

istrict I  
 25 N. French Dr., Hobbs, NM 88240  
 istrict II  
 01 W. Grand Avenue, Artesia, NM 88210  
 istrict III  
 00 Rio Brazos Road, Aztec, NM 87410  
 istrict 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-Cimarex Energy	Contact- Marty Davis
Address-600 N Marienfeld Ste 600, Midland TX 79059	Telephone No.575-605-5509
Facility Name- Pennzoil 36 State Com. #2	Facility Type- Tank battery and Production well
Surface Owner	Mineral Owner: State
	Lease No. API 30-025-35971

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	36	19S	33 E	1050'	North	1210'	East	Lea

Latitude-N 32.621074 Longitude-W 103.611846

**NATURE OF RELEASE**

Type of Release- Crude oil & water mixture	Volume of Release-13 BBLS	Volume Recovered- 2 BBLS
Source of Release-Internal Corrosion of separator	Date and Hour of Occurrence- 12-03-10 11 AM MT	Date and Hour of Discovery 12-03-10 12 PM MT
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoff Leking, NMOCD	
By Whom? Marty Davis	Date and Hour: 12-03-10 1:15 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.\*

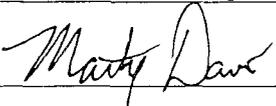
Describe Cause of Problem and Remedial Action Taken.\*

Internal Corrosion at the bottom of the separator: Vacuum truck recovered 2 barrels of free standing product.

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.

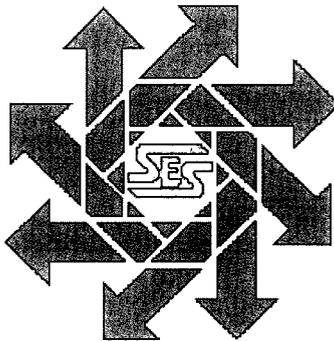
Signature: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Marty Davis	ENV ENGINEER: Approved by District Supervisor: 	
Title: Production Superintendent	Approval Date: 12/14/10	Expiration Date: 02/14/11
E-mail Address: mdavis@cimarex.com	Conditions of Approval: SUBMIT FINAL C-141 By 02/14/11.	Attached <input type="checkbox"/>
Date: 12/10/10 Phone: (575) 605-5509		IRP-02-11-2683

Attach Additional Sheets If Necessary

**Cimarex Energy Company  
Pennzoil 36 State Com. #2  
Unit A Section 36, Township 19S, Range 33E  
Lea County, New Mexico**

**Closure Plan**

**December 29, 2010**



**Prepared for:**

**Cimarex Energy Company  
600 North Marienfeld, Suite 600  
Midland, Texas 79701**

**By:**

**Safety & Environmental Solutions, Inc.  
703 East Clinton Street  
Hobbs, New Mexico 88240  
(575) 397-0510**

APPROVED W/ FOLLOWING  
CONDITION:  
- PLACE 20 MIL PLASTIC  
LINER AT AREA OF  
MICRO CONTAMINATION  
AT PIPELINES/RELEASE  
POINT  
Jeffrey Lehman  
Environmental Engineer  
NMOC - HOBBS  
01/05/11

TABLE OF CONTENTS

I. COMPANY CONTACTS ..... 1

II. BACKGROUND ..... 1

III. SURFACE AND GROUND WATER ..... 1

IV. SOILS ..... 1

V. CHARACTERIZATION ..... 1

VI. WORK PERFORMED ..... 2

VII. CONCLUSION ..... 2

VIII. FIGURES AND APPENDICES ..... 2

    Figure 1 – Vicinity Map ..... 3

    Figure 2 - Site Map ..... 4

    Appendix A– Analytical Results ..... 5

    Appendix B– Site Photographs ..... 6

    Appendix C– C-141 ..... 7

APPROVED WITH FOLLOWING  
CONDITION:

- PLACE 20 MIL PLASTIC  
LINER AT AREA OF  
HIGH CONTAMINATION  
AT PIPELINES/ RELEASE  
POINT

Jeffrey Lamy  
Environmental Engineer  
NMCD-HOBBS  
01/05/11

**I. Company Contacts**

Company Representative	Company	Telephone	E-mail
Marty Davis	Cimarex Energy Co.	575-605-5509	mdavis@cimarex.com
Bob Allen	SESI	575-397-0510	ballen@sesi-nm.com

**II. Background**

Safety and Environmental Solutions, Inc. (SESI) was engaged by Cimarex Energy Company to perform a site assessment at the Pennzoil 36 State Com. #2. This location is the site of an active well and battery. The location is located in Section 36, Township 19 South, and Range 33 East. The separator had a release in the bottom of the tank releasing approximately 13 barrels of produced fluids with a recovery of 2 barrels.

**III. Surface and Ground Water**

According to the database provided by the USGS the closest groundwater of record is in Section 26, Section 19S, Range 33E. The depth of water in this well was 85' in January 1996.

**IV. Soils**

The surface soils in the area are predominantly sand.

**V. Characterization**

The target cleanup levels are reached by the application of the "Unlined Surface Impoundment Closure Guidelines New Mexico Oil Conservation Division (NMOCD) – February, 1993 to this site is 1000 parts per million (ppm) Total Petroleum Hydrocarbons (TPH). Application of the New Mexico Oil Conservation Division's ranking criteria for contaminated soils at this site is presented below:

<b>Depth to Ground Water:</b>			
(Vertical distance from contaminants to seasonal high water elevation of groundwater)	Less than 50 feet	20 points	
	50 feet to 99 feet	10 points	X
	>100 feet	0 points	
<b>Wellhead Protection Area:</b>			
(Less than 200 feet from a private domestic water source; or less than 1000 feet from all other water sources)	Yes	20 points	
	No	0 points	X
<b>Distance to Surface Water:</b>			
(Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	20 points	
	200 feet to 1000 feet	10 points	
	>1000 feet	0 points	X
<b>RANKING SCORE (TOTAL POINTS)</b>			<b>10</b>

## VI. Work Performed

On December 20, 2010 Safety and Environmental Solutions, Inc. contracted Custom Welding to perform excavation at release area. The release area was excavated between depths of five (5) feet below grade surface (bgs) and six (6) feet below grade surface. Grab samples were retrieved at bottom of excavation and three (3) point composite samples were retrieved from east wall and west wall. Samples were then transported under Chain of Custody to Cardinal Laboratories in Hobbs, NM to be analyzed for Total Petroleum Hydrocarbons (EPA Method 418.1) Chlorides (EPA Method 4500B) and Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX EPA Method 8260B):

The results are as follows:

Sample ID	Benzene (mg/kg)	Toluene (mg/kg)	EthylBenzene (mg/kg)	Xylenes (mg/kg)	TPH (mg/kg)	Chlorides (mg/kg)
SP #1 5'bgs	<0.050	<0.050	0.056	0.244	2,010	<16.0
SP #2 6'bgs	<0.050	<0.050	<0.050	<0.150	337	<16.0
SP #3 5'bgs	<0.050	<0.050	<0.050	<0.150	<100	16.0
SP #4 6"bgs	<0.050	<0.050	<0.050	<0.150	<100	32.0
East Wall	<0.050	<0.050	<0.050	<0.150	195	32.0
South Wall	<0.050	<0.050	<0.050	<0.150	<100	16.0
West Wall	<0.050	0.814	2.42	8.04	7,440	144
North Wall	<0.050	<0.050	<0.050	<0.150	<100	32.0

Approximately 226 yards of contaminated soils were transported to Controlled Recovery, Inc. for disposal.

