

RECEIVED

FEB 01 2011

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

HOBBSUOD

Form C-141
Revised October 10, 2003

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

OPERATOR

Initial Report Final Report

Name of Company: Cimarex Energy	Contact: Marty Davis
Address: 600 N Marienfeld Suite 600, Midland TX 79701	Telephone No. (575) 605-5509
Facility Name: Crestone #1	Facility Type:

Surface Owner:	Mineral Owner:	Lease No.
----------------	----------------	-----------

LOCATION OF RELEASE

AP # 3-025-37894

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	12	15S	37E					Lea

Latitude: 33° 01' 57.2" Longitude: 103° 09' 01.7"

NATURE OF RELEASE

Type of Release: Crude Oil	Volume of Release: 35 bbls	Volume Recovered: 0 bbls
Source of Release: Internal Corrosion	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: 8/4/10, ~ 1 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Buddy Hill, NMOCD	
By Whom? Marty Davis, Cimarex	Date and Hour: 08/4/2010 1:30pm	
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.*

The nipple at the bottom of the heater treater was ruptured due to internal corrosion.

Describe Area Affected and Cleanup Action Taken.*

SESI was contacted for assessment. The affected area was 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.

Signature: <i>Marty Davis</i>	OIL CONSERVATION DIVISION	
Printed Name: Marty Davis	ENR ENGINEER: Approved by District Supervisor: <i>Shelby Adams</i>	
Title: Field Foreman	Approval Date: 02/01/2011	Expiration Date: —
E-mail Address: mdavis@cimarex.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/1/10 Phone: (575) 605-5509		IRP-02-11-2679

Attach Additional Sheets If Necessary

RECEIVED

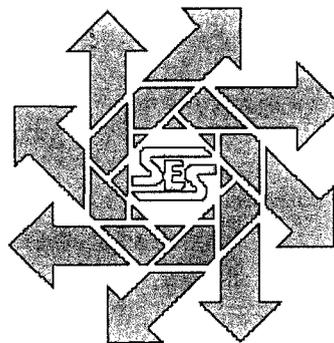
FEB 01 2011

HOBBSOCD

**Cimarex Energy Company
Crestone #1
Section 12, Township 15S, Range 37E
Lea County, New Mexico**

Closure Report

January 17, 2011



Prepared for:

***Cimarex Energy Company
600 North Marienfeld, Suite 600
Midland, Texas 79701***

By:

***Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510***

TABLE OF CONTENTS

I. COMPANY CONTACTS	1
II. BACKGROUND	1
III. SURFACE AND GROUND WATER	1
IV. SOILS	1
V. CHARACTERIZATION.....	1
VI. WORK PERFORMED	2
VII. CONCLUSION	3
VIII. FIGURES AND APPENDICES	3
Figure 1 – Vicinity Map.....	4
Figure 2 - Site Map	5
Appendix A– Analytical Results.....	6
Appendix B– Site Photographs.....	7
Appendix C– C-141.....	8

I. Company Contacts

Company Representative	Company	Telephone	E-mail
Marty Davis	Cimarex Energy Co.	575-605-5509	mdavis@cimarex.com
Bob Allen	SESI	575-397-0510	ballen@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Cimarex Energy Company to perform a site assessment at the Crestone #1. This location is the site of an active well and battery. The location is located in Section 12, Township 15 South, and Range 37 East.

III. Surface and Ground Water

There are (3) three monitoring wells located on the north and east side of the Denton SWD facility. The Denton SWD Facility is located approximately 4,640 feet southwest of the Denton #10. Depth to water measurements collected from these monitor wells on February 2, 2010 indicated an average ground water depth of 60.06 ft.

IV. Soils

The surface soils in the area are predominantly sand and sandy loam.

V. Characterization

The target cleanup levels are reached by the application of the "Unlined Surface Impoundment Closure Guidelines New Mexico Oil Conservation Division (NMOCD) – February, 1993 to this site is 1000 parts per million (ppm) Total Petroleum Hydrocarbons (TPH). Application of the New Mexico Oil Conservation Division's ranking criteria for contaminated soils at this site is presented below:

Depth to Ground Water:			
(Vertical distance from contaminants to seasonal high water elevation of groundwater)	Less than 50 feet	20 points	
	50 feet to 99 feet	10 points	X
	>100 feet	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	20 points	
	No	0 points	X
Distance to Surface Water:			
(Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	20 points	
	200 feet to 1000 feet	10 points	
	>1000 feet	0 points	X
RANKING SCORE (TOTAL POINTS)			10

VI. Work Performed

On August 17, 2010, SESI was onsite with Mr. Marty Davis, Cimarex Energy Company, to assess release area. The location area was mapped utilizing a Trimble Geo Explorer XM handheld device. The release appeared to be confined to the location pad.

