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

COPY

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

X Initial Report ☐ Final Report

Name of Company: Cimarex Energy Company	Contact: Mark Bishop
Address: 600 N. Marienfeld St. Ste. 600, Midland, TX 79701	Telephone No.: 575-390-3212
Facility Name: State LF 30 No. 1	Facility Type: Oil API No.: 30-025-27137

Surface Owner: State of New Mexico	Mineral Owner: New Mexico	State Oil & Gas Lease No.: 79421

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	30	16S	34E	1980	FNL	660	FEL	Lea

Latitude_____ Longitude_____

NATURE OF RELEASE

Type of Release: Hydrocarbon and produced water.	Volume of Release: 103 bbls. oil and 100 bbls. water	Volume Recovered: 72 bbls. water and 47 bbls. oil
Source of Release: The valve on the oil tank froze and broke causing the discharge of the contents of the oil tank.	Date and Hour of Occurrence: 25 December 2009 Unknown	Date and Hour of Discovery: 25 December 2009 at approximately 1100 Hrs.
Was Immediate Notice Given? X Yes ☐ No ☐ Not Required	If YES, To Whom? Sylvia Dickey	
By Whom? Mark Bishop	Date and Hour: 28 December 2009 at approximately 0935 Hrs. (Due to Christmas, call was made on Monday but spill was totally contained.)	
Was a Watercourse Reached? ☐ Yes X No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

WATER @ 70'

Describe Cause of Problem and Remedial Action Taken.*

The valve on the oil tank froze and broke causing the discharge of its contents into the bermed area. Since the valve was now fatigued, a fairly rapid and consistent flow entered the bermed area causing the berm wall on the south side to become hypersaturated allowing flow through the ever widening interstitial spaces in the material making up the berm. Subsequently, the berm began to fail in the area directly affected by the discharge coming from the valve area on the tank. This liquid then flowed down the road adjacent to the south berm wall until it had sufficiently dissipated enough to cease flowing. A vacuum truck was called to suck up all freestanding liquid to avoid further absorption into the soils, which was hauled to a disposal facility. All contaminated soils will be removed as soon as possible and hauled to disposal.

RECEIVED
FEB 17 2010
HOBBSOCD

Describe Area Affected and Cleanup Action Taken.*

This will be reported in the Final Remediation Report.

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. 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: Randy Hogan	OIL CONSERVATION DIVISION
Printed Name: Randy Hogan	Approved by District Supervisor: ENVIRONMENTAL ENGINEER
Title: Production Superintendent	Approval Date: 2-11-10 Expiration Date: 4-11-10
E-mail Address: rhogan@cimarex.com	Conditions of Approval: Submit Final C-141 By 10-2-2010 Attached ☐
Date: 11 January 2010 Phone: 575-394-0613	

* Attach Additional Sheets If Necessary

f PLM100434038 9

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

10 February 2010

Mr. Larry Johnson
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, NM 88240

L Johnson
ENVIRONMENTAL ENGINEER
2-11-10

Re: State LF 30 No. 1 Battery *Corrective Action Plan* for Discharge of Hydrocarbon
API No.: 30-025-27137 / State Oil and Gas Lease No.: 79421
U/L H Sec 30 T16S R34E 1980' FNL 660' FEL, Lea County, New Mexico

Dear Mr. Johnson:

Cimarex Energy Company of Colorado (Cimarex) herewith provides written notification to the New Mexico Oil Conservation Division (NMOCD) of a hydrocarbon and produced water discharge on 25 December 2009 at the State LF 30 No. 1 Battery located as cited above. Approximately 103 barrels of oil and 100 barrels of water were discharged with 47 barrels of oil and 72 barrels of water being recovered through vacuum truck assistance on site. The net loss to the affected environment resulted in the discharge of 56 barrels of oil and 28 barrels of water that will be remediated by excavation and the contaminated material hauled to disposal. NMOCD was notified of the discharge on 28 December 2009 (Monday) due to the fact that the spill occurred on Christmas Day.

The cause of the discharge event was the result of freezing winter temperatures in the area causing the valve on the oil tank to freeze and subsequently fatigue allowing the discharge of the tank contents into the bermed area. However, the fatigued valve was now allowing a fairly rapid and consistent flow to enter into the bermed area. The berm wall on the south side became hypersaturated providing increasing flow through the ever-widening interstitial spaces in the soils making up the berm. Subsequently, the berm began to fail in the area directly affected by the discharge coming from the valve area on the tank. This liquid then flowed down the road adjacent to the south berm wall until it had sufficiently dissipated enough to cease flowing. A vacuum truck was called to suck up all freestanding liquid to avoid further absorption into the soils, which was hauled to a disposal facility.

Due to holidays and numerous days of inclement weather in the area, sampling and excavation were delayed until the weather conditions became more consistent, allowing for infield work to be done. On 9 February 2010, Cimarex obtained samples of the contaminated areas to determine the levels of contamination in the surrounding soils and delineate the depth of penetration where applicable. When the analytical data is received from Trace Analysis Laboratory, excavation of the contaminated soils will begin. All excavated material will be transported to an approved disposal

facility. Samples will then be taken of the excavated areas to verify all contaminated material has been removed to meet NMOCD standards. Should this not be the case, additional soil will be removed until compliance is achieved. Once compliance has been reached the pad, road area and battery berms will then be restored with caliche to their original state.

Should you have questions please call 432-571-7800.

Sincerely,

Randy Hogan

Randy Hogan
Production Superintendent

COPY