

APACHE  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Bravo 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-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 ☒

Operator: CANO PETRO OF NM. Telephone: 817-698-0900 e-mail address: \_\_\_\_\_  
Address: 901 CHERRY STREET, Unit #25 Suite 3200, Fort Worth, Tx. 76102  
Facility or well name: CSAU # 572 API #: 30-05-28015 U/L or Qm/Qtr NW Sec 14 T 8S R 30E  
County: CHAVES Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐  
Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

**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 not \_\_\_\_\_

APR 25 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<br>50 feet or more, but less than 100 feet<br>100 feet or more     | (20 points)<br>(10 points)<br>(0 points) | <br><br><u>0</u> |
| Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)       | Yes<br>No                                                                            | (20 points)<br>(0 points)                | <br><u>0</u>     |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | Less than 200 feet<br>200 feet or more, but less than 1000 feet<br>1000 feet or more | (20 points)<br>(10 points)<br>(0 points) | <br><br><u>0</u> |
| Ranking Score (Total Points)                                                                                                                    |                                                                                      |                                          | <u>0</u>         |

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 N.M.O.C.D. PIT CLOSURE GUIDELINES. WILL THEN COVER WITH 3' OF NATIVE SOIL AND CONTOUR PIT TO PREVENT EROSION AND RUNDING OF RAINWATER. WILL NOTIFY NMOCD 48hrs 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: 4/23/08

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.

**CONDITIONS REQ'D FOR APPROVAL:**

Samples (for chloride) are to be obtained from pit floor area in each quadrant and analysis submitted to OCD prior to back-filling

Signature

Johnson  
ENVIRONMENTAL ENGINEER

Date: 4-28-08



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

ANALYTICAL RESULTS FOR  
SWEATT  
ATTN: GREG LEARY  
P.O. BOX 827  
ARTESIA, NM 88210  
FAX TO: (575) 748-1230

Receiving Date: 12/19/08  
Reporting Date: 12/22/08  
Project Owner: NOT GIVEN  
Project Name: CANO PETRO  
Project Location: CSAU #572

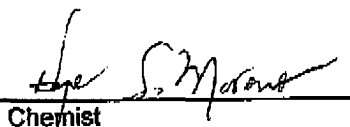
Analysis Date: 12/22/08  
Sampling Date: NOT GIVEN  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: HM

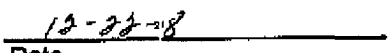
| LAB NUMBER                  | SAMPLE ID | Cr<br>(mg/kg) |
|-----------------------------|-----------|---------------|
| H16566-1                    | SW        | < 16          |
| H16566-2                    | NW        | 32            |
| H16566-3                    | SE        | 16            |
| H16566-4                    | NE        | < 16          |
|                             |           |               |
|                             |           |               |
|                             |           |               |
|                             |           |               |
|                             |           |               |
|                             |           |               |
| Quality Control             |           | 500           |
| True Value QC               |           | 500           |
| % Recovery                  |           | 100           |
| Relative Percent Difference |           | < 0.1         |

METHOD: Standard Methods

4500-CrB

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

  
Chemist

  
Date

H16566 SWEATT

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.

**Sweatt Construction, Inc.**

Post Office Box 827  
Artesia, New Mexico 88211-0827  
(505) 748-1238 - Fax (505) 748-1230  
Hobbs, New Mexico  
(505) 393-3180 - Fax (505) 391-9895  
1-800-530-8293

General Dirt Work  
Oil Field - Pits - Location:

**Fax Transmittal**

Date: 2/4/09  
To: OCD - HOBBS  
Attention: LARRY JOHNSON  
Fax Number: 575-393-0720  
From: GREG LEARY  
Number of Copies: 15 (Including cover sheet)  
Remarks: Mr. Johnson, I'm requesting  
permission to back-fill these (7)  
seven pits.  
Thank, Greg Leary

Thank you,

APPROVED  
G. Johnson  
ENVIRONMENTAL ENGINEER