

Bratcher, Mike, EMNRD

From: Michael Stubblefield [mstubblefield@talonlpe.com]
Sent: Tuesday, March 27, 2012 9:50 AM
To: Bratcher, Mike, EMNRD
Cc: jamos@blm.gov; James Tinney
Subject: Notification to witness soil samples to be collected at the Cimarex Energy PENNY PINCHER FED COM NO 3 2RP-806

Dear Mr. Bratcher,

Talon/LPE will be collecting a soil sample for analytical at the Cimarex Energy Penny Pincher Fed. Com. No.3 release. The soil sample will be collected from the over sprayed area located north of the tank battery which was treated using Micro-Blaze.

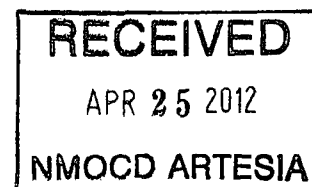
- Soil sampling date: 3/27/2012.
- Soil sampling time: 1:30 Pm.

IF further information is required please contact me.

Mike Stubblefield
Project Manager
Talon/LPE
408 West Texas Avenue
Artesia, New Mexico 88210
(575) 746.8768 phone
(575) 746.8905 fax
(575) 441.7254 cell
www.talonlpe.com



Better Business Bureau Torch Award for Marketplace Ethics: 2010 Winner, 2009 Finalist
Staples Foundation for Learning Hall of Fame Recipient: 2010
ICIC and Business Week- Top 100: 2010, 2009, 2008, 2007, 2006
Inc. 500/5000: 2011, 2010, 2009, 2008, 2007



April 18, 2012

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN
911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Subject: **Remediation and Closure Report**
Cimarex Energy Corporation
Penny Pincher Federal Com No.003H Tank Battery Release
API # 30-015-38296 – 2RP-806

Dear Mr. Bratcher,

Cimarex Energy has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced Penny Pincher Federal Com 003H Tank Battery release. The incident description, soil assessment results, remediation activities and closure request are submitted herein:

Incident Date

June 25, 2011

Background Information

The Penny Pincher Federal Com 003H Tank Battery is located approximately forty-four (44) miles southeast of Artesia, New Mexico. The legal location for the site is Section 21, Township 19 South and Range 31 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.652292 North and -103.87328 West.

This site lies on undulating plains and low hills consisting of wind worked sandy deposits. Drainage courses in this area are normally dry. The local surface and shallow geology, Quaternary Age sedimentary deposits, are comprised of alluvium and eolian sands which include silty soils underlain by sand stone and hard caliches. The New Mexico State Engineer web site indicates the nearest ground water data to be in S36-T19S-R31E. The ground water in Section 36 is reported to be at depth of 130' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Toll Free: 866.742.0742
www.talonlpe.com

Incident Description

The vent back pressure valve malfunctioned blowing oil out of the thief hatch which caused over spray behind the tanks. 10 barrels of oil was caught inside the lined containment of the tank battery and recovered by a vacuum truck. The fluids pooled in an area outside the containment behind the tank battery and was measured to be approximately 60-feet long by 11-feet wide. The area impacted by the overspray was measured to be approximately 180-feet long by 114-feet wide. A site plan illustrating the work area is attached.

Remedial Actions

On July 15, 2011 Talon personnel mobilized to the subject facility to carry out remedial actions. The impacted area from the overspray was scraped/furrowed using pick axes and hand tools to enhance adsorption of the Micro Blaze solution into the location. A total of 500-gallons of fresh water and Micro Blaze were mixed according to manufacture specifications and spray applied onto the impacted area.

On November 7, 2011 Talon/LPE mobilized personnel to begin excavation activities. The impacted soil from this hydrocarbon release in the pooling area was excavated to a depth of 3.5 feet deep and transported to a NMOCD approved solid waste disposal facility, Lea Land, LLC pursuant to the work plan.