## VII. Conclusion

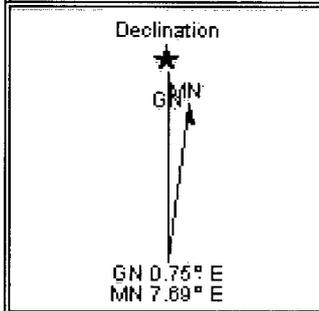
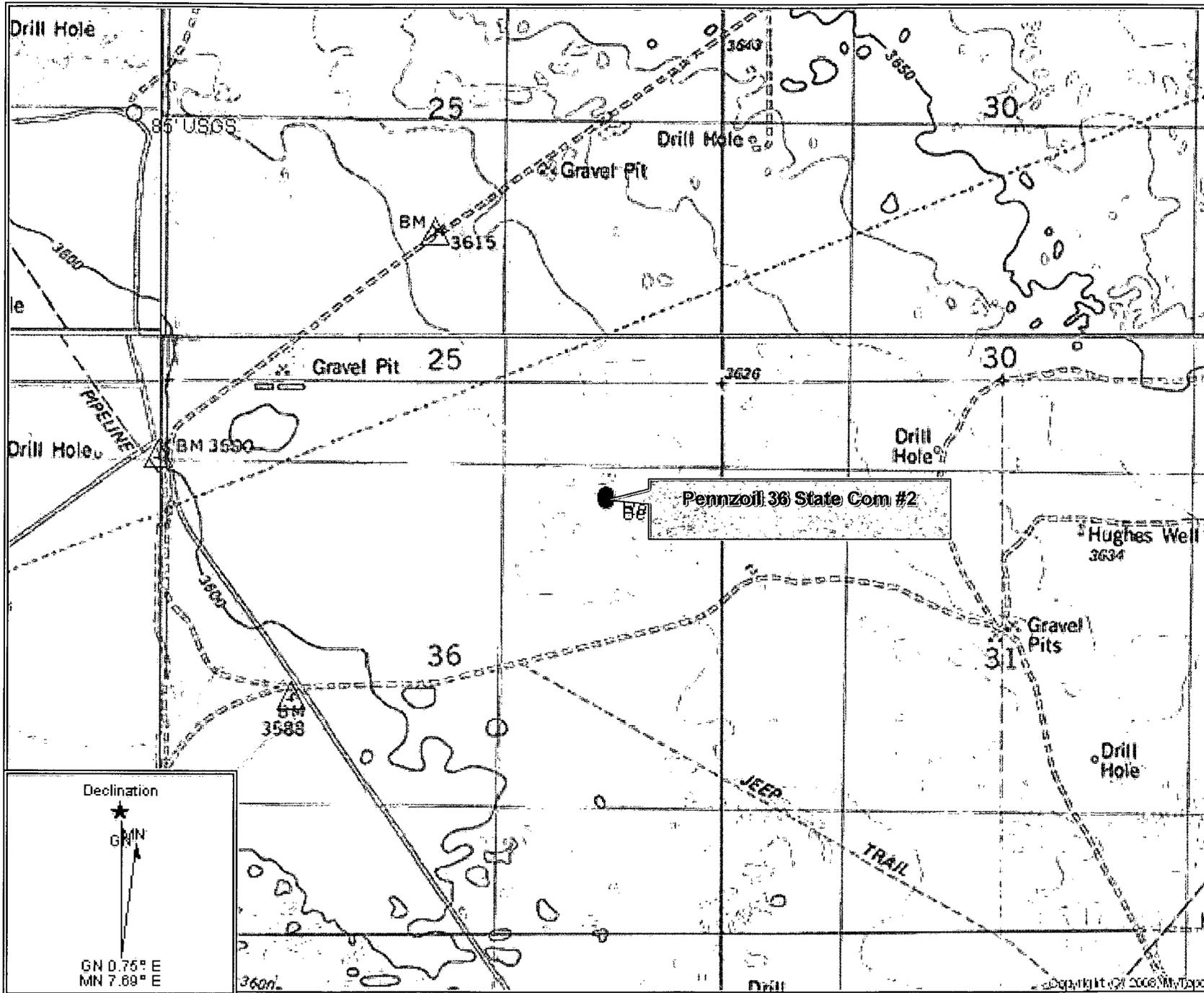
Remedial actions at this site have all been performed with the approval of, and in accordance with all New Mexico Oil Conservation Division (NMOCD) requirements.

As a result, we respectfully submit this closure report for your consideration and approval. It is requested that the excavated area be backfilled with like soils and contoured to natural grade and reseeded in the spring to support vegetation growth.

## VIII. Figures and Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Map
- Appendix A – Analytical Results
- Appendix B – Site Photographs
- Appendix C – C-141

