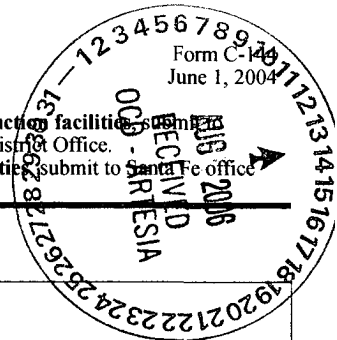


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office



Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Cimarex Energy Co. Telephone: 432-682-4429 e-mail address: kemm@naguss.com
Address: 7101 Norris Road, Carlsbad, NM 88220
Facility or well name: Crawford 26 No. 2 APL#30-015-33228 U/E or Qtr/Qtr Lot B Sec 26 T24S R26E 990' FNL and 1980' FEL
County: Eddy Latitude N Longitude W NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: 12ml HDPE liner Clay <input type="checkbox"/> Pit Volume: 2400 bbl. Approximately	Below-grade tank N/A Volume: N/A bbl Type of fluid: N/A Construction material: N/A Double-walled, with leak detection? <input type="checkbox"/> If not, explain why not.
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of groundwater.) High water elevation of groundwater range to approximately 20'.	Less than 50 feet (20 points) 20 pts. 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes <input checked="" type="checkbox"/> (20 points) 20 pts. No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 20 pts. 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points) 60 pts.	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks(submitted with Closure Report). **Digital Photos shall be submitted for before and after remediation activity.** (2) Indicate disposal location: **Lea Land, Inc.** offsite X If offsite, name of facility: **Lea Land, Inc.** (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _ ft. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: **Please refer to the attached letter for detailed "Closure Plan" information and LOV 20623. Digital photos and sample location diagram shall be submitted in final closure documents.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 14 August 2006

Printed Name/Title Dorsey Rogers, Drilling Superintendent

Signature

Dorsey Rogers by C. Windler

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title

Mike Bratcher

ASXTH

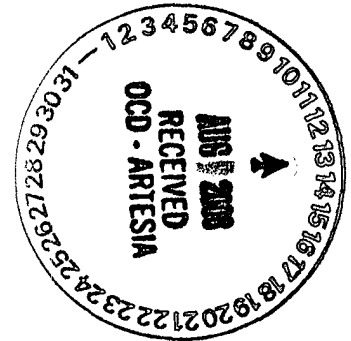
Signature

Mike Bratcher

Date:

8/14/06

Mr. Dorsey Rogers
Drilling Superintendent
CIMAREX ENERGY CO.
7101 Norris Road
Carlsbad, NM 88220



August 14, 2006

Mr. Richard Inge
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Crawford 26, No. 2 Letter of Violation No. 20623, Inspection No. iREI0620045643

Dear Mr. Inge:

Pleased be advised we are in receipt of your 24 July 2006 Letter of Violation No. 20623 and herewith respond pursuant to the assessed violation of the New Mexico, Oil Conservation Division Rule 50 regarding Cimarex Energy Co.'s Crawford 26 No. 2 drilling pit (API-No. 30-015-33228) located in U/L B S26 T24S, R26E, 990' FNL and 1980' FEL of Eddy County, New Mexico.

Cimarex Energy Co., hereinafter "Cimarex", intends to begin immediate closure of the Crawford 26, No. 2 drilling pit pursuant to New Mexico, OCD Rule 50 requirements. Attached to this transmittal is a copy of the Form C-144 and the "Closure Plan" submitted to Mr. Mike Bratcher of your office. As soon as the New Mexico, OCD authorizes closure of the above-described drilling pit, Cimarex will begin closure operations.

The estimated of time for closure of said drilling pit is described in the closure documents, however Cimarex might incur unknown conditions which may influence the specific time necessary to satisfactorily complete closure operations. Should such events or conditions arise, Cimarex will contact New Mexico, OCD immediately to discuss timelines or corrective actions denoted by the specific conditions at the time.

Thank you for your consideration. Should you have questions, please call 505-628-3447 (office) or 505-200-6105 (cell).

Sincerely,

for Dorsey Rogers by C. Finkler

Dorsey Rogers
Drilling Superintendent

cc: State of New Mexico, OCD, Form C-144

Mr. Dorsey Rogers
Drilling Superintendent
CIMAREX ENERGY CO.
7101 Norris Road
Carlsbad, NM 88220



August 14, 2006

Mr. Mike Bratcher
OIL CONSERVATION DIVISION
1301 West Grand Avenue
Artesia, NM 88210

Re: Crawford 26, No. 2 Pit Closure Documents

Dear Mr. Bratcher:

Pursuant to the State of New Mexico regulatory requirements for permanent closure of drilling pits, enclosed herewith is the completed Form C-144, in addition to the "Closure Plan" for closure of the Cimarex Energy Co. hereinafter "Cimarex", Crawford 26, No. 2 drilling pit (API No. 30-015-33228) located in U/L B S26 T24S, R26E, 990' FNL and 1980' FEL of Eddy County, New Mexico.