On November 14, 2011 Talon personnel remobilized to the site to begin closure soil sampling activities on the bottom and sidewalls of the excavations. Grab soil samples were collected and submitted for laboratory analysis. The excavated area was left open until approval for backfilling was obtained from the NMOCD and BLM.

On November 22, 2011 Talon personnel returned to the site to apply a second treatment of Micro Blaze on the overspray area. A total of 500 gallons of fresh water and Micro Blaze were mixed according to manufacture specifications and re-applied to the impacted area.

On March 27, 2011 Talon returned to the site to do a 90-day confirmation sample from the Micro Blaze. A grab soil sample was collected and submitted for laboratory analysis. All soil samples were collected by Talon personnel wearing clean nitrile gloves. The soil samples were placed in laboratory provided sample containers, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for TPH (Total Petroleum Hydrocarbons) using EPA Method 8015M, and volatile organics (BTEX) using EPA Method 8021B. The chlorides were analyzed per method SM4500Cl-B. The complete laboratory report is attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

November 18, 2011

<u>Sample, Depth</u>	<u>BTEX</u>	<u>TPH (mg/kg)</u>
S-1, Bottom 3.5'	0.566	342.2
S-2, North sidewall	<0.150	<10
S-3, East sidewall	<0.150	<10
S-4, South sidewall	1.756	76.4
S-5, West sidewall	<0.150	<10
S-6, Treated Area N of Tank Battery	<0.150	9440

April 2, 2012

<u>Sample, Depth</u>	<u>BTEX</u>	<u>TPH (mg/kg)</u>
S-7, Treated Area N of Tank Battery	<0.150	4540

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 5,000 mg/kg.

Summary and Conclusions

- Ground water in the project vicinity is greater than 100-feet below land surface per the New Mexico State Engineer Database.
- 500-gallons of Micro Blaze solution were applied to the over spray area on two separate occasions. A 90-day post application soil sample was done on the Micro Blazed area on both occasions.
- The impacted soil from this hydrocarbon release in the pooling area was excavated to a depth of 3.5-feet deep. The excavated soil was transported to a NMOCD approved solid waste disposal facility. The excavation was left open until NMOCD and BLM approved the confirmation samples from the excavation.
- Upon the approval from the NMOCD and the BLM the excavated area was backfilled to grade using new material transported from a local borrow pit. The area was contoured to match the surrounding location.
- Based on the depth to groundwater and the contamination levels detected in the soil, it is unlikely that the impacts identified from this release will pose a threat to groundwater.

Closure

Therefore, on behalf of Cimarex Energy, we respectfully request that no further actions be required and that closure with respect to this release be granted.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE

