

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
20 S. St. Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company <i>CIMAREX ENERGY CO.</i>	Contact <i>Aaron Hamilton</i>
Address <i>508 W. Wall St. #600, MIDLAND, TX 79701</i>	Telephone No. <i>432-571-7800</i>
Facility Name <i>SKELLY PENMSE #90</i>	Facility Type <i>Oil & Gas</i>
Surface Owner <i>Sims ESTATE</i>	Mineral Owner
Lease No.	

LOCATION OF RELEASE *API # 30-025-33983*

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>A</i>	<i>10</i>	<i>23S</i>	<i>37E</i>	<i>160'</i>	<i>N</i>	<i>46'</i>	<i>E</i>	<i>LEA</i>

Latitude *N32° 19.524* Longitude *W103° 09.515'*

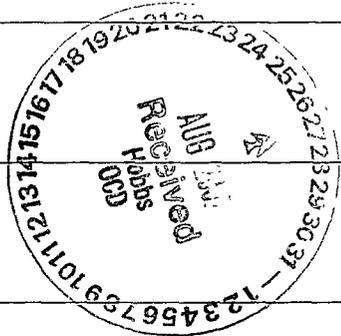
NATURE OF RELEASE

Type of Release <i>oil & water</i>	Volume of Release <i>180 bbls</i>	Volume Recovered <i>180 bbls</i>
Source of Release <i>Trunkline leak</i>	Date and Hour of Occurrence <i>8/17/06</i>	Date and Hour of Discovery <i>8/17/06</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>LEA COUNTY OFFICIAL</i>	<i>0900 hrs.</i>
By Whom? <i>Hugo Nagele, Jr.</i>	Date and Hour <i>8-17-06 0940 hours</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>N/A</i>	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
PIPELINE SPILL - SEE REPORTS ON FILE

Describe Area Affected and Cleanup Action Taken.*
SEE REPORTS ON FILE
FINAL DELINEATION SHOWS ANALYTICAL RESULTS NO CONTAMINATION AT 6' OR 10'



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.

Signature: <i>Aaron Hamilton by caw agent</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Aaron Hamilton</i>	<i>[Signature]</i> Approved by District Supervisor: ENVIRONMENTAL ENGINEER	
Title: <i>REGION PRODUCTION MANAGER</i>	Approval Date: <i>8-27-07</i>	Expiration Date:
E-mail Address: <i>ahamilton@cimarex.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>20 August 2007</i>	Phone: <i>432-571-7800</i>	

* Attach Additional Sheets If Necessary

1 RP 1012

Mr. Aaron Hamilton
CIMAREX ENERGY COMPANY
508 W. Wall Street
Suite 600
Midland, TX 79701-5073



20 August 2007

Mr. Larry Johnson
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, NM 88240

Re: Skelly Penrose No. 90 (Satellite No. 6 Trunk line) Final Report and Petition for Closure

Dear Mr. Johnson:

Pursuant to the data heretofore submitted to Lea County, New Mexico Oil Conservation Division (NMOCD) and the attached analytical data contained in this transmittal further delineating the extent of the spill cleanup for the Skelly Penrose No. 90 (Satellite Trunk line No. 6), please be advised Cimarex Energy Company herewith notifies NMOCD that it has completed remediation of the above cited hydrocarbon fluid release.

Final analytical obtained from this location after contaminated materials were removed during previous remediation efforts show no contamination at 6 feet and again at 10 feet. The following documents are herewith submitted as part of Cimarex's final report on the above cited hydrocarbon release for the Skelly Penrose No. 90: (1) C-141 Final Report, (2) NaCl₂ analyses (baseline/removal), (4) GRO/DRO analyses (baseline/removal), (5) State Engineer's Well Record submitted in earlier transmittals shows groundwater depth average at 66' bgs and a (6) summary table on laboratory analytical.

Cimarex Energy Company would like to thank you for the opportunity to work with Lea County regarding remediation of the Skelly Penrose No. 90 location. Your input and patience with our efforts has been much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Hamilton", written in a cursive style.

Aaron Hamilton
Region Production Manager

Enclosures: As Above

CIMAREX ENERGY COMPANY

SKELLY PENROSE #90 (SATELLITE #6 TRUNK LINE)

	At 6 Feet	At 10 Feet
Chloride	78.1 mg/Kg	32.9 mg/Kg
DRO	<50 mg/Kg	<50 mg/Kg
GRO	<1.00 mg/Kg	<1.00 mg/Kg

Summary Report

Aaron Hamilton
Cimarex-Midland
508 W. Wall Street #600
Midland, TX, 79701

Report Date: August 16, 2007

Work Order: 7081516



Project Location: S10 T23S R37E A
Project Name: Skelly Penrose #90 (Satelite #6 Trunkline)
Project Number: API- 30-025-33983

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
133146	Trangle @ 6'	soil	2007-08-13	12:00	2007-08-15
133147	Trangle @ 10'	soil	2007-08-13	12:30	2007-08-15

Sample - Field Code	TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
133146 - Trangle @ 6'	<50.0	<1.00
133147 - Trangle @ 10'	<50.0	<1.00

Sample: 133146 - Trangle @ 6'

Param	Flag	Result	Units	RL
Chloride		78.1	mg/Kg	5.00

Sample: 133147 - Trangle @ 10'

Param	Flag	Result	Units	RL
Chloride		32.9	mg/Kg	5.00

Summary Report

Aaron Hamilton
 Cimarex-Midland
 508 W. Wall Street #600
 Midland, TX, 79701

Report Date: August 7, 2007

Work Order: 7080611



Project Location: S10 T23S R37E A
 Project Name: Skelly Penrose #90 (Satelite #6 Trunkline)
 Project Number: API- 30-025-33983

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
132160	N Side Composite	soil	2007-08-01	08:00	2007-08-06
132161	S Side Composite	soil	2007-08-01	08:20	2007-08-06
132162	E Area Composite	soil	2007-08-01	08:30	2007-08-06
132163	W Area Composite	soil	2007-08-01	08:40	2007-08-06
132164	Background Composite	soil	2007-08-01	09:00	2007-08-06

Sample - Field Code	TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
132160 - N Side Composite	<50.0	<1.00
132161 - S Side Composite	<50.0	<1.00
132162 - E Area Composite	<50.0	<1.00
132163 - W Area Composite	<50.0	<1.00
132164 - Background Composite	<50.0	<1.00

Sample: 132160 - N Side Composite

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 132161 - S Side Composite

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 132162 - E Area Composite

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 132163 - W Area Composite

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00

Sample: 132164 - Background Composite

Param	Flag	Result	Units	RL
Chloride		<50.0	mg/Kg	5.00