INTRODUCTION

Remediation of the Cimarex Crawford 26, No. 2, hereinafter "Crawford 26", drilling pit is targeted to begin 15 August 2006 with completion expected by 28 August 2006, permitting weather and the occurrence of unexpected conditions not within the Operator's control do not create delays or exacerbate the proposed schedule in any way. Cimarex intends to maintain its commitment to environmental health and safety and fully comply with the Regulatory Performance of the State of New Mexico, OCD regarding this disposal action and permanent closure of the Crawford 26 drilling pit (see LOV No. 20623).

Potential, temporary contamination from the Crawford 26 drilling pit site, should any exist, resulted solely from oil and gas production activities. Potential contaminants of concern are typical mid to high-level concentrations of brines, typical polymers (such as xanthium gum and starch) and in general, drilling mud and fluids remaining upon completion of said drilling operations.

Area land use is primarily ranching with domestic pasturage and oil and gas production activities. The Cimarex, Crawford 26 drilling pit is located in an area wherein groundwater depth to surface demonstrates an average depth of approximately 20 feet predicated upon the State Engineer's Web Site data and its proximity to the Black River. Consequently, *insitu* disposal is not being considered for the Crawford 26 drilling pit closure to ensure compliant environmental performance and reduction of liability in this water sensitive, designated area pursuant to New Mexico, OCD regulations.

Cimarex intends to haul the above cited pit contents to Lea Land, Inc. a State approved land disposal facility located south of Carlsbad, New Mexico (see Form C-144). This compliance action shall strictly engage the State of New Mexico, OCD standards, i.e. clean-up level for the Crawford 26 drilling pit shall meet the less

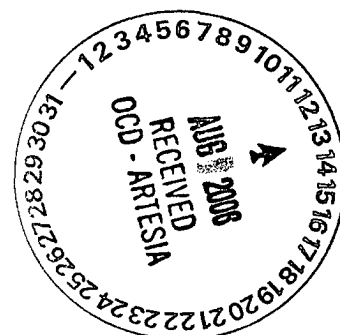
than 100ppm of TPH, ND for BTEX and the less than 250ppm of chlorides unless otherwise approved and substantiated by background information documented to be higher than the above cited indices.

CLOSURE PLAN

Prior to commencement of closure activities, Cimarex contractor will contact One-Call for line spot clearance confirming the State of New Mexico, OCD is in agreement with the proposed "Closure Plan" for removal of approximately 2,500 bbl. of liquid followed by the removal of all fines (drill cuttings) assuming these fines have sufficiently dried allowing for maneuverability of heavy equipment in the pit area, enabling transport to Lea Land, Inc. and final closure.

Environmental health and safety regulations mandate control of pit volumes at all times. Thus, the liquid material was pumped off as needed and properly disposed of during active drilling operations. Water accumulated since this time is either due to liquid material not completely hauled from actual drilling operations or rain. This water has subsequently been hauled from the location and properly disposed of pursuant to OCD Regulatory Performa.

- ❖ Contractor shall mobilize to the Crawford 26 drilling pit site located approximately 10 miles South and East of Carlsbad, New Mexico (see Form C-144). Personnel necessary to provide for the initiation and completion of said remediation activities presented above shall be engaged as is appropriate to the mandated exercise.
- ❖ No remediation activity shall occur off the existing pad or already disturbed areas as authorized by the APD and approved Best Management Practices (BMP's). Cimarex shall consider weather conditions and necessary equipment positioning to provide a clear area for adequate staging for site control and safety compliance, ensuring operations shall be compliant with New Mexico, OCD Regulatory Performa.
- ❖ The Crawford 26 drilling pit is currently lined with a 12ml HDPE liner, which shall be removed by heavy equipment and disposed of with the drilling fines transported to Lea Land, Inc. compliant with New Mexico, OCD requirements.
- ❖ Prior to initiation of backfilling, the Operator shall take appropriate samples of the pit area to ensure compliance with OCD Standards for remediation of possible TPH, ND for BTEX and levels of less than 250ppm of chlorides. However if levels at the bottom of the drilling pit test too high, a background set of samples shall be obtained for testing from the immediate vicinity and compared to those of the pit bottom. Simultaneously, more soil shall be removed from the "hot spots". Once completed, new data acquisition shall occur and sample results determine whether or not compliance has been reached in order to begin backfilling. No backfilling shall begin without authorization by the State of New Mexico, OCD.
- ❖ Backfilling of the Crawford 26 drilling pit shall be commensurate with existing topography and terrain relief features (contouring) so as to return it to its "near-as" previous condition, including a contour for prevention of water impoundment.



- ❖ The "Closure Plan" shall include a final report providing lab analysis of the backfill material, digital project photos and evidentiary narrative to support the completed disposition of the reclaimed Crawford 26 drilling pit site.

Should you have questions, please call 505-628-3447(office) or 505-200-6105 (cell).

Sincerely,

for Dorsey Rogers by C. Finckler
Dorsey Rogers
Drilling Superintendent

cc: State of New Mexico, OCD, Form C-144, LOV 20623 Response Letter