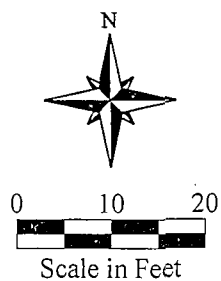
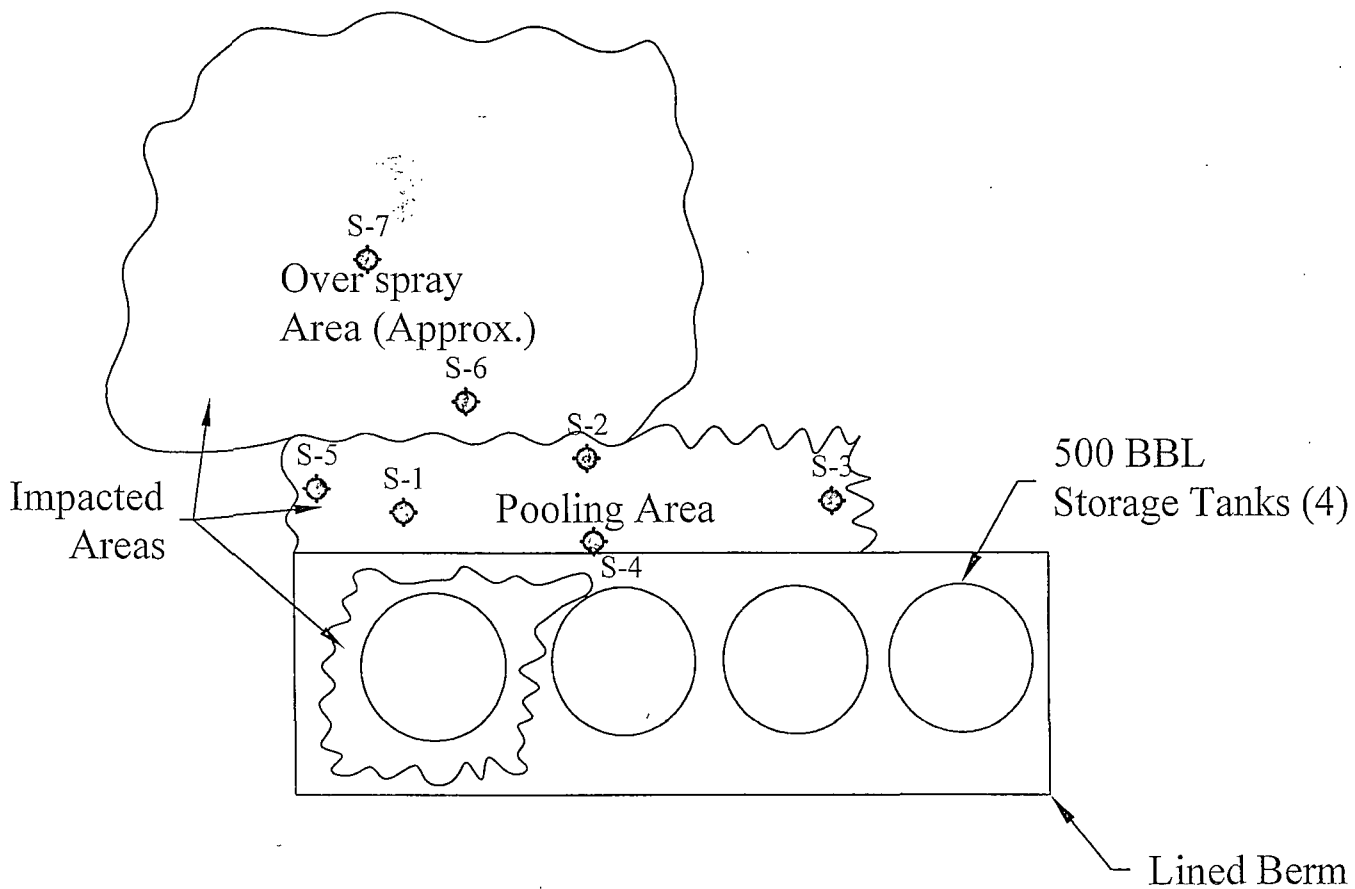
A handwritten signature in black ink, appearing to read "Mike Stubblefield".

Mike Stubblefield
Project Manager

A handwritten signature in black ink, appearing to read "David J. Adkins".

David J. Adkins
District Manager

SITE MAP



Legend	
	- Sample Location



Date: 08/17/2011

Scale: 1" = 20'

Drawn By: TJS

Penny Pincher #3
Cimarex
Eddy County, New Mexico
Figure 1 - Site Plan

APPENDIX I
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Sub basin	Use	County	Q Q Q 64 16 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
CP 00829	STK	LE		2 4 16	19S	31E		606165	3614009*	710	120		
CP 00642 EXPL	EXP	ED		2 2 25	19S	31E		611025	3611657*	5216	250		
CP 00641 EXPL	EXP	ED		4 1 36	19S	31E		610247	3609634*	5556	300	130	170
CP 00640 EXPL	EXP	LE		2 2 19	19S	32E		612621	3613280*	6546	260	102	158
CP 00639 EXPL	EXP	LE		3 1 20	19S	32E		613029	3612880*	6966	350	345	5
Average Depth to Water:											192 feet		
Minimum Depth:											102 feet		
Maximum Depth:											345 feet		

Record Count: 5

UTMNAD83 Radius Search (in meters):

Easting (X): 606075

Northing (Y): 3613304

Radius: 7000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX II
LABORATORY RESULTS



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

November 18, 2011

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: PENNY PINCHER NO 3

Enclosed are the results of analyses for samples received by the laboratory on 11/14/11 12:57.