On August 25, 2010, SESI was onsite with Gandy Corp. to attempt to delineate the affected area, utilizing a backhoe. A total of two (2) test trenches were installed within the affected areas. Due to hard rock layer encountered at 7 ft 6 in., TT#1 could not be further excavated.

Samples were collected in intervals of 1-2 ft. The samples were properly preserved and transported under chain of custody to Cardinal Labs of Hobbs, New Mexico. The samples were analyzed for Total Petroleum Hydrocarbons (TPH) (EPA Method 8015) and Benzene Toluene Ethyl-benzene and Total Xylenes (BTEX) (EPA Method SW-846-8021B) and Chlorides (EPA Method 4500CI-B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl ⁻ (mg/kg)	TPH 418.1 (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl - Benzene (mg/kg)	Total Xylenes (mg/kg)
Analysis Date:	-	08/27/10	09/01/10	08/31/10	08/31/10	08/31/10	08/31/10
H020724-01	TT#1-1' BGL	400	<100	<0.050	<0.050	<0.050	<0.150
H020724-02	TT#1-2' BGL	816	-	-	-	-	-
H020724-03	TT#1-3' BGL	1,540	-	-	-	-	-
H020724-04	TT#1-6' BGL	768	-	-	-	-	-
H020724-05	TT#1-7.5' BGL	1,440	-	-	-	-	-
H020724-06	TT#2-2' BGL	368	<100	<0.050	<0.050	<0.050	<0.150

On December 29, 2010 Safety and Environmental Solutions, Inc. worked with Hungry Horse Construction to start excavation of location area. Upon approved worked plan by Mr. Geoff LeKing with New Mexico Oil Conservation Division (NMOCD). The release area was excavated to a depth of four (4) feet below grade surface and hauled 960 yards of contaminated soils to Gandy Marley Land Farm for disposal. Test Trench #1 was re-installed to determine vertical extent of contamination. The trench was installed to a depth of nine (9) feet below grade surface. Composite samples were retrieved from the sidewalls as well as the bottom of the excavation. Confirmation samples were taken to Cardinal Laboratories in Hobbs, New Mexico to be analyzed for Total Petroleum Hydrocarbons (TPH EPA Method 418.1), Benzene Toluene Ethyl-benzene and Total Xylenes (BTEX) (EPA Method SW-846-8021B) and Chlorides (EPA Method 4500CI-B).

The results of the analysis are as follows:

Lab ID	Sample ID	Cl ⁻ (mg/kg)	TPH 418.1 (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl - Benzene (mg/kg)	Total Xylenes (mg/kg)
Analysis Date:	-	12/29/10	12/29/10	12/29/10	12/29/10	12/29/10	12/29/10
H021618-01	TT #1 9'bgs	32	<100	<0.100	<0.100	<0.100	<0.300
H021618-02	Bottom 4'bgs	2,240	506	<0.100	<0.100	<0.100	<0.300
H021618-03	East Wall	193	<100	<0.100	<0.100	<0.100	<0.300
H021618-04	South Wall	48	<100	<0.100	<0.100	<0.100	<0.100
H021618-05	West Wall	64	<100	<0.100	<0.100	<0.100	<0.300
H021618-06	North Wall	672	<100	<0.100	<0.100	<0.100	<0.300

A 20-mil improvised liner was installed at the bottom of the excavation to prevent any further migration. The area was then backfilled 1,000 yards of caliche from an offsite location. The location pad was then restored to its previous state.