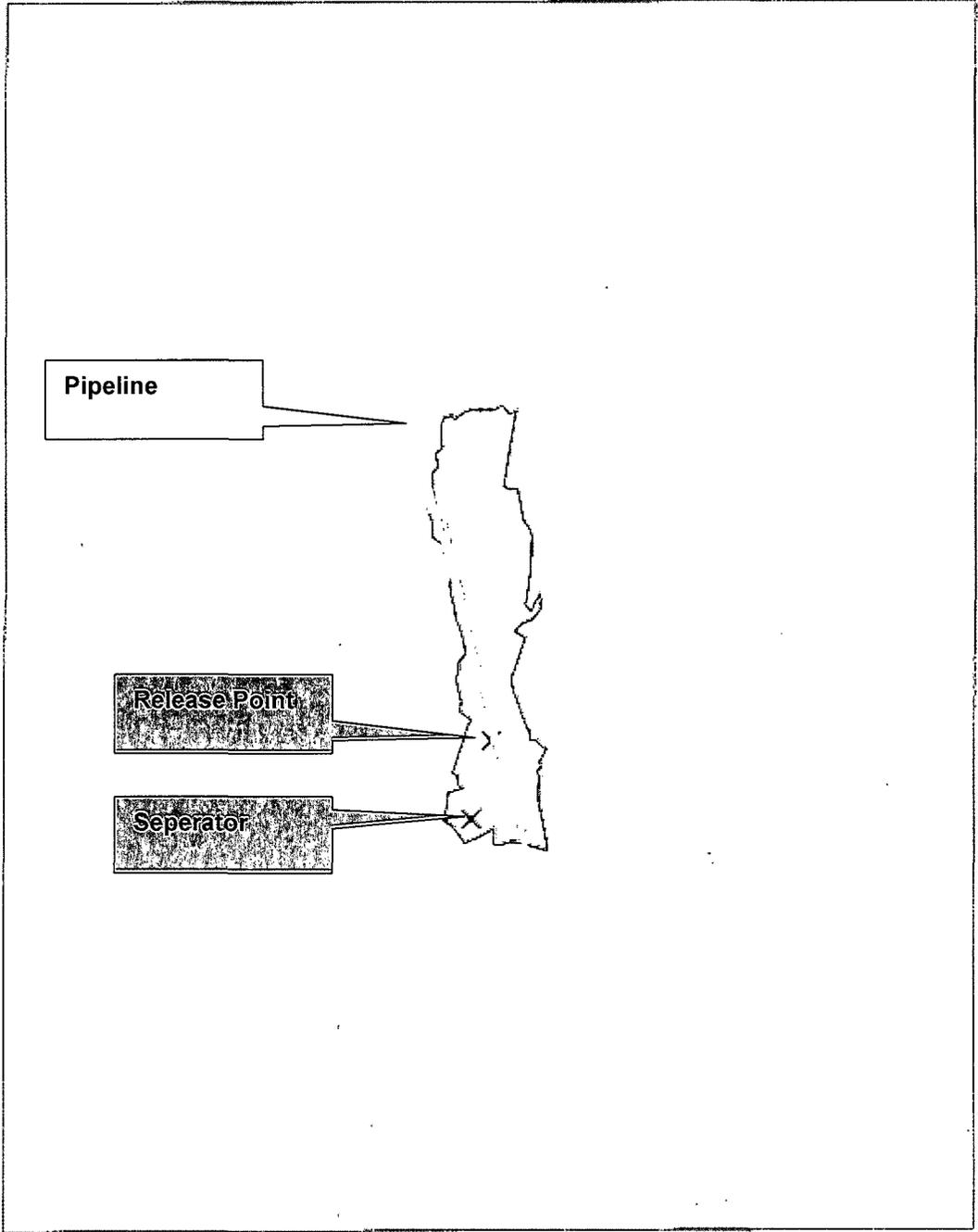
**Figure 1**  
**Vicinity Map**



Map Name: LEA,  
 Map Center: 032° 37' 15.00" N 103° 36' 42.00" W

Scale: 1 inch = 1,500 ft.  
 Horizontal Datum: WGS84

**Figure 2  
Site Map**



CIM-10-019: 2,520 sq ft

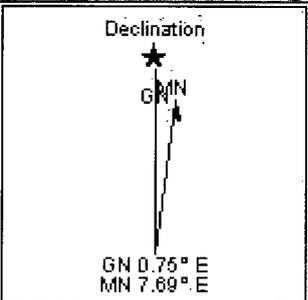
Lat/Long  
WGS 1984



Scale 1 in : 50.0 ft  
0 70.00  
Feet

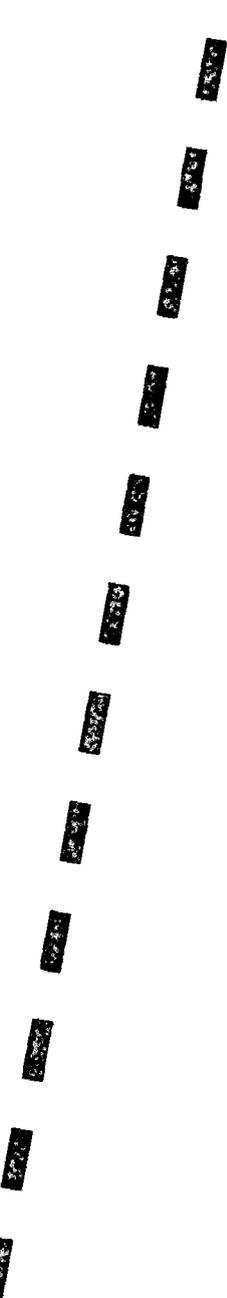
site map.cor  
12/13/2010  
GPS Pathfinder<sup>®</sup> Office





Map Name: NW LEA, NM  
Map Center: 032° 37' 15.00" N 103° 36' 42.00" W

Scale: 1 inch = 250 ft.  
Horizontal Datum: WGS84



## **Appendix A Analytical Results**



December 28, 2010

Bob Allen  
Safety & Environmental Solutions  
703 East Clinton  
Hobbs, NM 88240

RE: CIM-10-019

Enclosed are the results of analyses for samples received by the laboratory on 12/21/10 15:40.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

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 (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 cursive script that reads "Celey D. Keene".

Celey D. Keene  
Lab Director/Quality Manager

**Analytical Results For:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received:	12/21/2010	Sampling Date:	12/21/2010
Reported:	12/28/2010	Sampling Type:	Soil
Project Name:	CIM-10-019	Sampling Condition:	Cool & Intact
Project Number:	PENNZOIL 36-2	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

**Sample ID: SP #1 5' BGS (H021581-01)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7	
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6	
<b>Ethylbenzene*</b>	<b>0.056</b>	0.050	12/23/2010	ND	2.28	114	2.00	19.1	
<b>Total Xylenes*</b>	<b>0.244</b>	0.150	12/23/2010	ND	6.78	113	6.00	20.2	

*Surrogate: 4-Bromofluorobenzene (PIL) 102% 70-130*

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	12/22/2010	ND	432	108	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<b>2010</b>	100	12/22/2010	ND	1200	120	1000	1.65	

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received:	12/21/2010	Sampling Date:	12/21/2010
Reported:	12/28/2010	Sampling Type:	Soil
Project Name:	CIM-10-019	Sampling Condition:	Cool & Intact
Project Number:	PENNZOIL 36-2	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

**Sample ID: SP #2 6' BGS (H021581-02)**

BTX 8021B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7		
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6		
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1		
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2		

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 70-130

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	12/22/2010	ND	432	108	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	337	100	12/22/2010	ND	1200	120	1000	1.65		

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received: 12/21/2010  
 Reported: 12/28/2010  
 Project Name: CIM-10-019  
 Project Number: PENNZOIL 36-2  
 Project Location: LEA COUNTY, NM

Sampling Date: 12/21/2010  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: SP #3 5' BGS (H021581-03)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7	
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6	
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1	
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2	

*Surrogate: 4-Bromofluorobenzene (PIL) 107% 70-130*

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
<b>Chloride</b>	<b>16.0</b>	16.0	12/22/2010	ND	432	108	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<100	100	12/22/2010	ND	1200	120	1000	1.65	

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received: 12/21/2010  
 Reported: 12/28/2010  
 Project Name: CIM-10-019  
 Project Number: PENNZOIL 36-2  
 Project Location: LEA COUNTY, NM

Sampling Date: 12/21/2010  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: SP #4 6" BGS (H021581-04)**

BTX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7	
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6	
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1	
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2	

*Surrogate: 4-Bromofluorobenzene (PII) 110% 70-130*

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	12/22/2010	ND	432	108	400	0.00	
----------	------	------	------------	----	-----	-----	-----	------	--

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier

TPH 418.1	<100	100	12/22/2010	ND	1200	120	1000	1.65	
-----------	------	-----	------------	----	------	-----	------	------	--

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received: 12/21/2010  
 Reported: 12/28/2010  
 Project Name: CIM-10-019  
 Project Number: PENNZOIL 36-2  
 Project Location: LEA COUNTY, NM

Sampling Date: 12/21/2010  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: EAST WALL (H021581-05)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7	
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6	
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1	
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2	

*Surrogate: 4-Bromofluorobenzene (PIL) 110 % 70-130*

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	12/22/2010	ND	432	108	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	195	100	12/22/2010	ND	1200	120	1000	1.65	

