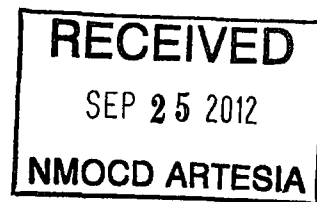




August 20, 2012



Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

Subject: **Remediation and Closure Report**
Cimarex Energy
Chaser 8 State No. 2
API # 30-015-37807 – 2RP-1041

Dear Mr. Bratcher,

Cimarex Energy has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Chaser 8 State No. 2 release. Talon's soil assessment results, remediation activities and closure requests are presented herein.

Background Information

The Chaser 8 State No. 2 is located approximately twenty-one (21) miles east of Artesia, New Mexico. The legal location for the site is Section 8, Township 17 South and Range 29 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.85115 North and -104.09144 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Kimbrough-Stegall loams complex soils with 0 to 3 percent slopes. The local surface and shallow geology, Quaternary Age sedimentary deposits, is comprised of alluvium and eolian sands underlain by clay loam and hard caliches. The New Mexico State Engineer web site indicates the nearest ground water data to be 5,763 meters away in S19-T16S-R29E. The ground water in Section 19 is reported to be a depth of 110' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Incident Description

On February 20, 2012 the gasket between the fire tube and production heater failed spraying oil and produced water out of the production heater. This caused a release of 99 barrels of oil and 188 barrels of produced water. The fluids were contained within the lined berm of the tank battery. A vacuum truck was immediately called to recover the standing fluids in the battery. The production heater was taken out of service until repairs can be completed. A total of 99 barrels of oil and 180 barrels of produced water were

AMARILLO

921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA

408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN

911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS

318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND

2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO

11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA

525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

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www.talonlpe.com

recovered. The overspray from the production heater impacted a small area in front of the battery and the west side of the location. A site plan illustrating the work area is attached.

Actions Taken

On February 22, 2012 Talon/LPE mobilized personnel to begin assessment and soil sampling activities for the construction of a work plan. Grab soil samples were collected utilizing a hand auger. Grab soil samples were collected from the surface of the impacted areas to a depth of 1-foot deep. Sample locations are shown on the site plan.

On March 2, 2012 Talon/LPE mobilized personnel again to the site for additional sampling on location at greater depths.

On July 16, 2012 Talon personnel mobilized to the site to begin closure soil sampling activities. Confirmation soil samples were taken from the excavated area on location and the impacted area east of the location. Grab samples were collected and submitted for laboratory analysis.

All soil samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided sample containers, iced and transported to Cardinal Laboratories in Hobbs, New Mexico. The samples were tested for TPH (Total Petroleum Hydrocarbons) using EPA Method 8015M, volatile organics (BTEX) using EPA Method 8021B and analysis of Chlorides using Method SM4500CL-B. The complete laboratory report is attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

February 29, 2012

<u>Sample, Depth</u>	<u>Location</u>	<u>Chlorides</u>	<u>BTEX</u>	<u>TPH (mg/kg)</u>
S-1 0'	East off location	144	<0.150	1,842
1'		768	<0.150	10,000
S-2 0'	Location	4,400	<0.150	6,300
1'		64	<0.150	13.3
S-3 0'	South off location	32	<0.150	<10
1'		1,200	<0.150	381
S-4 0'	West off location	528	<0.150	70.8
1'		32	<0.150	<10

March 12, 2012

<u>Sample, Depth</u>	<u>Location</u>	<u>Chlorides</u>	<u>BTEX</u>	<u>TPH</u>
S-1 1.5'	East off location	--	--	2,770 mg/kg
2'		--	--	193
S-3 1.5'	South off location	32 mg/kg	--	--

--Analyte Not Tested

July 19, 2012 **CONFIRMATION SAMPLES**

<u>Sample, Depth</u>	<u>Chlorides</u>	<u>TPH</u>
S-5 0'	<16	<10
1'	48	<10
S-6 0.5'	208	55.4

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 5,000 mg/kg. The chloride remediation standard is considered to be 1,000 mg/kg.