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 black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	11/14/2011	Sampling Date:	11/14/2011
Reported:	11/18/2011	Sampling Type:	Soil
Project Name:	PENNY PINCHER NO 3	Sampling Condition:	Cool & Intact
Project Number:	701162.004.01	Sample Received By:	Jodi Henson
Project Location:	SEC. 21-T19S-R31E		

Sample ID: S-1 BOTTOM 3.5 BGS (H102467-01)

BTEX 8021B			mg/L							Analyzed By: MS	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier		
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49			
Toluene*	0.125	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38			
Ethylbenzene*	0.132	0.050	11/15/2011	ND	2.20	110	2.00	10.8			
Total Xylenes*	0.309	0.150	11/15/2011	ND	6.40	107	6.00	10.3			

Surrogate: 4-Bromofluorobenzene (PIL) 117 % 70.7-118

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	23.2	10.0	11/16/2011	ND	208	104	200	5.33	
DRO >C10-C28	319	10.0	11/16/2011	ND	223	111	200	4.11	

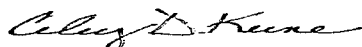
Surrogate: 1-Chlorooctane 87.1 % 55.5-154

Surrogate: 1-Chlorooctadecane 93.4 % 57.6-158

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:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 11/14/2011
Reported: 11/18/2011
Project Name: PENNY PINCHER NO 3
Project Number: 701162.004.01
Project Location: SEC. 21-T19S-R31E

Sampling Date: 11/14/2011
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S-2 NORTHSIDE WALL (H102467-02)

BTX 8021B			mg/L		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49	
Toluene*	<0.050	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38	
Ethylbenzene*	<0.050	0.050	11/15/2011	ND	2.20	110	2.00	10.8	
Total Xylenes*	<0.150	0.150	11/15/2011	ND	6.40	107	6.00	10.3	

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 70.7-118

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/16/2011	ND	208	104	200	5.33	
DRO >C10-C28	<10.0	10.0	11/16/2011	ND	223	111	200	4.11	

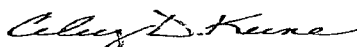
Surrogate: 1-Chlorooctane 80.6 % 55.5-154

Surrogate: 1-Chlorooctadecane 93.2 % 57.6-158

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:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/14/2011	Sampling Date:	11/14/2011
Reported:	11/18/2011	Sampling Type:	Soil
Project Name:	PENNY PINCHER NO 3	Sampling Condition:	Cool & Intact
Project Number:	701162.004.01	Sample Received By:	Jodi Henson
Project Location:	SEC. 21-T19S-R31E		

Sample ID: S-3 EASTSIDE WALL (H102467-03)

BTX 8021B			mg/L		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49	
Toluene*	<0.050	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38	
Ethylbenzene*	<0.050	0.050	11/15/2011	ND	2.20	110	2.00	10.8	
Total Xylenes*	<0.150	0.150	11/15/2011	ND	6.40	107	6.00	10.3	

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 70.7-118

TPH 8015M			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/16/2011	ND	208	104	200	5.33	
DRO >C10-C28	<10.0	10.0	11/16/2011	ND	223	111	200	4.11	

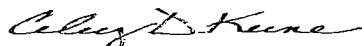
Surrogate: 1-Chlorooctane 79.3 % 55.5-154