VII. Conclusion

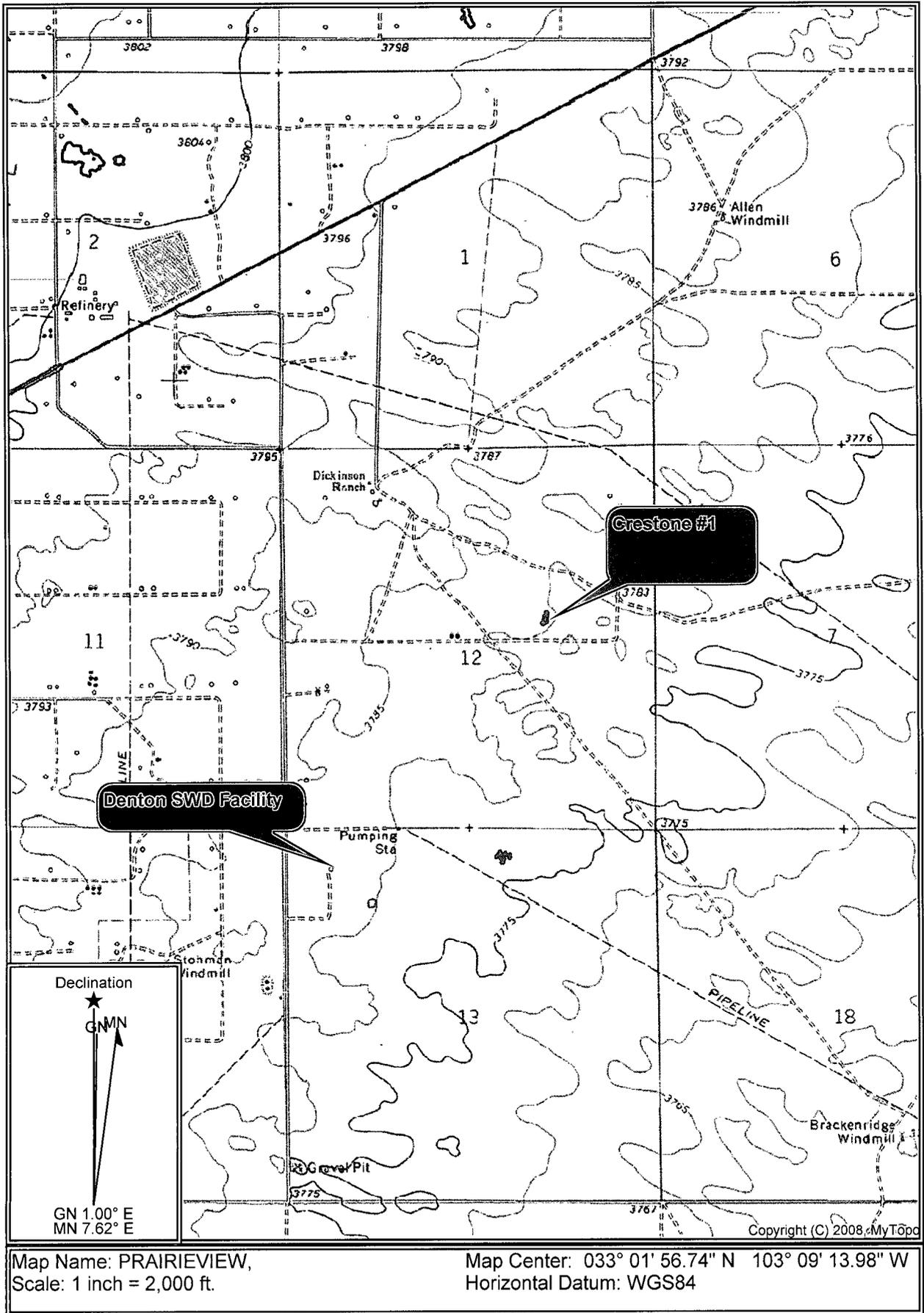
Remedial actions at this site have all been performed with the approval of, and in accordance with all New Mexico Oil Conservation Division (NMOCD) requirements.

As a result, we respectfully submit this closure report for your consideration and approval.

