

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Cimarex Energy Co. of Colorado OGRID #: 162683
Address: 600 N. Marienfeld St., Ste. 600; Midland, TX 79701
Facility or well name: Crescent Hale 1 Federal Com No. 3
API Number: 30-015-37910 OCD Permit Number: 210468
U/L or Qtr/Qtr L Section 1 Township 19S Range 30E County: Eddy
Center of Proposed Design: Latitude 32° 41' 15.15" N Longitude 103° 55' 54.74" W NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.3.103 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CRI Disposal Facility Permit Number: R-9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications -- based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Zeno Farris Title: Manager Operations Administration
Signature: Zeno Farris Date: 1.28.2010
e-mail address: zfarris@cimarex.com Telephone: 432-620-1938

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)

OCD Representative Signature: Lewis R Dade Approval Date: 06/24/2010
Title: DIST # Supervisor OCD Permit Number: 210468

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:

- Site Reclamation (Photo Documentation)
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____



Cimarex Energy Co. of Colorado

600 N. Marienfeld St. ♦ Suite 400 ♦ Midland, TX 79701 ♦ (432) 571-7800 ♦ Fax (432) 620-1940
A subsidiary of Cimarex Energy Co • A NYSE Listed Company • "XEC"

January 28, 2010

Oil Conservation Division
District II Office
1301 W. Grand Ave.
Artesia, New Mexico 88210
Attn: Ms. Linda Bratcher

Re: Statewide Rule 118
Hydrogen Sulfide Gas Contingency Plan
Proposed Crescent Hale 1 Federal Com No. 3 Well

Dear Ms. Bratcher:

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Cimarex Energy Co. of Colorado does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Crescent Hale 1 Federal Com No. 3
SHL 1980 FSL & 660 FWL
BHL 1980 FSL & 1650 FEL
1-19S-30E
Eddy County, NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 432-620-1938.

Yours truly,

A handwritten signature in cursive script that reads "Zeno Farris".

Zeno Farris
Manager Operations Administration