Surrogate: 1-Chlorooctadecane 93.2 % 57.6-158

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:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 11/14/2011
Reported: 11/18/2011
Project Name: PENNY PINCHER NO 3
Project Number: 701162.004.01
Project Location: SEC. 21-T19S-R31E

Sampling Date: 11/14/2011
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S-4 SOUTHSIDE WALL (H102467-04)

BTX 8021B		mg/L		Analyzed By: MS				S-04	
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49	
Toluene*	0.353	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38	
Ethylbenzene*	0.433	0.050	11/15/2011	ND	2.20	110	2.00	10.8	
Total Xylenes*	0.970	0.150	11/15/2011	ND	6.40	107	6.00	10.3	

Surrogate: 4-Bromofluorobenzene (PIL) 132 % 70.7-118

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	11.7	10.0	11/16/2011	ND	208	104	200	5.33	
DRO >C10-C28	64.7	10.0	11/16/2011	ND	223	111	200	4.11	

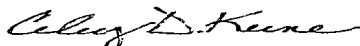
Surrogate: 1-Chlorooctane 91.6 % 55.5-154

Surrogate: 1-Chlorooctadecane 101 % 57.6-158

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:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/14/2011	Sampling Date:	11/14/2011
Reported:	11/18/2011	Sampling Type:	Soil
Project Name:	PENNY PINCHER NO 3	Sampling Condition:	Cool & Intact
Project Number:	701162.004.01	Sample Received By:	Jodi Henson
Project Location:	SEC. 21-T19S-R31E		

Sample ID: S-5 WESTSIDE WALL (H102467-05)

BTEX 8021B			mg/L		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49	
Toluene*	<0.050	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38	
Ethylbenzene*	<0.050	0.050	11/15/2011	ND	2.20	110	2.00	10.8	
Total Xylenes*	<0.150	0.150	11/15/2011	ND	6.40	107	6.00	10.3	

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 70.7-118

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	11/16/2011	ND	198	99.2	200	5.53	
DRO >C10-C28	<10.0	10.0	11/16/2011	ND	208	104	200	6.57	

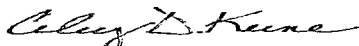
Surrogate: 1-Chlorooctane 105 % 55.5-154

Surrogate: 1-Chlorooctadecane 121 % 57.6-158

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:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 11/14/2011
Reported: 11/18/2011
Project Name: PENNY PINCHER NO 3
Project Number: 701162.004.01
Project Location: SEC. 21-T19S-R31E

Sampling Date: 11/14/2011
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: S-6 TREATED AREA N OF TANK BATT (H102467-06)

BTX 8021B		mg/L		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	11/15/2011	ND	1.99	99.7	2.00	9.49	
Toluene*	<0.050	0.050	11/15/2011	ND	1.93	96.6	2.00	9.38	
Ethylbenzene*	<0.050	0.050	11/15/2011	ND	2.20	110	2.00	10.8	
Total Xylenes*	<0.150	0.150	11/15/2011	ND	6.40	107	6.00	10.3	

Surrogate: 4-Bromofluorobenzene (PII) 105 % 70.7-118

TPH 8015M		mg/kg		Analyzed By: MS						S-06
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<100	100	11/17/2011	ND	198	99.2	200	5.53		
DRO >C10-C28	9440	100	11/17/2011	ND	208	104	200	6.57		