Summary and Conclusions

- Groundwater in the project vicinity is greater than 100-feet below land surface per the New Mexico State Engineer Database.
- The location between the meter run and berm (S-2) was excavated to 0.5-feet deep and transported to a solid waste facility. Confirmation soil samples were taken.
- The impacted areas from the overspray were scraped/furrowed using pick axes and hand tools to enhance adsorption of the Micro Blaze solution into the location. A total of 500-gallons of fresh water and Micro Blaze was mixed according to manufacture specifications and spray applied to the impacted area.
- A 90-day confirmation soil sample was done on the areas in which Micro Blaze was applied. The results were determined to be below the Recommended Remedial Action Levels.
- The containment area of the tank battery was lined and no further corrective actions were taken.

Closure

On behalf of Cimarex Energy, we respectfully request that no further actions be required and that closure with respect to this release be granted.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE

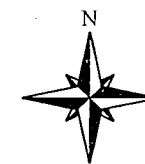
Handwritten signature of Mike Stubblefield in black ink.

Mike Stubblefield
Project Manager

Handwritten signature of David J. Adkins in black ink.

David J. Adkins
District Manager

SITE MAP



0 25 50
Scale in Feet

Pump Jack
& Well Head

S-4

Lease Road

Load outs

Bermed
Tank
Battery

Over-spray
Impacted
Areas

Legend

- ◊ - Sample Location
- ▨ - Impacted Area

S-2

S-6

S-5

S-1

Over-spray Area
71' L x 70' W

S-3

Over-spray Area
71' L x 53' W



Date: 03/07/2012

Scale: 1" = 50'

Drawn By: TJS

Chaser 8 State No. 2

Cimarex Energy

Artesia, New Mexico

Figure 1 - Site Plan

APPENDIX I
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Subbasin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
RA 09342			ED	4	4	3	19	16S	29E	582737	3640640*	5763	220	110	110
													Average Depth to Water:	110 feet	
													Minimum Depth:	110 feet	
													Maximum Depth:	110 feet	

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 585193

Northing (Y): 3635426

Radius: 6000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX II
LABORATORY RESULTS



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

February 29, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: CHASE 8 STATE NO. 2

Enclosed are the results of analyses for samples received by the laboratory on 02/24/12 11:17.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	02/24/2012	Sampling Date:	02/22/2012
Reported:	02/29/2012	Sampling Type:	Soil
Project Name:	CHASE 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S-1 0' OFF LOCATION E (H200490-01)

BTEX 8021B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/28/2012	ND	1.97	98.5	2.00	3.27	
Toluene*	<0.050	0.050	02/28/2012	ND	2.13	107	2.00	4.13	
Ethylbenzene*	<0.050	0.050	02/28/2012	ND	2.18	109	2.00	4.04	
Total Xylenes*	<0.150	0.150	02/28/2012	ND	6.79	113	6.00	4.05	

Surrogate: 4-Bromofluorobenzene (PIL) 115 % 64.4-134

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	144	16.0	02/27/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg	Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	22.0	20.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	1820	20.0	02/24/2012	ND	158	79.2	200	8.16	

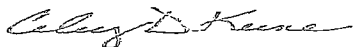
Surrogate: 1-Chlorooctane 120 % 55.5-154

Surrogate: 1-Chlorooctadecane 143 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/24/2012
 Reported: 02/29/2012
 Project Name: CHASE 8 STATE NO. 2
 Project Number: 701307.036.01
 Project Location: SEC.8 - T17S - R29E

 Sampling Date: 02/22/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S-1 1' OFF LOCATION E (H200490-02)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/28/2012	ND	1.97	98.5	2.00	3.27	
Toluene*	<0.050	0.050	02/28/2012	ND	2.13	107	2.00	4.13	
Ethylbenzene*	<0.050	0.050	02/28/2012	ND	2.18	109	2.00	4.04	
Total Xylenes*	<0.150	0.150	02/28/2012	ND	6.79	113	6.00	4.05	

