

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED  
OMB No 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well  
☐ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
Cimarex Energy Company3a. Address  
600 Marienfeld St. Suite 600, Midland, TX 797013b. Phone No (include area code)  
432-571-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

U/L M Sec. 12-22S-22E 660 FSL 660 FWL

5. Lease Serial No.  
NM 927396. If Indian, Allottee or Tribe Name  
N/A7. If Unit or CA/Agreement, Name and/or No.  
N/A8. Well Name and No.  
Dalton 12 Federal No. 19. API Well No.  
30-015-3193810. Field and Pool, or Exploratory Area  
N/A11. County or Parish, State  
Eddy County

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation have been completed, and the operator has determined that the site is ready for final inspection.)

Pursuant to the NWO issued on 2/24/10 by the BLM, Cimarex Energy Company conducted a wide ranging analytical survey of the area to verify contaminant zones beyond those previously identified by two samples taken in a scientifically biased manner. The results of the Cimarex survey (see attached) show no compliant soil chloride issues, therefore verifying an extremely minor accumulation of soil chlorides located in the drainage patterns confined to the local area, which have settled into their lowest topographic relief. This alleged impacted area (1) constitutes less than approximately one one-millionth of 1% of the entire watershed surface area; (2) the area is extremely small and exhibits heavy rocky intrusions with minute to extremely large interstitial spacing in thin and sparsely accumulated soils. (2) exhibits heavy rocky intrusions with minute to extremely large interstitial spacing in very thin and sparsely accumulated soils; (3) is heavily and daily traversed by cattle and wildlife to access water supply areas; (4) depth to groundwater in the area ranges from 350 to greater than 1,000 feet. Mature vegetative growth can be seen around the area with the exception of the old drilling pad that is currently under going reclamation. Local environmental and economic impacts both to the existing environment and to the rancher would not be justified by the removal of any of the soils containing the higher soil chlorides because (1) the area is extremely small and even the biased analytical results do not show significantly high chlorides (14,00 to 18,000 mg/Kg); (2) the rocky composition of the soil matrix is severe and would require huge amounts of backfill material to be hauled in producing a false soil depth which does not typify this area. Thus, locally enhancing the infestations of noxious weeds. Subsequently, Cimarex intends to first treat the area with calcium chloride; provide some cover soil from beneath the drilling pad (after testing), reseed the old drilling pit area once the rains begin (due to extremely high winds which typify the area) and monitor the vegetative cover as it develops. If after 2 years this is not productive, Cimarex will re-visit the situation.

"Rejected" See Attached James A. Ames

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Randy Hogan

Title Production Superintendent

Signature

Date

4/15/10

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Cimarex Energy Company of CO  
NMNM92739: Dalton 12 Federal No. 1  
660' FSL & 660' FEL, Sec. 12, T22S-R22E  
Eddy County, New Mexico

Sundry Notice Dated 4/15/10, Rejected for the following reasons:

43 CFR 3162.5-1(b)The operator shall exercise due care and diligence to assure that leasehold operations do not result in undue damage to surface or subsurface resources or surface improvements.  
(c)The operator shall exercise due diligence in taking necessary measures, subject to approval by the authorized officer, to control and remove pollutants.

The Bureau of Land Management (BLM) has major concerns as they relate to the sampling of the location and the analytical results. One sample (grab and/or composite) was taken, @ 1' and 2' obtained 1/29/10 range from 18,600 to 14,000 mg/Kg chlorides. Ten samples (composite) taken @ surface, obtained 2/23/10 range from <32.5 to 92.9 mg/Kg chlorides. The BLM and/or New Mexico Oil Conservation Division (NMOCD), was not notified of sampling in either case. The BLM must be given an opportunity to be there. A schematic is to be supplied showing the exact location of the sampling and the horizontal extent of the contaminants. Complete delineation of the contaminants, are required. Samples at 2' indicate 14,000 mg/Kg chlorides. Additional delineation is required to determine vertical extent of contaminants. Lastly, individual grab samples should be utilized in most cases to identify the chloride content of the individual samples.

The BLM will require the removal of the contaminants, instead of treating with calcium chloride. Calcium chloride treatments have been used in the past on a trial basis. As of this date we have not had a successful remediation of the contaminants. Therefore, the BLM will require the removal of the contaminants down to a depth of 4' or to a minimum of 1000 mg/Kg. At that point a 20 mil liner is to be installed and the excavation backfilled with material similar to that excavated. Upon completion the area is to be reclaimed as per the rest of the location, which will include the removal of the caliche from the location and access road, contouring to blend with the surrounding landscape, ripping and reseedling.

If you have any questions, please contact James A. Amos @ 575-234-5909.

Mr. Randy Hogan  
Production Superintendent  
Cimarex Energy Company  
600 N. Marienfeld St.  
Suite 600  
Midland, Texas 79701

Bureau of Land Management  
RECEIVED

APR 28 2010

Carlsbad Field Office  
Carlsbad, N.M.

