

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

RECEIVED State of New Mexico
Energy Minerals and Natural Resources
JUN 14 2010
Oil Conservation Division
HOBBSOCD 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 ☒

PI-02097

Operator Cano Petro of NM Telephone: 817-698-0900 e-mail address: _____
Address: 801 Cherry St. Unit #25 Suite 3200 Fort Worth, Texas 76102
Facility or well name CSA Unit #587 API # .30-005-29024 U/L or Qtr/Qtr ___ G ___ Sec ___ 14 ___ T ___ 8S ___ R ___ 30E ___
County: Chaves, NM Latitude N 33 37'13.0" Longitude W 103 51'59.1" NAD 1927 ☐ 1983 ☐
Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input type="checkbox"/> Thickness ___ 12 ___ mil Clay <input type="checkbox"/> Pit Volume ___ 2000 ___ bbl	Volume: ___ bbl Type of fluid: _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____	
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 On March 22, 2010 Safety and Environmental Solutions, Inc was onsite to obtain samples from excavated pit floor Samples were transported to Cardinal Laboratories in Hobbs, NM under Chain-of-Custody to be analyzed for Chlorides (EPA Method 4500B), Benzene, Toluene, Ethyl Benzene, and Xylenes (BTEX EPA Method 8260) and Total Petroleum Hydrocarbons (TPH EPA Method 418.1). See Attachment for results Upon approval from NMOCD On May 26, 2010, Safety and Environmental Solutions, Inc. contracted Watson Construction to backfill excavated pit area and already lined deep bury trench The material that was used for backfill was already stockpiled with top soil on location pad

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: 6-10-10

Printed Name/Title Rodger Butt Prod. Foreman Signature Rodger Butts

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 ENVIRONMENTAL ENGINEER

Signature

Date 6-14-10



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

March 30, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Cato SA Well #587 (CAN-10-005)

Enclosed are the results of analyses for sample number H19526, received by the laboratory on 03/23/10 at 3:30 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.


Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,


Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ARDINAL LABORATORIES

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

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

Receiving Date: 03/23/10
Reporting Date: 03/29/10
Project Owner: CANO (CAN-10-005)
Project Name: CATO SA WELL #587
Project Location: CHAVEZ CO., NM

Sampling Date: 03/22/10
Sample Type: SOIL
Sample Condition: INTACT @ 11°C
Sample Received By: JH
Analyzed By: AB/ZL/HM

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI* (mg/kg)
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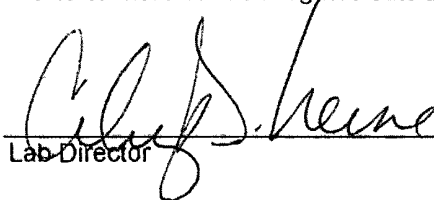
ANALYSIS DATE:	03/27/10	03/27/10	03/26/10	03/26/10	03/26/10	03/26/10	03/25/10
H19526-1** #1 7' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	< 16
H19526-2** #2 7' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	16
H19526-3** #3 7' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	32
H19526-4 #4 7' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	< 16
H19526-5** #5 7' BGS	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	32
Quality Control	534	525	0.045	0.050	0.044	0.130	500
True Value QC	500	500	0.050	0.050	0.050	0.150	500
% Recovery	107	105	90.0	100	88.0	86.7	100
Relative Percent Difference	1.0	13.3	1.3	10.1	9.7	11.5	< 0.1

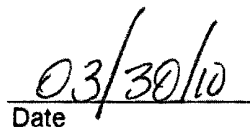
METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI: Std. Methods 4500-CI-B

*Analyses performed on 1:4 w:v aqueous extracts. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.

**One or more TPH surrogates outside historical limits due to matrix interference.


Lab Director


Date

H19526 TBCL SESI

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.



ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: SEST
Project Manager:
Address: 703 E. CLINTON, #103
City: HOBBS State: NM Zip: 88240
Phone #: (505) 397-0510
Fax #: (505) 393-4388
Project #: <u>CA-10-005</u> Project Owner: <u>CA-10</u>
Project Name: <u>Cato SA well #587</u>
Project Location: <u>Chavez Co, NM</u>

PO #:
Company: SAME
Attn:
Address:
City:
State: Zip:
Phone #:
Fax #:

ANALYSIS REQUEST

FOR LAB USE ONLY		LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX						PRES.		SAMPLING		chlorides	TPH	80.15	BtOP
GROUNDWATER	WASTEWATER					SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:	DATE	TIME					
H19326-1	#1 7'1/2s	6	1											3/22/10	1210	X	X	X	
-2	#2 7'1/2s													↓	1215	↓	↓	↓	
-3	#3 7'1/2s													↓	1220	↓	↓	↓	
4	#4 7'1/2s													↓	1225	↓	↓	↓	
-5	#5 7'1/2s													↓	1230	↓	↓	↓	

chlorides
TPH 80.15
BTEX

PLEASE NOTE: Utility 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 services. 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 subcontractors, 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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished:	Date: <u>3/23/10</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Additional Fax #: <input type="checkbox"/> Yes <input type="checkbox"/> No
Relinquished By: <u>[Signature]</u>	Time: <u>1530</u>	Received By: (Lab Staff) <u>[Signature]</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No
Delivered By: (Circle One)		Sample Condition	CHECKED BY: <u>[Signature]</u>
Sampler: <u>UPS</u> - Bus - Other:		Cool Intact	(Initials)
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.