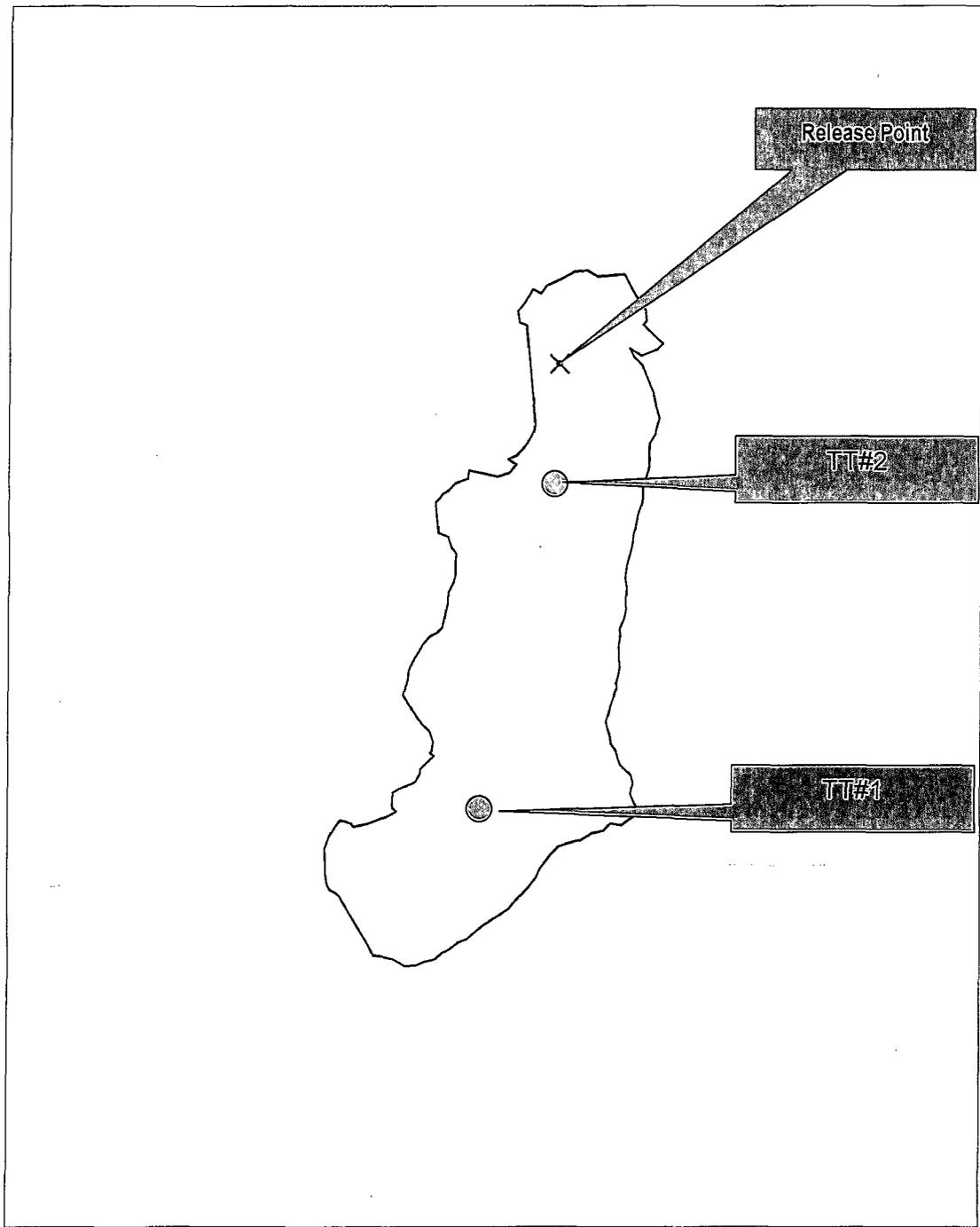
VIII. Figures and Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Map
- Appendix A – Analytical Results
- Appendix B – Site Photographs
- Appendix C – C-141