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received: 12/21/2010  
 Reported: 12/28/2010  
 Project Name: CIM-10-019  
 Project Number: PENNZOIL 36-2  
 Project Location: LEA COUNTY, NM

Sampling Date: 12/21/2010  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: SOUTH WALL (H021581-06)**

BTEX 8021B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7		
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6		
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1		
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2		

Surrogate: 4-Bromofluorobenzene (PIL) 112 % 70-130

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	12/22/2010	ND	432	108	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	12/22/2010	ND	1200	120	1000	1.65		

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received:	12/21/2010	Sampling Date:	12/21/2010
Reported:	12/28/2010	Sampling Type:	Soil
Project Name:	CIM-10-019	Sampling Condition:	Cool & Intact
Project Number:	PENNZOIL 36-2	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

**Sample ID: WEST WALL (H021581-07)**

BTEX 8021B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7		
Toluene*	<b>0.814</b>	0.050	12/23/2010	ND	2.21	110	2.00	17.6		
Ethylbenzene*	<b>2.42</b>	0.050	12/23/2010	ND	2.28	114	2.00	19.1		
Total Xylenes*	<b>8.04</b>	0.150	12/23/2010	ND	6.78	113	6.00	20.2		

Surrogate: 4-Bromofluorobenzene (PIL 110 % 70-130)

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<b>144</b>	16.0	12/22/2010	ND	432	108	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<b>7440</b>	500	12/22/2010	ND	1200	120	1000	1.65		

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:**

Safety & Environmental Solutions  
 Bob Allen  
 703 East Clinton  
 Hobbs NM, 88240  
 Fax To: (575) 393-4388

Received:	12/21/2010	Sampling Date:	12/21/2010
Reported:	12/28/2010	Sampling Type:	Soil
Project Name:	CIM-10-019	Sampling Condition:	Cool & Intact
Project Number:	PENNZOIL 36-2	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NM		

**Sample ID: NORTH WALL (H021581-08)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/23/2010	ND	2.10	105	2.00	16.7	
Toluene*	<0.050	0.050	12/23/2010	ND	2.21	110	2.00	17.6	
Ethylbenzene*	<0.050	0.050	12/23/2010	ND	2.28	114	2.00	19.1	
Total Xylenes*	<0.150	0.150	12/23/2010	ND	6.78	113	6.00	20.2	

Surrogate: 4-Bromofluorobenzene (PIL) 105 % 70-130

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	12/22/2010	ND	432	108	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<100	100	12/22/2010	ND	1200	120	1000	1.65	

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

**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: <i>SECF</i>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>																					
Project Manager: <i>Bob Allen</i>		P.O. #:																							
Address: <i>703 E Clinton</i>		Company:																							
City: <i>Hobbs</i> State: <i>NM</i> Zip: <i>88240</i>		Attn:																							
Phone #: <i>575-397-0510</i> Fax #:		Address: <i>SAME</i>																							
Project #: <i>Cim-10-019</i> Project Owner: <i>Cimarex</i>		City:																							
Project Name: <i>Pennzoil 36-2</i>		State: Zip:																							
Project Location: <i>Lea, NM</i>		Phone #:																							
Sampler Name: <i>Isaac Kincaid</i>		Fax #:																							
FOR LAB USE ONLY																									
Lab I.D.	Sample I.D.	IGIRAB OR (O)IMP.	# CONTAINERS	MATRIX				PRESERV.	SAMPLING																
				GROUNDWATER	WASTEWATER	SOIL	SOIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME											
<i>H21581-1</i>	<i>Sp #1 5' bgs</i>	<i>6</i>	<i>1</i>										<i>12/21/10</i>	<i>1150</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>								
<i>2</i>	<i>Sp #2 6' bgs</i>													<i>1340</i>											
<i>3</i>	<i>Sp #3 5' bgs</i>													<i>1200</i>											
<i>4</i>	<i>Sp #4 6" bgs</i>													<i>1205</i>											
<i>5</i>	<i>East Wall</i>													<i>1210</i>											
<i>6</i>	<i>South Wall</i>													<i>1350</i>											
<i>7</i>	<i>West Wall</i>													<i>1215</i>											
<i>8</i>	<i>North Wall</i>													<i>1230</i>	<i>✓</i>	<i>✓</i>	<i>✓</i>								

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 analytical 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:	Date: <i>12/21/10</i>	Received By: <i>Jodi Benson</i>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date: <i>1540</i>	Received By:	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
REMARKS:				
Delivered By: (Circle One)	Sample Condition	CHECKED BY: (Initials)		
<input checked="" type="radio"/> UPS - <input type="radio"/> Bus - <input type="radio"/> Other:	<i>6°C</i>	<i>JA</i>		

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

**Appendix B**  
**Site Photographs**

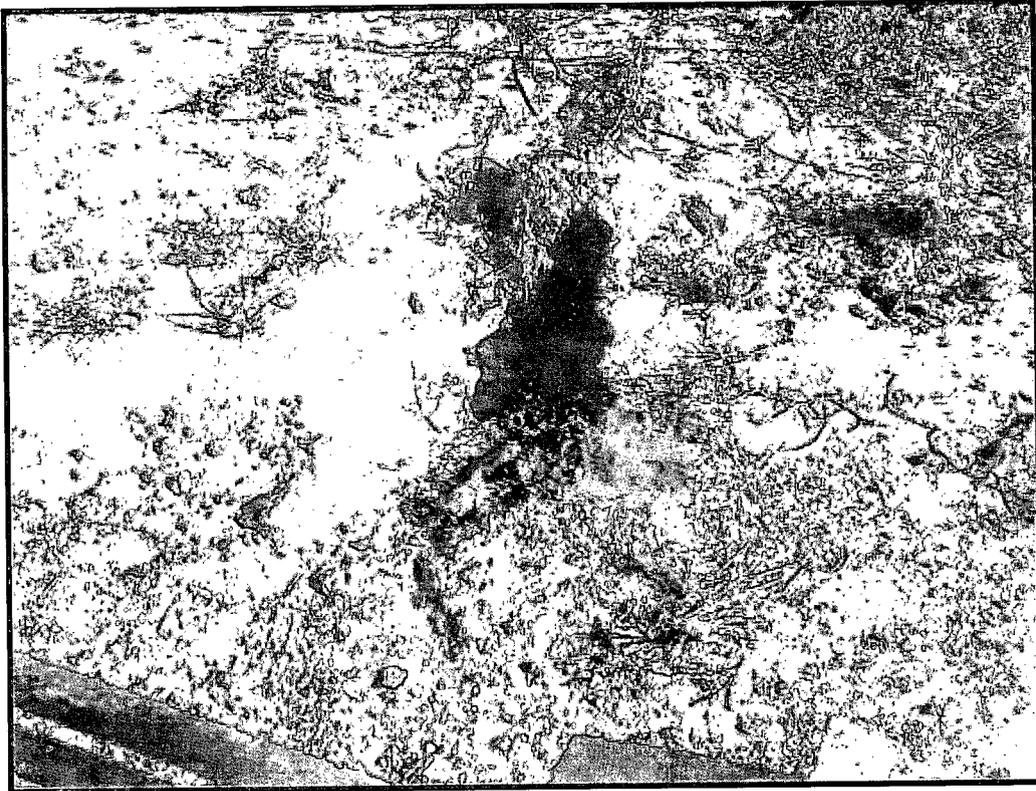
Cimarex Pennzoil 36-2 Site Photos 12-10-10