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	768	16.0	02/27/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	02/24/2012	ND	192	96.0	200	3.91	
DRO >C10-C28	10000	50.0	02/24/2012	ND	158	79.2	200	8.16	

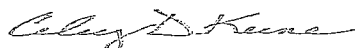
Surrogate: 1-Chlorooctane 112 % 55.5-154

Surrogate: 1-Chlorooctadecane 237 % 57.6-158

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	02/24/2012	Sampling Date:	02/22/2012
Reported:	02/29/2012	Sampling Type:	Soil
Project Name:	CHASE 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S-2 0' LOCATION (H200490-03)

BTEX 8021B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	02/28/2012	ND	1.97	98.5	2.00	3.27		
Toluene*	<0.050	0.050	02/28/2012	ND	2.13	107	2.00	4.13		
Ethylbenzene*	<0.050	0.050	02/28/2012	ND	2.18	109	2.00	4.04		
Total Xylenes*	<0.150	0.150	02/28/2012	ND	6.79	113	6.00	4.05		

Surrogate: 4-Bromofluorobenzene (PIL) 111 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	4400	16.0	02/27/2012	ND	416	104	400	0.00		
TPH 8015M		mg/kg		Analyzed By: MS						S-06
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<100	100	02/27/2012	ND	191	95.3	200	6.83		
DRO >C10-C28	6300	100	02/27/2012	ND	161	80.4	200	9.90		


Surrogate: 1-Chlorooctane 83.7 % 55.5-154

Surrogate: 1-Chlorooctadecane 161 % 57.6-158

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* = Accredited Analyte

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Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/24/2012
 Reported: 02/29/2012
 Project Name: CHASE 8 STATE NO. 2
 Project Number: 701307.036.01
 Project Location: SEC.8 - T17S - R29E

 Sampling Date: 02/22/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S-2 1' LOCATION (H200490-04)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 109 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	02/27/2012	ND	416	104	400	0.00	
TPH 8015M		mg/kg		Analyzed By: MS					

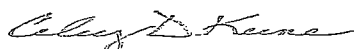
Surrogate: 1-Chlorooctane 87.0 % 55.5-154

Surrogate: 1-Chlorooctadecane 83.8 % 57.6-158

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	02/24/2012	Sampling Date:	02/22/2012
Reported:	02/29/2012	Sampling Type:	Soil
Project Name:	CHASE 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S-3 0' OFF LOCATION S (H200490-05)

BTEx 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	02/27/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/27/2012	ND	191	95.3	200	6.83	
DRO >C10-C28	<10.0	10.0	02/27/2012	ND	161	80.4	200	9.90	

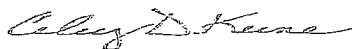
Surrogate: 1-Chlorooctane 83.7 % 55.5-154

Surrogate: 1-Chlorooctadecane 86.7 % 57.6-158

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/24/2012
 Reported: 02/29/2012
 Project Name: CHASE 8 STATE NO. 2
 Project Number: 701307.036.01
 Project Location: SEC.8 - T17S - R29E

 Sampling Date: 02/22/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S-3 1' OFF LOCATION S (H200490-06)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1200	16.0	02/27/2012	ND	416	104	400	0.00	
TPH 8015M	mg/kg		Analyzed By: MS						

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/27/2012	ND	191	95.3	200	6.83	
DRO >C10-C28	381	10.0	02/27/2012	ND	161	80.4	200	9.90	

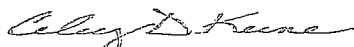
Surrogate: 1-Chlorooctane 85.8 % 55.5-154

Surrogate: 1-Chlorooctadecane 109 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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 the 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.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 02/24/2012
 Reported: 02/29/2012
 Project Name: CHASE 8 STATE NO. 2
 Project Number: 701307.036.01
 Project Location: SEC.8 - T17S - R29E