**Figure 1
Vicinity Map**

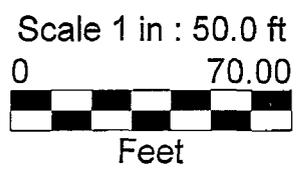


**Figure 2
Site Map**



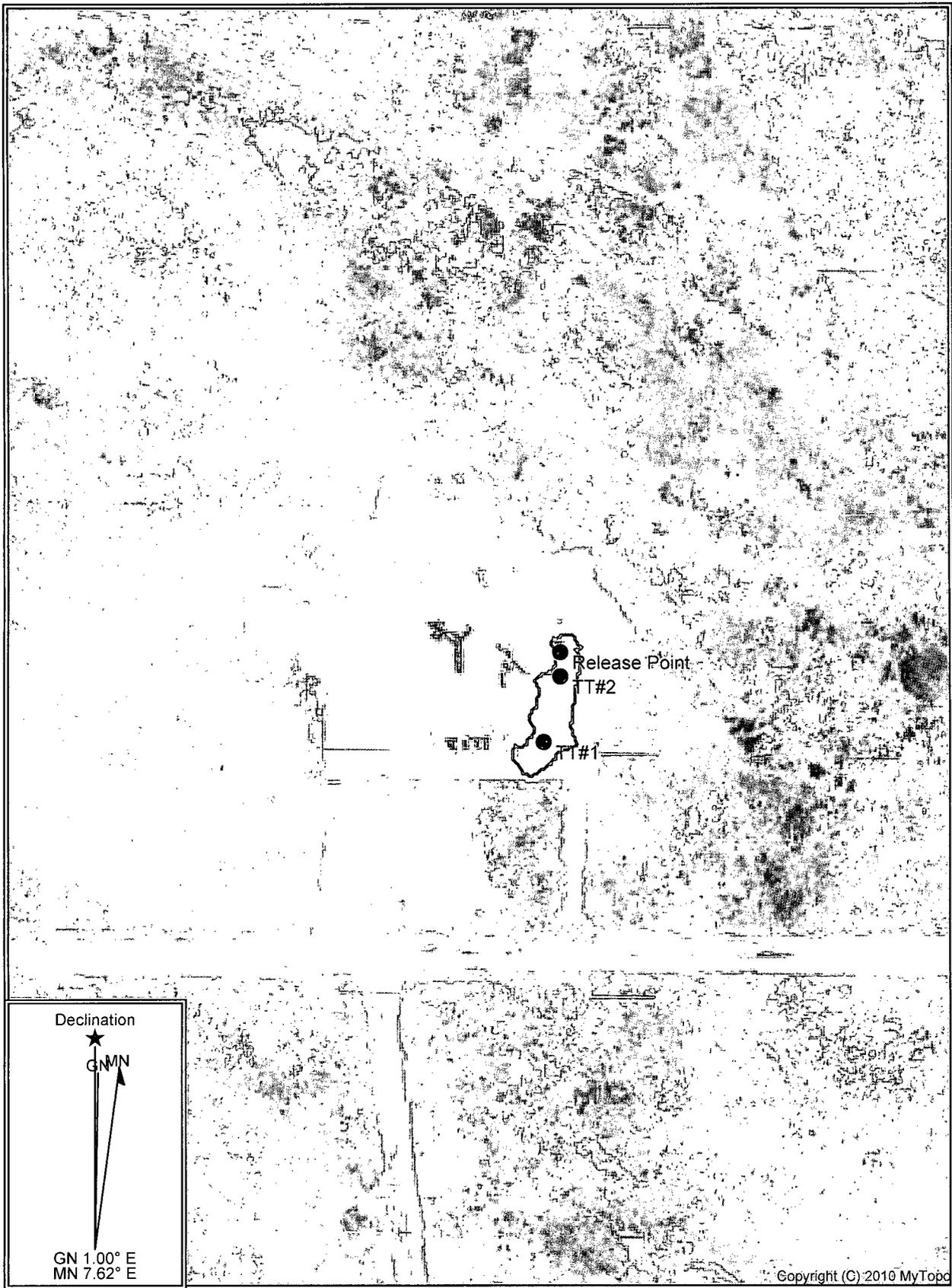
CIM-10-012 Crestone #1

Lat/Long
WGS 1984



CIM CRESTONE 1.





Map Name: SE PRAIRIEVIEW, NM
Scale: 1 inch = 200 ft.

Map Center: 033° 01' 58.14" N 103° 09' 01.58" W
Horizontal Datum: WGS84

Appendix A
Analytical Results



September 01, 2010

Bob Allen
Safety & Environmental Solutions
703 East Clinton
Hobbs, NM 88240

RE: CIM-10-012

Enclosed are the results of analyses for samples received by the laboratory on 08/25/10 15:31.

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 cursive script that reads "Celey D. Keene".

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	08/25/2010	Sampling Date:	08/25/2010
Reported:	09/01/2010	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1 UNIT G	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: TT #1 1' BGL (H020724-01)

BTEX 8021B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	08/31/2010	ND	2.15	108	2.00	3.13		
Toluene*	<0.050	0.050	08/31/2010	ND	1.99	99.6	2.00	2.36		
Ethylbenzene*	<0.050	0.050	08/31/2010	ND	2.04	102	2.00	3.33		
Total Xylenes*	<0.150	0.150	08/31/2010	ND	6.06	101	6.00	3.52		

Surrogate: 4-Bromofluorobenzene (PIL) 98.0% 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	400	16.0	08/27/2010	ND	432	108	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	09/01/2010	ND	1070	105	1020	0.433		

Sample ID: TT #1 2' BGL (H020724-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	816	16.0	08/27/2010	ND	432	108	400	0.00		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	08/25/2010	Sampling Date:	08/25/2010
Reported:	09/01/2010	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1 UNIT G	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: TT #1 3' BGL (H020724-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1540	16.0	08/27/2010	ND	432	108	400	0.00		

Sample ID: TT #1 6' BGL (H020724-04)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	768	16.0	08/27/2010	ND	432	108	400	0.00		

Sample ID: TT #1 7.5' BGL (H020724-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1440	16.0	08/27/2010	ND	432	108	400	0.00		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	08/25/2010	Sampling Date:	08/25/2010
Reported:	09/01/2010	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1 UNIT G	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: TT #2 2' BGL (H020724-06)

BTEX 8021B		mg/kg		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	08/30/2010	ND	2.15	108	2.00	3.13	
Toluene*	<0.050	0.050	08/30/2010	ND	1.99	99.6	2.00	2.36	
Ethylbenzene*	<0.050	0.050	08/30/2010	ND	2.04	102	2.00	3.33	
Total Xylenes*	<0.150	0.150	08/30/2010	ND	6.06	101	6.00	3.52	