Well Sign



Release area facing south



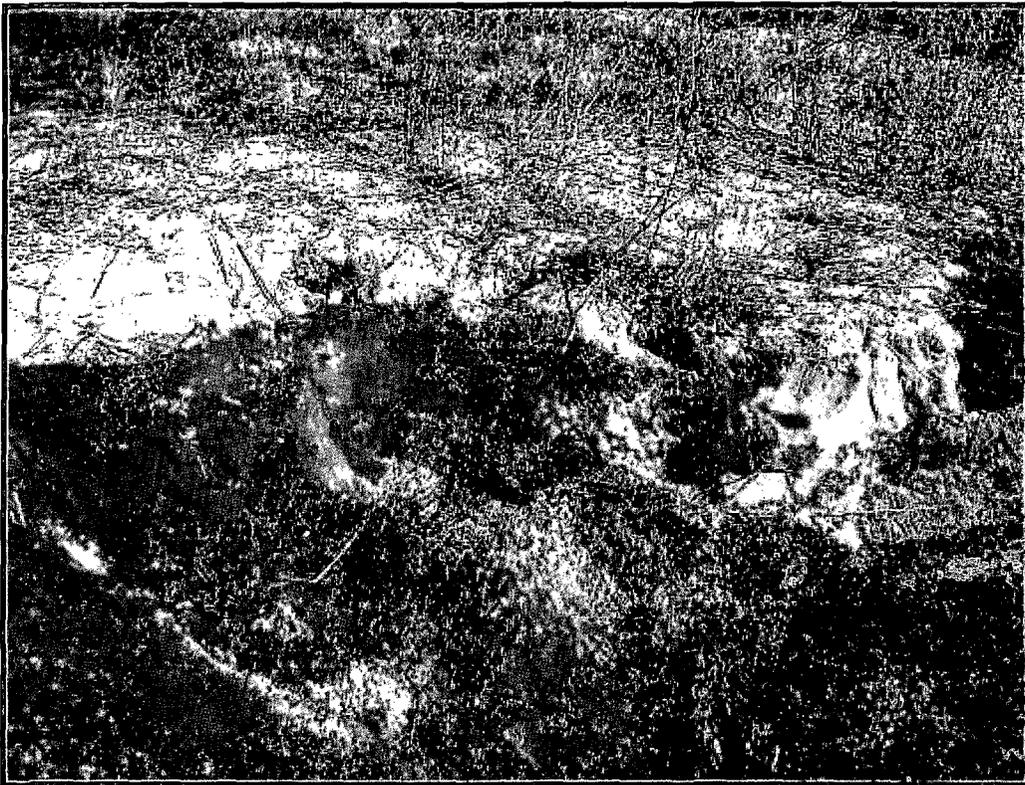
Location area with staining



Release area facing northeast



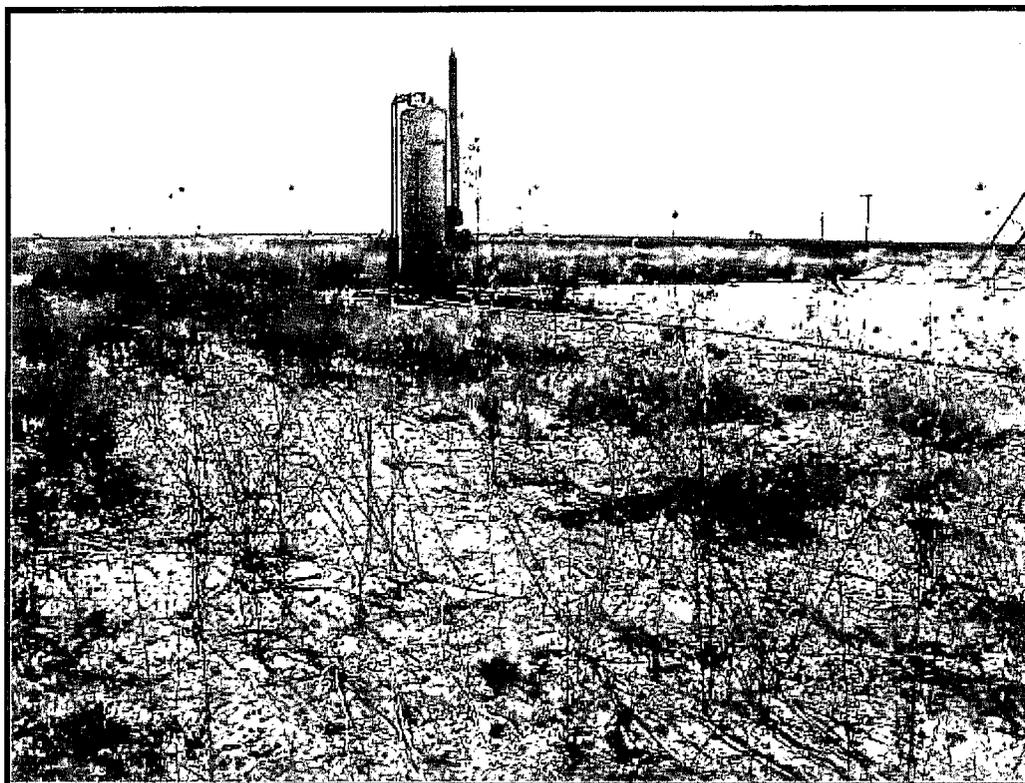
Release area with staining



Release area with staining



Release area with staining facing east



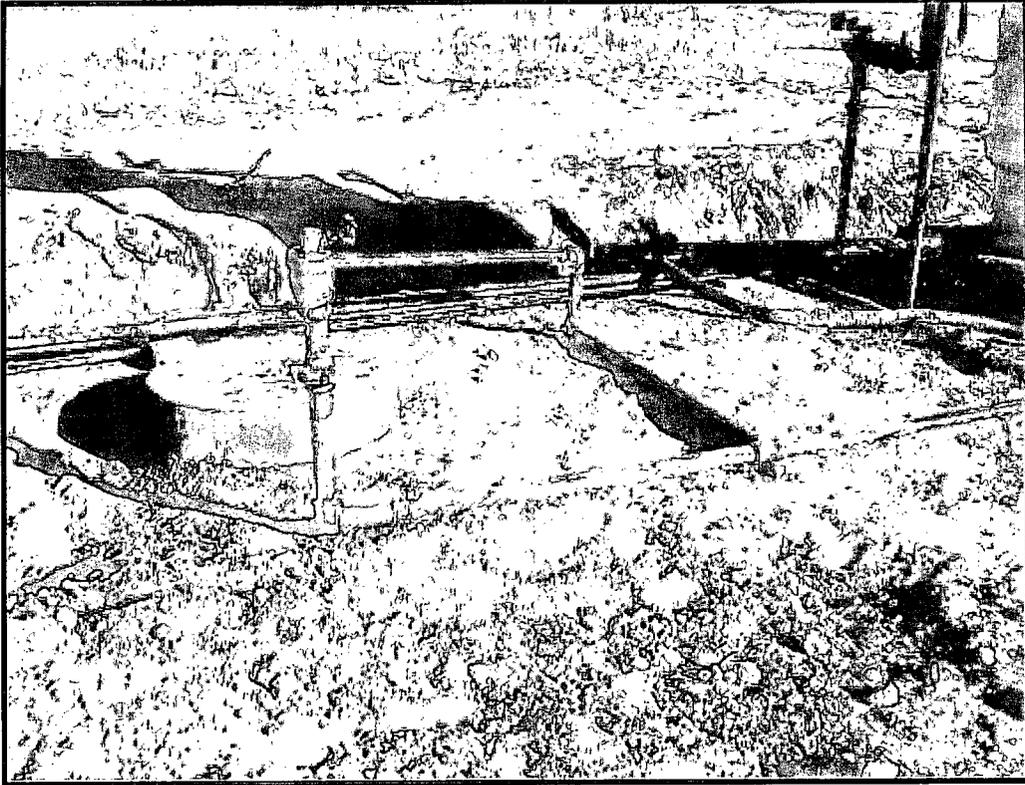
Release area facing southwest



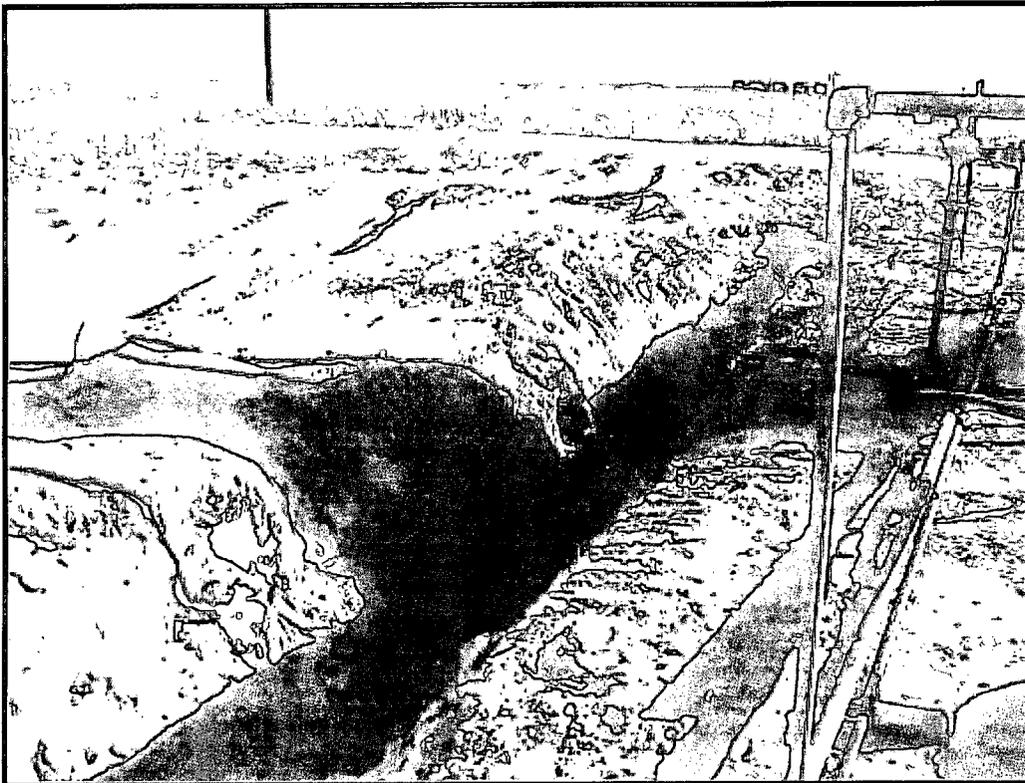
Release area facing south



Release area excavated facing south



Release area excavated facing east



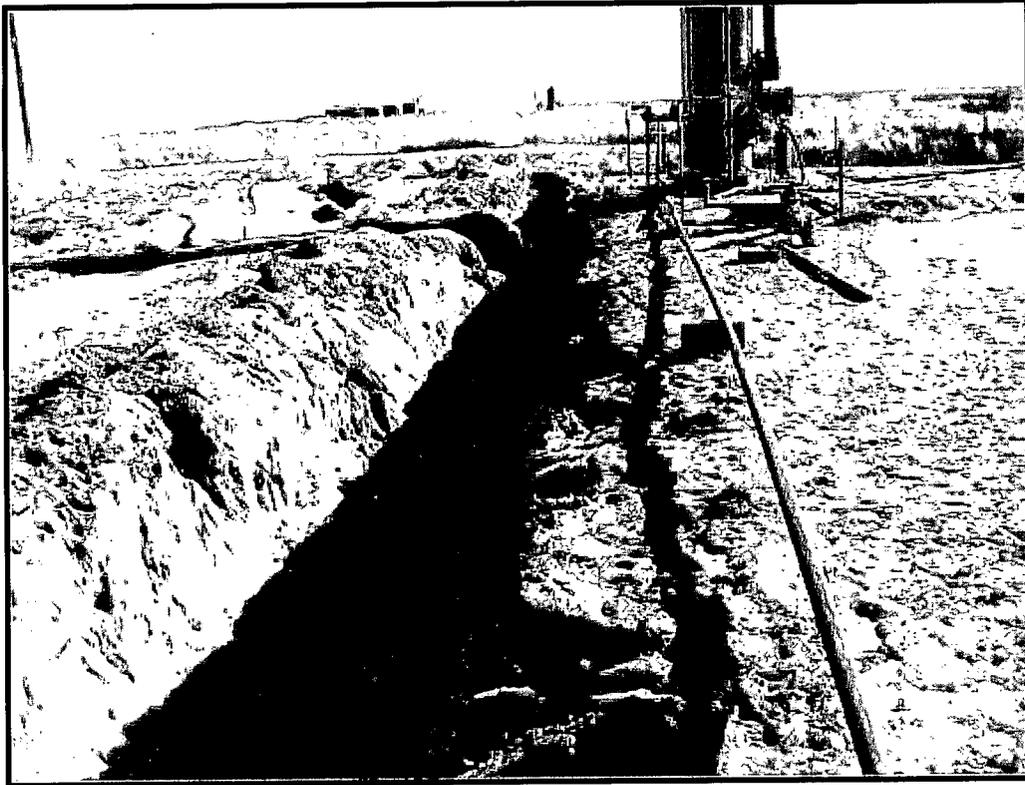
Release area excavated facing southeast



Release area excavated facing northeast



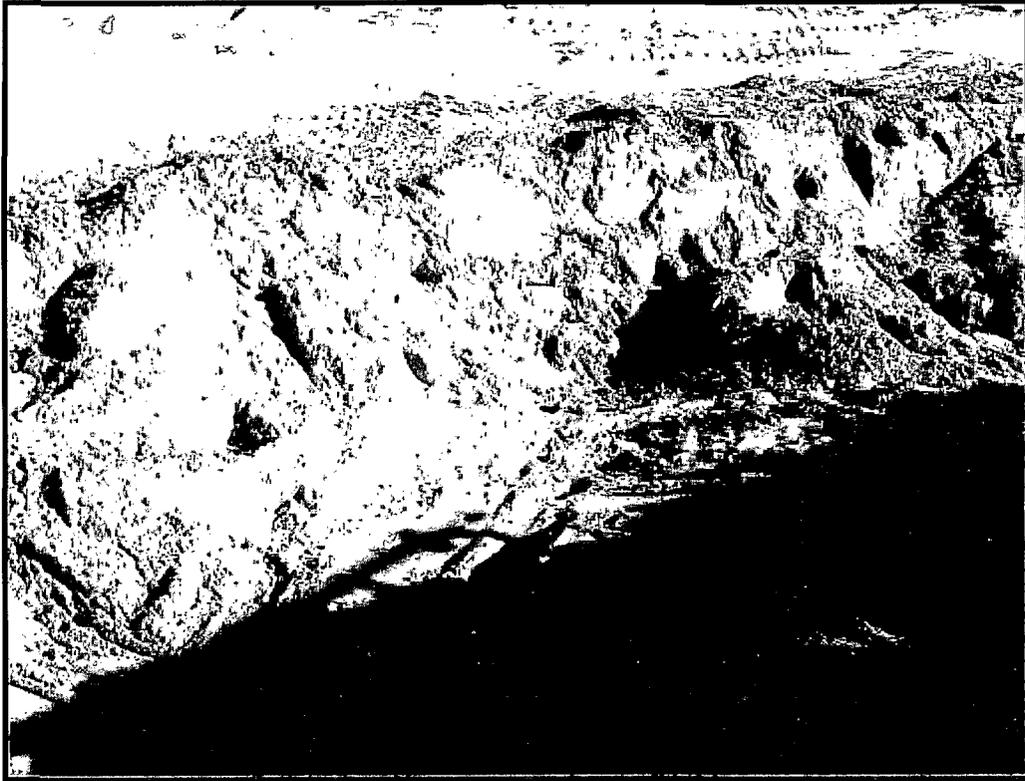
Release area excavated facing north