 Sampling Date: 02/22/2012
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S-4 0' OFF LOCATION W (H200490-07)

BTEX 8021B

mg/kg

Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 108 % 64.4-134

Chloride, SM4500Cl-B

mg/kg

Analyzed By: HM

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	528	16.0	02/27/2012	ND	416	104	400	0.00	

TPH 8015M

mg/kg

Analyzed By: MS

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/27/2012	ND	191	95.3	200	6.83	
DRO >C10-C28	70.8	10.0	02/27/2012	ND	161	80.4	200	9.90	

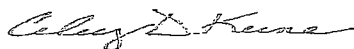
Surrogate: 1-Chlorooctane 99.6 % 55.5-154

Surrogate: 1-Chlorooctadecane 102 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celestine D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	02/24/2012	Sampling Date:	02/22/2012
Reported:	02/29/2012	Sampling Type:	Soil
Project Name:	CHASE 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S-4 1' OFF LOCATION W (H200490-08)

BTEX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/29/2012	ND	2.10	105	2.00	2.86	
Toluene*	<0.050	0.050	02/29/2012	ND	2.27	114	2.00	2.79	
Ethylbenzene*	<0.050	0.050	02/29/2012	ND	2.32	116	2.00	2.60	
Total Xylenes*	<0.150	0.150	02/29/2012	ND	7.29	122	6.00	2.38	

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	02/27/2012	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/27/2012	ND	191	95.3	200	6.83	
DRO >C10-C28	<10.0	10.0	02/27/2012	ND	161	80.4	200	9.90	


Surrogate: 1-Chlorooctane 96.2 % 55.5-154

Surrogate: 1-Chlorooctadecane 95.8 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

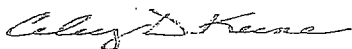
Notes and Definitions

S-06	The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
QM-10	LCS/LCSD were analyzed in place of MS/MSD.
ND	Analyte <i>NOT DETECTED</i> at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celest D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <u>Teton/LPE</u>				BILL TO				ANALYSIS REQUEST													
Project Manager: <u>Mike Stubblefield</u>				P.O. #:																	
Address: <u>408 West Teton Ave.</u>				Company: <u>Teton/LPE</u>																	
City: <u>Artesia</u> State: <u>N.M.</u> Zip: <u>88210</u>				Attn:																	
Phone #: <u>505-441-7254</u> Fax #:				Address:																	
Project #: <u>701302.036.01</u> Project Owner: <u>Cimarron Energy</u>				City:																	
Project Name: <u>Chase & State No. 2</u>				State: Zip:																	
Project Location: <u>sec. 8-T125-R29E</u>				Phone #:																	
Sampler Name: <u>Mike Stubblefield</u>				Fax #:																	
FOR LAB USE ONLY	Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX	PRESERV.	SAMPLING														
					GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER:	ACID/BASE: ICE/COOL OTHER:	DATE TIME	8015M TPH	8021B BTEX	Total chlorides											
	H200490																				
	1	S-1 0' off location east	G		/	/	2/22/2012 3:27P	/	/	/											
	2	S-1 1' off location east	G		/	/	2/22/2012 3:32P	/	/	/											
	3	S-2 0' location	G		/	/	2/22/2012 3:34P	/	/	/											
	4	S-2 1' location	G		/	/	2/22/2012 3:44P	/	/	/											
	5	S-3 0' off location south	G		/	/	2/22/2012 3:52P	/	/	/											
	6	S-3 1' off location south	G		/	/	2/22/2012 4:01P	/	/	/											
	7	S-4 0' off location west	G		/	/	2/22/2012 4:09P	/	/	/											
	8	S-4 1' off location west	G		/	/	2/22/2012 4:18P	/	/	/											

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 the client for the 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 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.