Surrogate: 1-Chlorooctane 101 % 55.5-154

Surrogate: 1-Chlorooctadecane 208 % 57.6-158

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

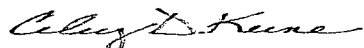
Notes and Definitions

- S-06 The recovery of this surrogate is outside control limits due to sample dilution required from high analyte concentration and/or matrix interference's.
- S-04 The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect.
- 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: <u>Talon / LPE</u>				BILL TO				ANALYSIS REQUEST																			
Project Manager: <u>Mike Stubblefield</u>				P.O. #:				<div style="display: flex; flex-direction: column; align-items: center;"> <div>80157 TPH</div> <div>8021 B GTEY</div> <div>Total Chlorides</div> <div>* Hold</div> </div>																			
Address: <u>408 West Tonal Ave.</u>				Company: <u>Talon / LPE</u>																							
City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u>				Attn:																							
Phone #: <u>575-441-7254</u> Fax #:				Address:																							
Project #: <u>701162.004.01</u> Project Owner: <u>Cimarron Energy</u>				City:																							
Project Name: <u>Penny Pincher Fed. Com. No. 3</u>				State: Zip:																							
Project Location: <u>Sec. 21 - T19S - R31E</u>				Phone #:																							
Sampler Name: <u>Mike Stubblefield</u>				Fax #:																							
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING																			
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME													
<u>H102467</u>																											
	<u>1 S-1 Bottom 3.5' bgs.</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>10:44 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
	<u>2 S-2 North side wall</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>10:49 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
	<u>3 S-3 East side wall</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>10:53 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
	<u>4 S-4 South side wall</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>11:03 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
	<u>5 S-5 West side wall</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>11:06 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
	<u>6 S-6 Treated Area North of tank battery.</u>	<u>G</u>				<u>✓</u>					<u>✓</u>		<u>11/14/2011</u>	<u>11:12 A</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>										
<p>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 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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.</p>																											
Relinquished By: <u>Mike Stubblefield</u>				Date: <u>11/14/2011</u>				Received By: <u>Jodi Benson</u>				Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No				Add'l Phone #:											
Relinquished By:				Time: <u>12:52</u>				Received By:				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No				Add'l Fax #:											
				Date:								REMARKS:															
				Time:																							
Delivered By: (Circle One)				Sample Condition				CHECKED BY:																			
Sampler - UPS - Bus - Other:				Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>				<u>JA</u>																			
				30c																							

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

#26



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

April 02, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: PENNY PINCHER FED. COM. NO 3

Enclosed are the results of analyses for samples received by the laboratory on 03/27/12 15:04.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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 (V1, 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 black ink, appearing to read "Celey D. Keene". The signature is fluid and cursive, with a large, stylized 'C' at the beginning.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	03/27/2012	Sampling Date:	03/27/2012
Reported:	04/02/2012	Sampling Type:	Soil
Project Name:	PENNY PINCHER FED. COM. NO 3	Sampling Condition:	** (See Notes)
Project Number:	701162.004.01	Sample Received By:	Amanda Ponce
Project Location:	SEC. 21-T19S-R31E		

Sample ID: S-7 0' TREATED AREA N OF TANK BATT (H200729-01)

BTX 8021B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	03/30/2012	ND	1.97	98.3	2.00	4.99	
Toluene*	<0.050	0.050	03/30/2012	ND	2.11	105	2.00	5.41	
Ethylbenzene*	<0.050	0.050	03/30/2012	ND	2.13	106	2.00	5.66	
Total Xylenes*	<0.150	0.150	03/30/2012	ND	6.66	111	6.00	6.07	

Surrogate: 4-Bromofluorobenzene (PIL) 97.2 % 64.4-134

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<100	100	03/28/2012	ND	193	96.3	200	3.15	
DRO >C10-C28	4540	100	03/28/2012	ND	181	90.4	200	7.27	


Surrogate: 1-Chlorooctane 107 % 55.5-154

Surrogate: 1-Chlorooctadecane 150 % 57.6-158

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

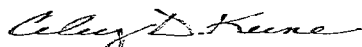
Notes and Definitions

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

[illegible]

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

FINAL C-141

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

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company : Cimarex Energy (162683)	Contact : James Tinney	
Address : 600 N Marienfeld Ste 600, Midland TX 79701	Telephone No. : 575-706-0095	
Facility Name : Penny Pincher Federal Com #3H	Facility Type: Tank Battery	
Surface Owner :	Mineral Owner	Lease No. : API #30-015-38296 2RP-806

