

District I
1625 N. Francis Dr. Hobbs, NM 87401

District II
1301 W. Grand Avenue, Artesia, NM 87003

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

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

Form 14
1-1-2000

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 ☒

APR - 7 2008

Operator: CANO PETRO OF NEW MEXICO Telephone: 817-698-0900 e-mail address: _____
Address: 801 CHERRY STREET, Unit #25 Suite 3200, Fort Worth, Texas 76102
Facility or well name: CSA Unit #519 API #: 30-05-27989 U/L or Qtr/Qtr A Sec 11 T 8S R 30E
County: CHAVES Latitude _____ Longitude _____ NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☐ Indian ☐

OCD-ARTESIA

RECEIVED

Pit
Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume 2000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why: _____

APR 16 2008

HOBBS OCD

| | | | |
|---|---|-------------|---|
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | Less than 50 feet | (20 points) | |
| | 50 feet or more, but less than 100 feet | (10 points) | |
| | 100 feet or more | (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 | (20 points) | |
| | No | (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 | (20 points) | |
| | 200 feet or more, but less than 1000 feet | (10 points) | |
| | 1000 feet or more | (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 you 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: CANO PETRO PROPOSES TO CLOSE THE DRILLING PIT AS FOLLOWS: REMOVE ALL FLUIDS FROM PIT. A DEEP TRENCH WILL BE CONSTRUCTED NEXT TO EXISTING RESERVE PIT AND LINED WITH 12 mil liner. THE CONTENTS WILL BE ENCAPSULATED AND LINER WILL BE FOLDED OVER MUD AND CUTTINGS, THEN COVER LINER WITH 20 mil liner AS PER NMOCD PIT CLOSURE GUIDELINES. WILL COVER WITH 3' OF NATIVE SOIL AND CONTOUR PIT TO PREVENT EROSION AND PONDING OF RAINWATER. WILL NOTIFY NMOCD 48 Hrs. prior to BEGINNING WORK.

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: 3/28/08

Printed Name/Title GREG LEARY / AGENT

Signature Greg Leary

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 CHRIS WILLIAMS / DIST SUPER

Signature Chris Williams

Date: 4/8/08