Relinquished By: <u>Mike Stubblefield</u>	Date: <u>2/24/2012</u> Time: <u>11:17 AM</u>	Received By: <u>Godi Benson</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:
Relinquished By:	Date:	Received By:	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - <u>Other</u>			REMARKS:
Sample Condition: Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: (Initials) <u>GB</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



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

March 12, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: CHASE 8 STATE NO. 2

Enclosed are the results of analyses for samples received by the laboratory on 03/06/12 11:18.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	03/06/2012	Sampling Date:	03/02/2012
Reported:	03/12/2012	Sampling Type:	Soil
Project Name:	CHASE 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S-1 1.5' (H200582-01)

TPH 8015M	mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	03/09/2012	ND	250	125	200	2.40	
DRO >C10-C28	2770	50.0	03/09/2012	ND	199	99.7	200	0.875	
Surrogate: 1-Chlorooctane	124 %	55.5-154							
Surrogate: 1-Chlorooctadecane	62.5 %	57.6-158							

Sample ID: S-1 2' (H200582-02)

TPH 8015M	mg/kg		Analyzed By: MS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	03/09/2012	ND	250	125	200	2.40	
DRO >C10-C28	193	10.0	03/09/2012	ND	199	99.7	200	0.875	
Surrogate: 1-Chlorooctane	118 %	55.5-154							
Surrogate: 1-Chlorooctadecane	117 %	57.6-158							

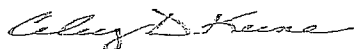
Sample ID: S-3 1.5' (H200582-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	03/08/2012	ND	416	104	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

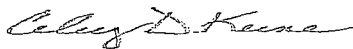
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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 the 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.



Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <u>Talon/LPE</u>				BILL TO				ANALYSIS REQUEST																		
Project Manager: <u>Mike Stubbelfield</u>				P.O. #:				<div style="display: flex; align-items: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Total Chloride</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">80157 TPH</div> </div>																		
Address: <u>408 West Texas Ave.</u>				Company: <u>Talon/LPE</u>																						
City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u>				Attn:																						
Phone #: <u>575-441-0254</u> Fax #:				Address:																						
Project #: <u>201302.036.0</u> Project Owner: <u>Comanche Energy</u>				City:																						
Project Name: <u>Chase 8 State No. 2</u>				State: Zip:																						
Project Location: <u>Sec. 8 T17S R29E</u>				Phone #:																						
Sampler Name: <u>Mike Stubbelfield</u>				Fax #:																						
FOR LAB USE ONLY				MATRIX		PRESERV		SAMPLING																		
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME												
<u>W200582</u>																										
<u>1</u>	<u>S-1 1.5'</u>	<u>G</u>				<u>/</u>				<u>/</u>			<u>3/2/2012</u>	<u>1:51P</u>												
<u>2</u>	<u>S-1 2'</u>	<u>G</u>				<u>/</u>				<u>/</u>			<u>3/2/2012</u>	<u>2:09P</u>												
<u>3</u>	<u>S-3 1.5'</u>	<u>G</u>				<u>/</u>				<u>/</u>			<u>3/2/2012</u>	<u>2:49P</u>												

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Relinquished By:	Date: <u>3/6/2012</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
<u>Mike Stubbelfield</u>	Time: <u>11:18 AM</u>	<u>Godi Benson</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:	
	Time:			
Delivered By: (Circle One)	Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - <u>Other</u>	Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(Initials) <u>GS</u>		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26



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

July 19, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: CHASER 8 STATE NO. 2

Enclosed are the results of analyses for samples received by the laboratory on 07/16/12 15:55.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	07/16/2012	Sampling Date:	07/16/2012
Reported:	07/19/2012	Sampling Type:	Soil
Project Name:	CHASER 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

