

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  
Oil Conservation Division  
1220 South St. Francis Dr.  
HOBBS, 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-020916

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 #586 API #: 30-005-29025 U/L or Qtr/Qtr E Sec 14 T 8S R 30E  
County: Chaves, NM Latitude N 33 37' 12.0" Longitude W 103 51' 16.9" 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

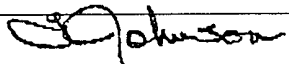
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location. (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of 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, Ethly 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 24, 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 Butts 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



# ARDINAL LABORATORIES

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 586 (CAN-10-004)

Enclosed are the results of analyses for sample number H19525, 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.

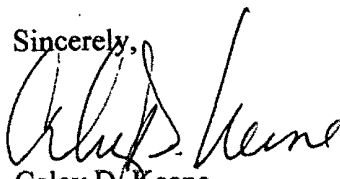
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

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

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This report conforms with NELAP requirements.



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-10-004)  
Project Name: CATO SA 586  
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

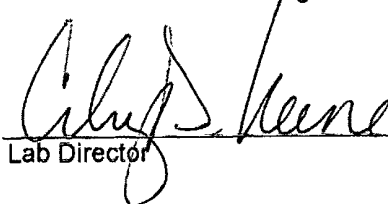
LAB NO.	SAMPLE ID	GRO	DRO	ETHYL		TOTAL	CI*
		(C <sub>6</sub> -C <sub>10</sub> )	(>C <sub>10</sub> -C <sub>28</sub> )	BENZENE	TOLUENE	BENZENE XYLENES	
		(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
ANALYSIS DATE:		03/26/10	03/26/10	03/26/10	03/26/10	03/26/10	03/25/10
H19525-1** #1 6' BGS		<10.0	<10.0	<0.050	<0.050	<0.050	<0.300 16
H19525-2** #2 4' BGS		<10.0	<10.0	<0.050	<0.050	<0.050	<0.300 < 16
H19525-3 #3 7' BGS		<10.0	<10.0	<0.050	<0.050	<0.050	<0.300 48
H19525-4 #4 7' BGS		<10.0	<10.0	<0.050	<0.050	<0.050	<0.300 48
H19525-5 #5 7' BGS		<10.0	<10.0	<0.050	<0.050	<0.050	<0.300 32
Quality Control		516	518	0.045	0.051	0.045	0.134 500
True Value QC		500	500	0.050	0.050	0.050	0.150 500
% Recovery		103	104	90.0	102	90.0	89.3 100
Relative Percent Difference		1.7	7.3	1.3	10.1	9.7	11.5 < 0.1

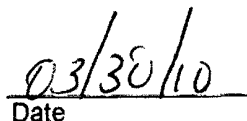
METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI-: Std. Methods 4500-CI-B

\*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

H19525 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.





## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: SEST	PO #:
Project Manager:	Company: SAME
Address: 703 E. CLINTON, #103	Alt:
City: HOBBS State: NM Zip: 88240	Address:
Phone #: (505) 397-0510	City:
Fax #: (505) 393-4388	State: Zip:
Project #: Can-10004 Project Owner: Cano	Phone #:
Project Name: Cato SA 586	Fax #:
Project Location: Chavez Co nm	

FOR LAB USE ONLY		LAB I.D.	Sample I.D.	(G)AS OR (C)OMP.	# CONTAINERS	MATRIX						PRES.			SAMPLING		DATE	TIME	chlorides	TPH	BTEX
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE / COOL	OTHER:							
H19925-1	#1	6' bgs	6	1												3/22/10	1140	X	X	X	
2	#2	4' bgs	1	1													1145	↓	↓	↓	
3	#3	2' bgs	↓	↓													1150	↓	↓	↓	
4	#4	2' bgs	↓	↓													1155	↓	↓	↓	
5	#5	2' bgs	↓	↓													1200	↓	↓	↓	

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 invoice, and at cost of collections, including attorney's fees.

Sampler Relinquished:		Date: 3/23/10	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Additional Fax #: _____
		Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	REMARKS:
Relinquished By:		Date: 3/23/10	Received By: (Lab/Staff)		
		Time: 1530	Jodi Benson		
Delivered By: (Circle One)			Sample Condition	CHECKED BY:	
Sampler UPS - Bus - Other:			Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/>	(initials)	
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

† Cardinal cannot accept verbal changes. Please fax written changes to 916-873-7020.