LOCATION OF RELEASE

Unit Letter B	Section 21	Township 19S	Range 31E	Feet from the 330'	North/South Line FNL	Feet from the 2310'	East/West Line FEL	County Eddy
------------------	---------------	-----------------	--------------	-----------------------	-------------------------	------------------------	-----------------------	-------------

Latitude 32.65234 N Longitude -103.87318 W

NATURE OF RELEASE

Type of Release : Crude Oil	Volume of Release : 15 bbls	Volume Recovered: 10 bbls
Source of Release : Valve malfunction	Date and Hour of Occurrence:	Date and Hour of Discovery:
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? 6/25/11 BLM / Mr. Legion & Jim Amos	
By Whom?	Date and Hour : 6/25/2011	
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.*

Vent back pressure valve malfunction blowing oil out of thief hatch causing overspray behind tanks. A vacuum truck was immediately to pick up the oil in the lined containment of the tank battery. The tank was isolated, repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contacted for the correction of the release. The impacted area behind the tank battery was excavated to a depth of 3.5-feet. The impacted soil was transported to a NMOCD approved solid waste facility. The excavation was left open until confirmation samples were approved by the NMOCD and BLM and approval to backfill the excavation to grade using new material transported from a local borrow pit. The overspray area was Micro Blazed on two separate occasions with analytical testing done for each application.

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.

OIL CONSERVATION DIVISION

Signature:

Printed Name: James Tinney

Approved by District Supervisor:

Title: Production Foreman

Approval Date:

Expiration Date:

E-mail Address: jtinney@cimarex.com

Conditions of Approval:

Attached ☐

Date: 04/03/2012

Phone: 575-706-0095

* Attach Additional Sheets If Necessary

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

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company : Cimarex Energy (162683)	Contact : James Tinney
Address : 600 N Marienfeld Ste 600, Midland TX 79701	Telephone No. : 575-706-0095
Facility Name : Penny Pincher Federal Com #3H	Facility Type: Tank Battery
Surface Owner :	Mineral Owner
Lease No. : API #30-015-38296 2RP-806	

LOCATION OF RELEASE

Unit Letter B	Section 21	Township 19S	Range 31E	Feet from the 330'	North/South Line FNL	Feet from the 2310'	East/West Line FEL	County Eddy
------------------	---------------	-----------------	--------------	-----------------------	-------------------------	------------------------	-----------------------	-------------

Latitude 32.65234 N Longitude -103.87318 W

NATURE OF RELEASE

Type of Release : Crude Oil	Volume of Release : 15 bbls	Volume Recovered: 10 bbls
Source of Release : Valve malfunction	Date and Hour of Occurrence:	Date and Hour of Discovery:
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? 6/25/11 BLM / Mr. Legion & Jim Amos	
By Whom?	Date and Hour : 6/25/2011	
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.* Vent back pressure valve malfunction blowing oil out of thief hatch causing overspray behind tanks. A vacuum truck was immediately to pick up the oil in the lined containment of the tank battery. The tank was isolated, repaired and put back into service.		
Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contacted for the correction of the release. The impacted area behind the tank battery was excavated to a depth of 3.5-feet. The impacted soil was transported to a NMOCD approved solid waste facility. The excavation was left open until confirmation samples were approved by the NMOCD and BLM and approval to backfill the excavation to grade using new material transported from a local borrow pit. The overspray area was Micro Blazed on two separate occasions with analytical testing done for each application.		
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.		
OIL CONSERVATION DIVISION		
Signature: <i>James Tinney</i> 4/19	Approved by District Supervisor:	
Printed Name: James Tinney	Approval Date:	
Title: Production Foreman	Expiration Date:	
E-mail Address: jtinney@cimarex.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 04/03/2012 Phone: 575-706-0095		

* Attach Additional Sheets If Necessary