Sample ID: S - 5 0' (H201622-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	07/18/2012	ND	400	100	400	3.92	
TPH 8015M		mg/kg		Analyzed By: AM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	07/18/2012	ND	166	83.1	200	7.23	
DRO >C10-C28	<10.0	10.0	07/18/2012	ND	171	85.7	200	6.06	
Surrogate: 1-Chlorooctane		74.9 %	65.2-140						
Surrogate: 1-Chlorooctadecane		101 %	63.6-154						

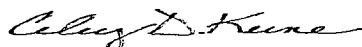
Sample ID: S - 5 1' (H201622-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	48.0	16.0	07/18/2012	ND	400	100	400	3.92	
TPH 8015M		mg/kg		Analyzed By: AM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	07/18/2012	ND	166	83.1	200	7.23	
DRO >C10-C28	<10.0	10.0	07/18/2012	ND	171	85.7	200	6.06	
Surrogate: 1-Chlorooctane		78.9 %	65.2-140						
Surrogate: 1-Chlorooctadecane		100 %	63.6-154						

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	07/16/2012	Sampling Date:	07/16/2012
Reported:	07/19/2012	Sampling Type:	Soil
Project Name:	CHASER 8 STATE NO. 2	Sampling Condition:	Cool & Intact
Project Number:	701307.036.01	Sample Received By:	Jodi Henson
Project Location:	SEC.8 - T17S - R29E		

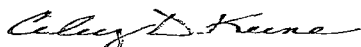
Sample ID: S - 6 0.5' (H201622-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	208	16.0	07/18/2012	ND	400	100	400	3.92		
TPH 8015M		mg/kg		Analyzed By: AM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	07/18/2012	ND	166	83.1	200	7.23		
DRO >C10-C28	55.4	10.0	07/18/2012	ND	171	85.7	200	6.06		
Surrogate: 1-Chlorooctane		78.2 %	65.2-140							
Surrogate: 1-Chlorooctadecane		99.4 %	63.6-154							

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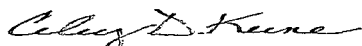
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

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Celey D. Keene, Lab Director/Quality Manager

[illegible]

FINAL C-141

RECEIVED

SEP 25 2012

NMOCD ARTESIA

Form C-141

Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

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

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company : Cimarex Energy (162683)	Contact : James Tinney
Address : 600 N Marienfeld Ste 600, Midland TX 79701	Telephone No. : 575-706-0095
Facility Name : Chaser 8 State #2	Facility Type:

Surface Owner :	Mineral Owner	Lease No. : API #30-015-37807 2RP-1041
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LOCATION OF RELEASE

Unit Letter H	Section 8	Township 17S	Range 29E	Feet from the 2310'	North/South Line FNL	Feet from the 990'	East/West Line FEL	County Eddy
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Latitude 32.85115 N Longitude -104.09144 W

NATURE OF RELEASE

Type of Release : Crude Oil & Produced Water	Volume of Release : 99 bbls Oil - 188 bbls Produced Water	Volume Recovered: 99 bbls Oil - 180 bbls Produced Water
Source of Release : Gasket malfunction	Date and Hour of Occurrence: 2/20/2012	Date and Hour of Discovery:
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Left message on voicemail for Mike Bratcher	
By Whom?	Date and Hour : 6/25/2011	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The gasket between the fire tube and production heater failed spraying oil and produced water out of the production heater. A vacuum truck was immediately called to pick up the standing fluid in the lined containment of the tank battery and put back into the stock tank. The production heater was isolated, repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contacted for the correction of the release. The impacted area between the meter run and berm was excavated to a depth of 0.5-feet. The impacted soil was transported to a NMOCD approved solid waste facility. The overspray area was Micro Blazed and analytical testing completed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" 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 a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>James Tinney</i> 9/24/12	Approved by District Supervisor:	
Printed Name: James Tinney	Approval Date:	Expiration Date:
Title: Production Foreman	Conditions of Approval:	
E-mail Address: jtinney@cimarex.com	Attached <input type="checkbox"/>	
Date: 08/20/2012 Phone: 575-706-0095		

* Attach Additional Sheets If Necessary