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APR 27 2011

NMOCD ARTERIA

Form C-141

Revised October 10, 2003

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

State of New Mexico
Energy Minerals and Natural Resources

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

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

Release Notification and Corrective Action

NMLB 1112934885

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- Palmilla State Com #2		Facility Type- Tank battery

Surface Owner	Mineral Owner	Lease No.
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30-05-22343

LOCATION OF RELEASE

Unit Letter J	Section 32	Township 18S	Range 29E	Feet from the 1796	North/South Line South	Feet from the 1980	East/West Line East	County - Eddy
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Latitude-32° 42' 07.16"

Longitude-104° 05' 42.87" W

NATURE OF RELEASE

Type of Release- crude oil	Volume of Release-383 bbls	Volume Recovered-20 bbls
Source of Release- 2" X 4" connection on back of oil tank (corrosion)	Date and Hour of Occurrence- 3-13-11	Date and Hour of Discovery- 3-13-11 9:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mr. Mike Bratcher, NMOCD	
By Whom? Bill Hope (pumper) James Tinney (APF)	Date and Hour 3-13-11 9:30 AM called OCD @ 12:00pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

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

Describe Area Affected and Cleanup Action Taken.*

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

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: James Tinney

James Tinney

Approved By District Supervisor-

Signed By

Mike Bratcher

Printed Name: James Tinney

Title: Assistant Production Foreman

Approval Date: 5/9/2011

Expiration Date:

E-mail Address: jtinney@cimarex.com

Conditions of Approval:

Attached ☐

Date: 3-13-11 Phone: 575-706-0095

Remediation per OCD Rules &
Guidelines. SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:

6/9/2011

2RP-776

* Attach Additional Sheets If Necessary