company | | PPI (Sandlot Energy/Cantera) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Facility Name | | Sandlot Wells - Sec 32 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Location | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Reference | | EPI 45501-455013 | | | | | | | | | | | | | | | | | | | | | | | | | |
| EPI Sampler Name | | Shelly Tucker | | | | | | | | | | | | | | | | | | | | | | | | | |
| LAB I.D. | SAMPLE I.D. | (G)RAB OR (C)OMP. | # CONTAINERS | MATRIX | | | | | | | PRESERV. | | SAMPLING | | BTX 8021B | TPH 8015M | CHLORIDES (Cl) | SULFATES (SO ₄ ²⁻) | pH | TCLP | OTHER >>> | PAH | | | | | |
| | | | | GROUND WATER | WASTEWATER | SOIL | CRUDE OIL | SLUDGE | OTHER: | ACID/BASE | ICE/COOL | OTHER | DATE | TIME | | | | | | | | | | | | | |
| 417330 - 1 | Lavers A State 2 - 3' TB | C | 1 | | | X | | | | | | X | | 17-Apr-09 | 13:30 | | X | X | | | | | | | | | |
| - 2 | Lavers A State - 4' TB | C | 1 | | | X | | | | | | X | | 17-Apr-09 | 12:00 | | X | X | | | | | | | | | |
| - 3 | Thomas St 1 - 4' WH | C | 1 | | | X | | | | | | X | | 17-Apr-09 | 11:00 | | | X | | | | | | | | | |
| - 4 | Thomas St 1 - 5' TB | C | 1 | | | X | | | | | | X | | 17-Apr-09 | 11:30 | | X | X | | | | | | | | | |
| - 5 | Welch Duke St 18 - 10' WH | C | 1 | | | X | | | | | | X | | 14-Apr-09 | 11:30 | | | X | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|---|--|---|
| Sampler Relinquished: <i>Shelly Tucker</i> Time: 04/29/09 9:55a | Received By: <i>CB</i> Received By: (lab staff) | E-mail results to: stucker@envplus.net REMARKS: |
| Relinquished by: Time: | Delivered by: Sample Cool & Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Checked By: <i>CB</i> |

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. **OCD-ARTESIA**
Santa Fe, NM 87505

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

30-015-20088

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 RESLER YATES # 367 | Facility Type ACTIVE PRODUCTION WELLHEAD |

| | | |
|---------------------|---------------|------------------------|
| Surface Owner NMSLO | Mineral Owner | Lease No. 30-015-20088 |
|---------------------|---------------|------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter F | Section 32 | Township 18S | Range 28E | Feet from the 1650 | North/South Line NORTH | Feet from the 2310 | East/West Line WEST | County 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? <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. | |

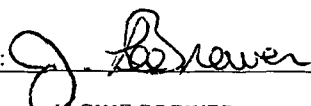
If a Watercourse was Impacted, Describe Fully.*

NOT APPLICABLE

Describe Cause of Problem and Remedial Action Taken.*
LEAK AT FLOWLINE LESS THAN 5 BBLs

Describe Area Affected and Cleanup Action Taken.*
DUG HISTORICAL CONTAMINATION 6FT BY 10FT RADIUS APPROX. 3FT IN DEPTH HAULED SOIL TO CRI REFILLED WITH 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:  | | 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: | |
| Date: 10-14 2008 Phone: 575-631-4592 | | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

Accepted for record
NMOCD

OCT 22 2008