

RECEIVED

APR 27 2011

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

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

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

Release Notification and Corrective Action

NMLB1112934885

OPERATOR

Initial Report Final Report

Name of Company-Cimarex Energy <i>162683</i>	Contact- James Tinney
Address-600 N Marienfeld Ste 600, Midland Tx 79701	Telephone No. 575 706 0095
Facility Name- Palmillo State Com #2	Facility Type- Tank battery

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

30-015-22343

LOCATION OF RELEASE

Unit Letter J	Section 32	Township 18S	Range 29E	Feet from the 1796	North/South Line South	Feet from the 1980	East/West Line East	County - Eddy
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	---------------

Latitude-32° 42' 07.16"

Longitude-104° 05' 42.87" W

NATURE OF RELEASE

Type of Release- crude oil	Volume of Release-385 bbls	Volume Recovered-20 bbls
Source of Release- 2" X 4" connection on back of oil tank (corrosion)	Date and Hour of Occurrence- 3-13-11	Date and Hour of Discovery: 3-13-11 9:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mr. Mike Bratcher, NMOCD	
By Whom? Bill Hope (pumper) James Tinney (APF)	Date and Hour 3-13-11 9:30 AM called OCD @ 12:00pm	
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.*

Internal corrosion caused a rupture in the back of the tank. Vac truck onsite to recover standing fluid.

Describe Area Affected and Cleanup Action Taken.*

SESI was contacted for assessment. Area will be delineated and an appropriate work plan will be submitted to NMOCD.

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: James Tinney <i>James Tinney</i>	OIL CONSERVATION DIVISION	
Printed Name: James Tinney	Signed By <i>Mike Bratcher</i> Approved by District Supervisor	
Title: Assistant Production Foreman	Approval Date: <i>5/9/2011</i>	Expiration Date:
E-mail Address: jtinney@cimarex.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3-13-11 Phone: 575-706-0095	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

* Attach Additional Sheets If Necessary

SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:

6/9/2011

2RP-776