Surrogate: 4-Bromofluorobenzene (PIL) 97.1 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	368	16.0	08/27/2010	ND	432	108	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<100	100	09/01/2010	ND	1070	105	1020	0.433	

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



CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
 (915) 873-7001 Fax (915) 873-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Page 6 of 6

Company Name: SEST
 Project Manager: Bob Allen
 Address: 703 E. CLINTON, #103
 City: HOBBS State: NM Zip: 88240
 Phone #: (505) 397-0510
 Fax #: (505) 393-4388
 Project #: CIM-10-01 Project Owner: Cimmet
 Project Name: Crestone #1 Unit A
 Project Location: Lea Co.

REL TO: _____ PO #: _____
 Company: SAME
 Attn: _____
 Address: _____
 City: _____
 State: _____ Zip: _____
 Phone #: _____
 Fax #: _____

ANALYSIS REQUEST

LAB I.D.	Sample I.D.	CONTAINERS	MATRIX					PRES.		SAMPLING		DATE	TIME	REMARKS
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID:	ICE/COOL	OTHER:			
H20724-1	T.T#1 1' bgl	G										8/25/10	0828	Chloride
2	T.T#1 2' bgl	G										8/25/10	0903	TRH 418
3	T.T#1 3' bgl	G										8/25/10	0915	BTEX *
4	T.T#1 6' bgl	G										8/25/10	0924	
5	T.T#1 7.5' bgl	G										8/25/10	0945	
6	T.T#2 2' bgl	G										8/25/10	1015	

PLEASE NOTE: Liability and Damages, Cardinal's liability and effect'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 analysis. 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 claims are based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all amounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Inquiries: Jodi Jensen Date: 8/25/10 Received By: _____
 Date: 8/25/10 Time: 1531
 Relinquished By: _____ Date: _____ Received By: (Lab/Staff) Jodi Jensen
 Time: _____
 Delivered By: (Circle One) _____ Sample Condition: Cool Intact Yes No
 Sampler - UPS - Bus - Other: D.5C Yes No
 CHECKED BY: GA
 Phone Result: Yes No Additional Fax #: _____
 Fax Result: Yes No
 REMARKS: * BTEX added as per Brian 8/26/10. ch

† Cardinal cannot accept verbal changes. Please fax written changes to 915-873-7020.



January 03, 2011

Bob Allen
Safety & Environmental Solutions
703 East Clinton
Hobbs, NM 88240

RE: CIM-10-012

Enclosed are the results of analyses for samples received by the laboratory on 12/29/10 15:45.

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 cursive script that reads "Celey D. Keene".

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: TT #1 9' BGS (H021618-01)

BTEX 8260B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21	
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25	
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81	
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34	

Surrogate: Dibromofluoromethane 108 % 80-120
 Surrogate: Toluene-d8 91.8 % 80-120
 Surrogate: 4-Bromofluorobenzene 93.0 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	12/30/2010	ND	416	104	400	0.00	

TPH 418.1		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
TPH 418.1	<100	100	12/31/2010	ND	1060	106	1000	4.05	

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: BOTTOM 4' BGS (H021618-02)

BTEX 8260B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21		
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25		
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81		
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34		

Surrogate: Dibromofluoromethane 112 % 80-120
Surrogate: Toluene-d8 96.0 % 80-120
Surrogate: 4-Bromofluorobenzene 93.9 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2240	16.0	12/30/2010	ND	416	104	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	506	100	12/31/2010	ND	1060	106	1000	4.05		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: EAST WALL (H021618-03)

BTEX 8260B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21		
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25		
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81		
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34		

Surrogate: Dibromofluoromethane 103 % 80-120
 Surrogate: Toluene-d8 91.0 % 80-120
 Surrogate: 4-Bromofluorobenzene 92.6 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	193	16.0	12/30/2010	ND	416	104	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	12/31/2010	ND	1060	106	1000	4.05		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: SOUTH WALL (H021618-04)

BTX 8260B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21		
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25		
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81		
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34		

Surrogate: Dibromofluoromethane 99.9 % 80-120
 Surrogate: Toluene-d8 90.2 % 80-120
 Surrogate: 4-Bromofluorobenzene 90.8 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	48.0	16.0	12/30/2010	ND	416	104	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	12/31/2010	ND	1060	106	1000	4.05		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: WEST WALL (H021618-05)

BTEX 8260B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21		
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25		
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81		
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34		

Surrogate: Dibromofluoromethane 107 % 80-120
 Surrogate: Toluene-d8 92.1 % 80-120
 Surrogate: 4-Bromofluorobenzene 90.9 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	64.0	16.0	12/30/2010	ND	416	104	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	12/31/2010	ND	1060	106	1000	4.05		

