

1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy Minerals and Natural Resources

Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-144
 June 1, 2004

For drilling and production facilities, submit to appropriate NMOC 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: <u>CANO PETRO OF NM.</u> Telephone: <u>817-698-0900</u> e-mail address: _____	
Address: <u>801 CHERRY STREET, Unit #25 Suite 3200, FORT WORTH, TX. 76102</u>	
Facility or well name: <u>CSAU # 587</u>	API #: <u>30-005-29024</u> U/L or Q/L: <u>Q</u> Sec <u>14</u> T <u>85</u> R <u>30E</u>
County: <u>CHAVES</u>	NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☐ Indian ☐	
RECEIVED	
Pit Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness <u>12</u> mil Clay ☐ Pit Volume <u>2000</u> bbl	
Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ No ☒	
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 (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (0 points) <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 (20 points) <u>No</u> (0 points) <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 (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points) <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 BONDING OF RAINWATER. WILL NOTIFY NMOC.D. 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 NMOC.D. 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 NMOC.D. 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:

At
 Pit

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: 4-23-08



Analysis Date: 01/29/09
Sampling Date: 01/28/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM

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

Date 01/29/09

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

Habbs, 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

ENVIRONMENTAL ENGINEER