

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

Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

795E00903047519

| | | | |
|-------------------|---|--|---------------------------------------|
| OPERATOR | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company | Cimarex Energy Co. of Colorado 162683 | Contact | Zeno Farris |
| Address | 5215 N. O'Connor Blvd. Ste 1500; Irving, TX 75039 | Telephone No. | 972-443-6489 |
| Facility Name | County Line 1 Fed #3 | Facility Type | 500 bbl water tank |
| Surface Owner BLM | | Mineral Owner | BLM |
| | | Lease No. | E0-5855 |

3001536621

| LOCATION OF RELEASE | | | | | | | | County |
|---------------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | |
| I Lot 9J | 1 | 16S | 29E | 4080 | South | 330 | East | Eddy |

Latitude 32° 57' 16.56" N Longitude 104° 01' 14.52"

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|--------------------------|----------------------------|-----------------|
| Type of Release | Flowback Water | Volume of Release | 550 bbls | Volume Recovered | 0 bbls |
| Source of Release | Backside valve of Frac tank | Date and Hour of Occurrence | 1-25-09 PM | Date and Hour of Discovery | 9:00 AM 1-26-09 |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Gerry Guye NMOCD Artesia | | |
| By Whom? | Zeno Farris | Date and Hour | 1-27-09, 2:00 PM | | |
| 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.*

Pro Well Testing flowback hand was transferring frac water from the flowback tank to the frac (storage) tank. The backside valve of the storage tank was left open by Pro Well from previous haul off. Frac water contained high chloride content based on sample taken from water left in tank. No standing water in affected area so no remedial action taken. See proposed cleanup below.

Describe Area Affected and Cleanup Action Taken.*

Affected area is approximately 15' fanning to 40' wide by 200' long off the south edge of the well pad. Will excavate affected area and haul to CRI Disposal. Phoenix Environmental will grid sample remainder to conform with state standards. Will then backfill area with new topsoil. Southern New Mexico has surveyed area outside well pad buffer and given arch clearance to excavate.

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>Zeno Farris</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Zeno Farris | Approved by District Supervisor: <i>John Myers</i> | * Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date. |
| Title: Mgr Operations Admin | Approval Date: <i>1-30-09</i> | Expiration Date: <i>*3-30-09</i> |
| E-mail Address: <i>zfarris@cimarex.com</i> | Conditions of Approval: <i>2RP-295</i> | Attached <input checked="" type="checkbox"/> |

NMOCD approval shall be obtained prior to any backfilling activities.

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 30, 2009

Cimarex Energy Company of Colorado
5215 N O'Connor Blvd., Suite 1500
Irving, TX 75039

RE: County Line 1 Federal 003 30-015-36621
I-1-16S-29E Eddy County, New Mexico
2RP-295

Dear Operator:

NMOCD Rule 19.15.29.11 NMAC states in part, "The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC."

A guide document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:
http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

This office is in receipt of your C-141 regarding the produced fluids release at this facility occurring on or about January 25, 2009. Included on the Initial Report C-141 is a plan to excavate the affected area and haul to disposal. Phoenix Environmental is "to grid sample remainder to conform with state standards" and will backfill area with new topsoil.

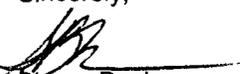
The plan is accepted with the following stipulations:

- Notify the OCD 48 hours prior to obtaining samples where analyses are to be submitted to the OCD. Notification is to include date and time of sample event.
- Provide OCD soil analyses for approval **prior** to any backfilling activities.
- Submit a Final Report Form C-141 upon satisfactory completion of activities.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation to be completed on or before **March 30, 2009**.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II
575.748.1283 X109