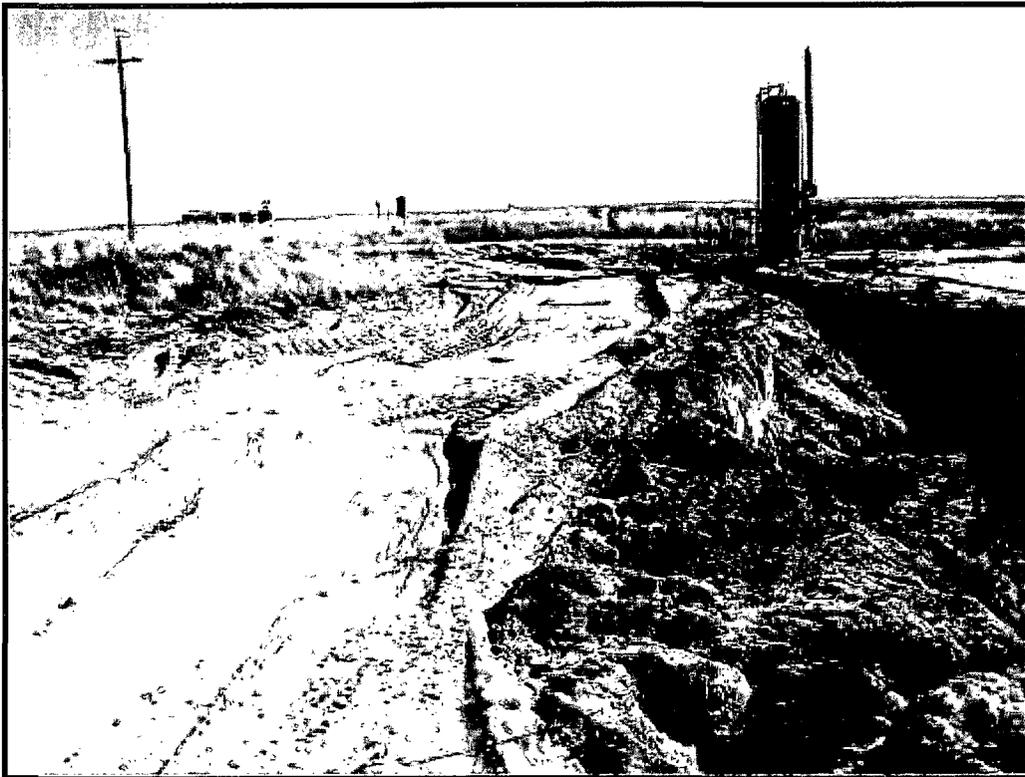
Release area excavated facing south



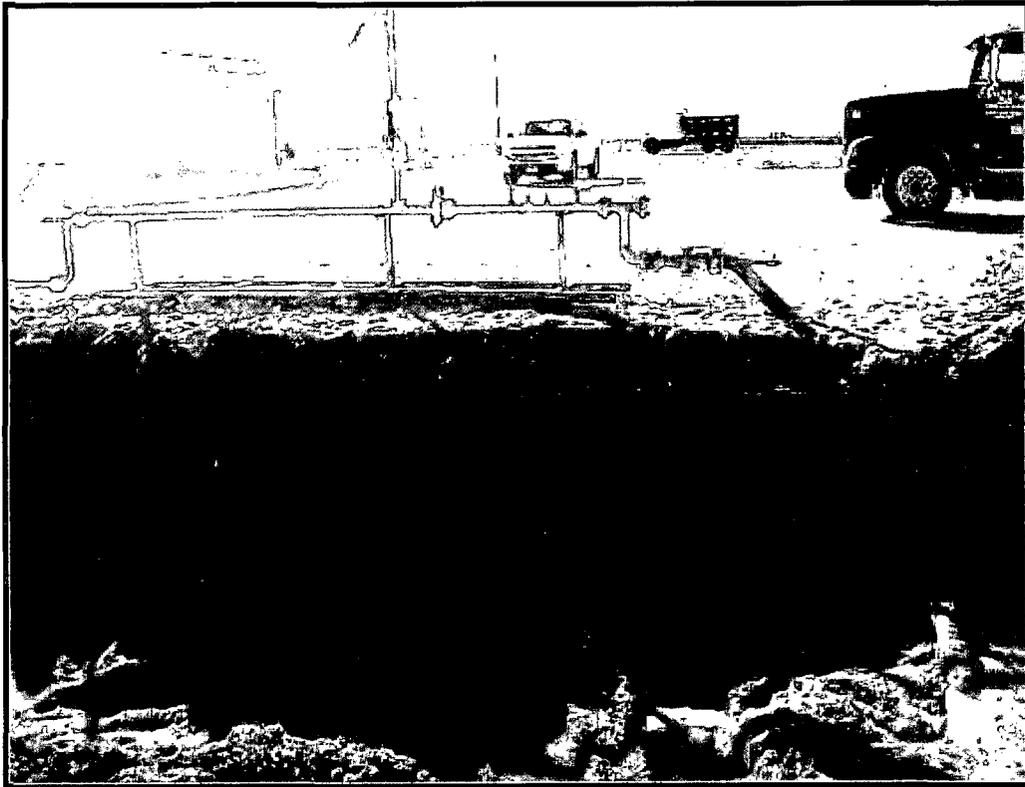
Release area excavated facing north



Release area excavated facing east



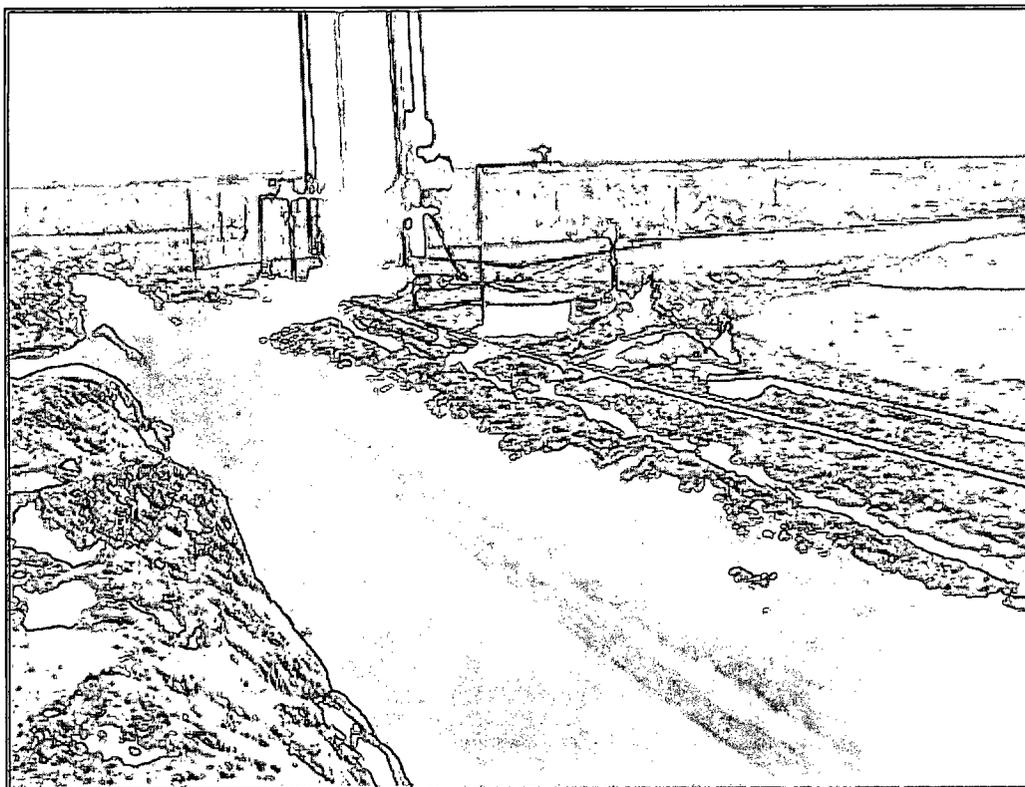
Release area surface facing south



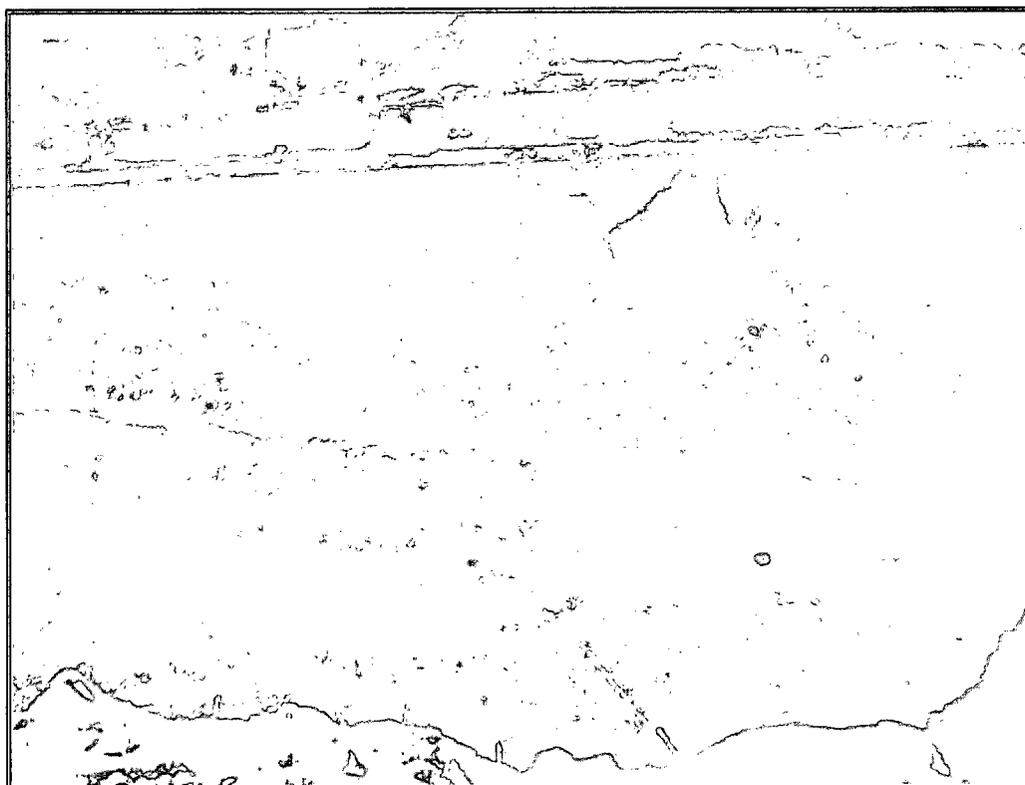
Release area excavated facing west



Release area excavated facing west



Release area excavated facing southwest



West wall facing west



Release area excavated facing north

**Appendix C**  
**C-141**

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
301 W. Grand Avenue, Artesia, NM 88210  
District III  
3000 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**

**OPERATOR**

Initial Report  Final Report

