



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Oil Conservation Division

CIMAREX ENERGY COMPANY
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March 7, 2006

REMEDIATION WORK PLAN APPROVAL - MAGNUM 5 FEDERAL COM NO. 1

The New Mexico Oil Conservation Division District 2 Office is in receipt of the remediation work plan dated February 28, 2006 and submitted by HMR&V Services, Inc., for the release at the Magnum 5 Federal Com No. 1 (30-015-31312).

Your proposed method of remediation (excavation and hauling contaminated materials) is approved for this remediation under the following conditions:

- All soils removed from the location must be documented as to volume and disposition of materials (hauling to an approved disposal/remediation facility) and method used to determine that any removed soils are "Exempt Oilfield Wastes" exempted from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations.
- All materials used to backfill the excavation must be contamination free. Any materials used to backfill that come from a remediation facility or site (OCD approved landfarm, localized landfarm or centralized landfarm) must have analysis conducted and OCD approval prior to using such previously contaminated materials. This documentation must be submitted with the closure final report required below.
- Contaminated soils requiring remediation should be remediated so that residual contaminant concentrations are below the recommended soil remediation action level. If soil action levels cannot practicably be attained, a detailed evaluation of risk may be performed and provided in writing to OCD for approval showing that the remaining contaminants will not pose a threat to present or foreseeable beneficial use of fresh water, public health and the environment.
- If alternate methods of remediation are to be used, prior approval from the OCD District 2 Office is required before beginning any work using these alternate methods. A specific proposal outlining the alternate methods must be submitted in writing.
- If ground water is encountered during the soil/waste characterization, excavation or remediation of the impacted soils, a sample should be obtained to assess the incidents potential impact on ground water quality and the OCD District 2 Office should be notified immediately.
- Notify OCD District 2 Office 24 hours prior to commencement of work by CIMAREX Energy Company or contractors, sub-contractors or affiliated companies that is intended to excavate, wash, move or disturb (such as in tilling, blading, etc.) soils or contaminated materials for the purpose of remediation, or hauling any soils or contaminated materials into or out of the location covered under this remediation work plan. This notification is to ensure NMOCD personnel are able to monitor compliance with approved remediation work plans as required by the New Mexico Administrative Code. Therefore, if a reasonable schedule of work cannot be provided then a separate notification that work is to resume is required if work ceases at the location for more than 5 days.

- Notify OCD District 2 Office 24 hours prior to obtaining samples where analysis of samples will be submitted to OCD.
 - Upon termination of any required remedial actions, the area of a leak, spill or release may be closed, **after obtaining approval for the closure from the OCD District 2 office**, by backfilling any excavated areas, contouring to provide drainage, revegetating the area or other OCD approved methods. Upon completion of remedial activities a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.
 - For all Federal Lease wells, a "Like Approval" by the United States Bureau of Land Management may be required. It is the operators' responsibility to obtain this approval and the approval of any other surface owner that may be required by law, regulation or contractual obligation of the operator and surface owner.
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Further discussion of remediation techniques, site ranking criteria, remediation action levels and alternative methods for remediation may be found on our website. You are encouraged to use the OCD publication entitled "Remediation of Leaks, Spills and Releases" as a guide during your remediation of this location. This guide may be found on our web site at:
<http://www.emnrd.state.nm.us/emnrd/ocd/EH-MiscGuidelines.htm> .

Acceptance of the remediation work plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of reports and work plans does not relieve the operator of responsibility for compliance with any other federal, state or local laws and/or regulations.

NMOCD District 2 Contact Person: Chris Beadle, Office: (505) 748-1283 x107 / Cell: (505) 626-0831 / Fax: (505) 748-9720 / E-mail: Chris.Beadle@state.nm.us

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.



Chris Beadle
Artesia OCD District Office

cc: Mark Meadows (unsigned copy via e-mail)

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Inspection No: iCLB0603141298