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:

Safety & Environmental Solutions
 Bob Allen
 703 East Clinton
 Hobbs NM, 88240
 Fax To: (575) 393-4388

Received:	12/29/2010	Sampling Date:	12/29/2010
Reported:	01/03/2011	Sampling Type:	Soil
Project Name:	CIM-10-012	Sampling Condition:	Cool & Intact
Project Number:	CRESTONE #1	Sample Received By:	Jodi Henson
Project Location:	LEA COUNTY, NEW MEXICO		

Sample ID: NORTH WALL (H021618-06)

BTX 8260B		mg/kg		Analyzed By: CMS						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.100	0.100	12/31/2010	ND	2.04	102	2.00	5.21		
Toluene*	<0.100	0.100	12/31/2010	ND	1.87	93.3	2.00	1.25		
Ethylbenzene*	<0.100	0.100	12/31/2010	ND	1.95	97.3	2.00	4.81		
Total Xylenes*	<0.300	0.300	12/31/2010	ND	5.59	93.2	6.00	3.34		

Surrogate: Dibromofluoromethane 107 % 80-120
 Surrogate: Toluene-d8 91.3 % 80-120
 Surrogate: 4-Bromofluorobenzene 91.8 % 80-120

Chloride, SM4500Cl-B		mg/kg		Analyzed By: CK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	672	16.0	12/30/2010	ND	416	104	400	0.00		

TPH 418.1		mg/kg		Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TPH 418.1	<100	100	12/31/2010	ND	1060	106	1000	4.05		

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 Mariand, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <i>SESE</i>				BILL TO				ANALYSIS REQUEST																			
Project Manager: <i>Bob Allen</i>				P.O. #:																							
Address: <i>703 E Clinton</i>				Company:																							
City: <i>Hobbs</i>		State: <i>NM</i>		Zip: <i>88240</i>		Attn:																					
Phone #: <i>575-397-0510</i>		Fax #:		Address: <i>Same</i>																							
Project #: <i>Cim-10-012</i>		Project Owner: <i>Cimarex</i>		City:																							
Project Name: <i>Crestone #1</i>				State:				Zip:																			
Project Location: <i>Lea, NM</i>				Phone #:																							
Sampler Name: <i>Isaac Kincaid</i>				Fax #:																							
FOR LAB USE ONLY	Lab I.D.	Sample I.D.	GRAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.		SAMPLING																
					GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME												
	<i>HZ1618-1</i>	<i>TT #1 9/8/85</i>	<i>6</i>	<i>1</i>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<i>12/29/10</i>	<i>0945</i>	<i>chlorides</i>											
	<i>2</i>	<i>Bottom 4/10/86</i>	<i>6</i>	<i>1</i>			<input checked="" type="checkbox"/>								<i>1325</i>	<i>TPH 418.1</i>											
	<i>3</i>	<i>East wall</i>	<i>6</i>	<i>1</i>											<i>1330</i>	<i>BTX</i>											
	<i>4</i>	<i>South wall</i>	<i>6</i>	<i>1</i>											<i>1335</i>												
	<i>5</i>	<i>West wall</i>	<i>6</i>	<i>1</i>											<i>1340</i>												
	<i>6</i>	<i>North wall</i>	<i>6</i>	<i>1</i>											<i>1345</i>												