COPY

15 April 2010

Mr. Jim Amos  
U.S. Department of Interior  
Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, NM 88220

Re: Dalton 12 Federal No. 1 NWO Response on Remediation Actions  
API No.: 30-015-31938 / U/L M S12 T22S R22E 660 FSL 660 FWL

Dear Mr. Amos:

On 24 February 2010, Cimarex Energy Company (Cimarex) was issued a Notice of Written Order (NWO) by the Bureau of Land Management (BLM) for (1) the presence of soil chlorides allegedly leaching back to the surface on the previously reclaimed drilling pit. Please find our response to said NWO on the attached Sundry Notice with accompanying analytical data.

Cimarex initiated its evaluation of the on going remediation by conducting a wide ranging analytical survey of the area to verify contaminant zones beyond those previously identified by two samples which were obtained in an extremely biased and inappropriate infield procedure without consideration for the scientific environmental condition of the watershed. The results of Cimarex's survey (see attached) show no compliant soil chloride or hydrocarbon issues, therefore verifying that only an extremely minor accumulation of soil chlorides is located in the lowest, most narrow area of topographic relief. This alleged impacted area (1) constitutes less than approximately one one-millionth of 1% of the entire watershed surface area; (2) the area is extremely small and exhibits heavy rocky intrusions with minute to extremely large interstitial spacing in thin and sparsely accumulated soils. As presented above, the area is heavily and daily traversed by wildlife and cattle in order to access their water supply positioned at the lowest elevation.

It is also prudent to consider depth to groundwater for this area ranges from 350 to 1,000 feet. Local environmental and economic impacts both to the existing environment and to the rancher would not be justified by the removal of any of the soils containing the higher soil chlorides (range from 14,000 to 18,000 mg/Kg) based on the above cited reasons.

Subsequently, Cimarex proposes to treat the area with calcium chloride, a method successfully and traditionally used by ranchers and farmers in this area. Once this remediation step is completed, Cimarex will re-evaluate the soil conditions in the target area. However, it is important to give credence to the facts that (1) the rancher heavily uses the area for his cattle and (2) the impacted area can be remediated in place with much better results and less impact to the ambient environmental state.

Please call (432-571-7800) should you have questions.

Sincerely,

  
Randy Hogan  
Production Superintendent

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Enclosures: Sundry Notice, Laboratory Analyticals

Cc: Mike Bratcher (NMOCD)

## Summary Report

Terry Ainsworth  
Cimarex-Midland  
600 N. Maryfield Street  
Suite 600  
Midland, TX 79701-4405

Report Date: March 12, 2010

Work Order: 10022607

# COPY



Project Name: Location Closure  
Project Number: Dalton 12 Federal No. 1

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
223749	Bkgr. NE Comp.	soil	2010-02-23	12:00	2010-02-26
223750	Bkgr. NW Comp.	soil	2010-02-23	12:15	2010-02-26
223751	Bkgr. SE Comp.	soil	2010-02-23	12:30	2010-02-26
223752	E. Side Berm Comp.	soil	2010-02-23	12:45	2010-02-26
223753	Blow Down Pit Area Comp.	soil	2010-02-23	13:00	2010-02-26
223754	Area A-N Comp.	soil	2010-02-23	13:15	2010-02-26
223755	Area A-S Comp.	soil	2010-02-23	13:30	2010-02-26
223756	Area A-E Comp.	soil	2010-02-23	13:45	2010-02-26
223757	Area A-W Comp.	soil	2010-02-23	14:00	2010-02-26
223758	Area A-Center Comp.	soil	2010-02-23	14:15	2010-02-26

Sample - Field Code	BTEX				MTBE	TPH DRO - NEW	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	MTBE (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
223749 - Bkgr. NE Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223750 - Bkgr. NW Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223751 - Bkgr. SE Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223752 - E. Side Berm Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223753 - Blow Down Pit Area Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223754 - Area A-N Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223755 - Area A-S Comp.	<0.100	<0.100	<0.100	<0.100		158	<10.0
223756 - Area A-E Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223757 - Area A-W Comp.	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<2.00
223758 - Area A-Center Comp.	<0.0200	<0.0200	<0.0200	<0.0200		76.4	<2.00

Sample: 223749 - Bkgr. NE Comp.

*continued ...*

*sample 223749 continued ...*

Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223750 - Bkgr. NW Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223751 - Bkgr. SE Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223752 - E. Side Berm Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223753 - Blow Down Pit Area Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223754 - Area A-N Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223755 - Area A-S Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

**Sample: 223756 - Area A-E Comp.**

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Param	Flag	Result	Units	RL
Chloride		<b>92.9</b>	mg/Kg	3.25

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**Sample: 223757 - Area A-W Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

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**Sample: 223758 - Area A-Center Comp.**

Param	Flag	Result	Units	RL
Chloride		<32.5	mg/Kg	3.25

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