Name of Company-Cimarex Energy	Contact- Marty Davis	
Address-600 N Marienfeld Ste 600, Midland TX 79059	Telephone No.575-605-5509	
Facility Name- Pennzoil 36 State Com. #2	Facility Type- Tank battery and Production well	
Surface Owner	Mineral Owner: State	Lease No. API 30-025-35971

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	36	19S	33 E	1050'	North	1210'	East	Lea

Latitude-N 32.621074 Longitude-W 103.611846

**NATURE OF RELEASE**

Type of Release- Crude oil & water mixture	Volume of Release-13 BBLS	Volume Recovered- 2 BBLS
Source of Release-Internal Corrosion of separator	Date and Hour of Occurrence- 12-03-10 11 AM MT	Date and Hour of Discovery 12-03-10 12 PM MT
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoff Leking , NMOCD	
By Whom? Marty Davis	Date and Hour: 12-03-10 1:15 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.\*

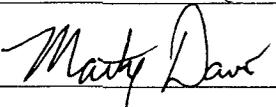
Describe Cause of Problem and Remedial Action Taken.\*

Internal Corrosion at the bottom of the separator; Vacuum truck recovered 2 barrels of free standing product.

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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Marty Davis	Approved by District Supervisor:	
Title: Production Superintendent	Approval Date:	Expiration Date:
E-mail Address: mdavis@cimarex.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/10/10 Phone: (575) 605-5509		

\* Attach Additional Sheets If Necessary