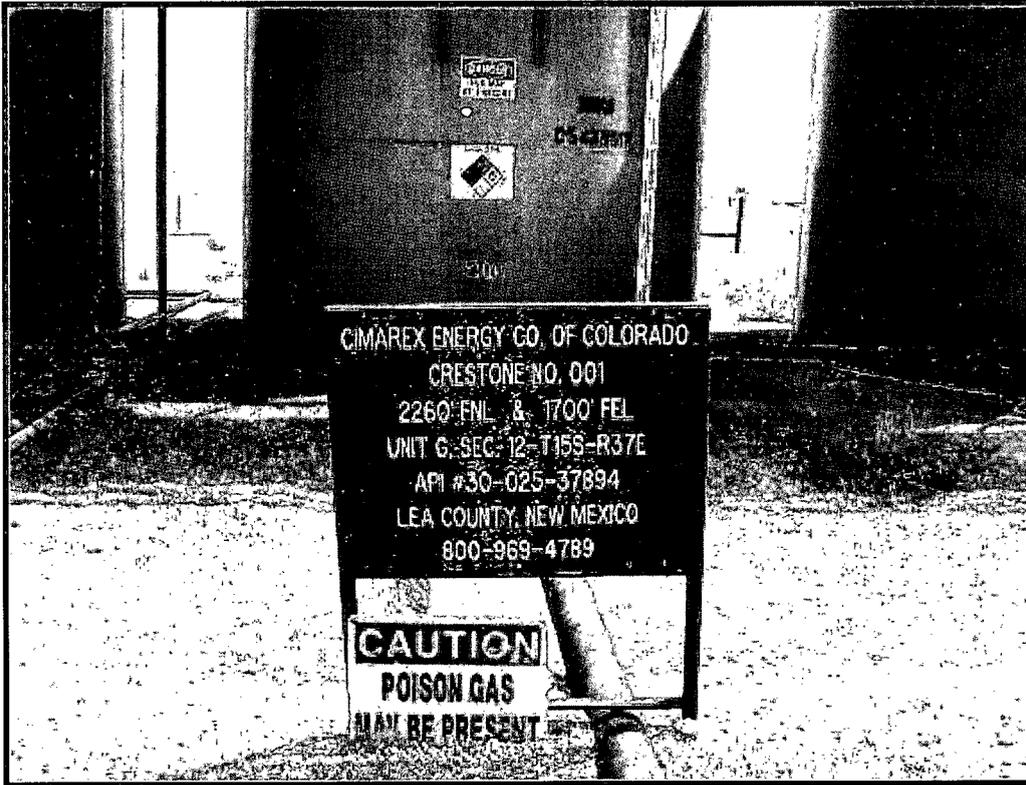
PLEASE NOTE: Liability and Damages, Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed 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.

Relinquished By: 	Date: <i>12/29/10</i>	Received By: <i>Jodi Henson</i>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Time: <i>1545</i>	Received By:	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)	Date:	Sample Condition	REMARKS: <i>iKincaid@SESE-nm.com</i>	
<input checked="" type="checkbox"/> Sampler - UPS - Bus - Other:	Time:	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>		
		<i>40c</i> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
		Checked By: <i>(initials)</i>		

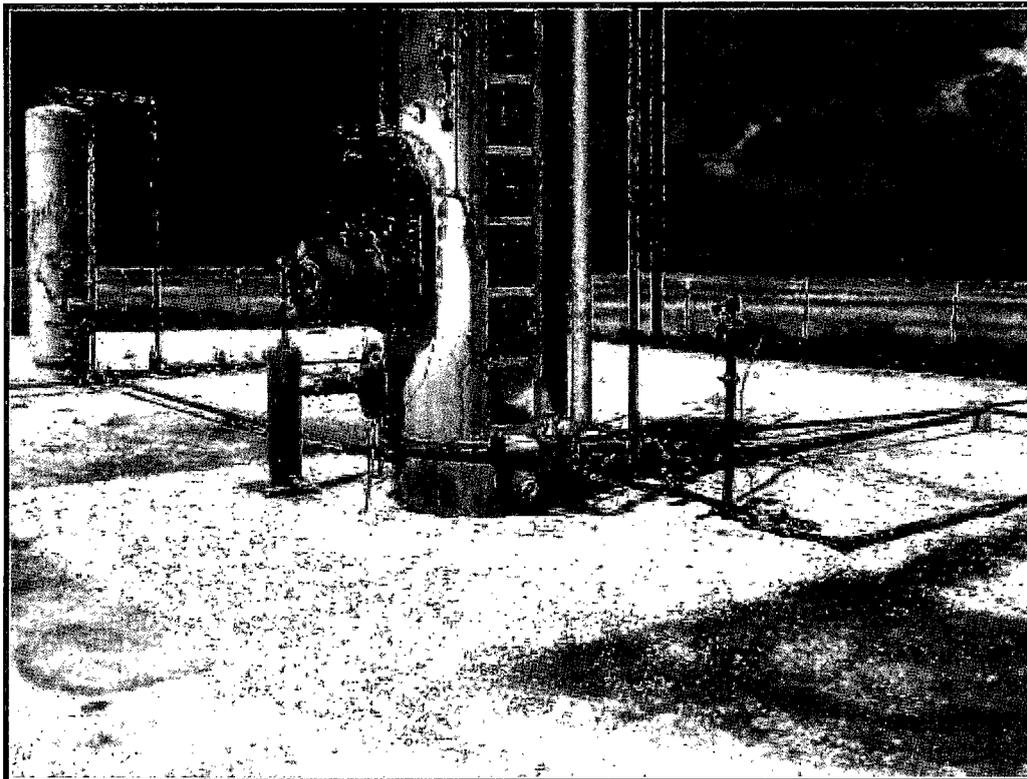
† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26

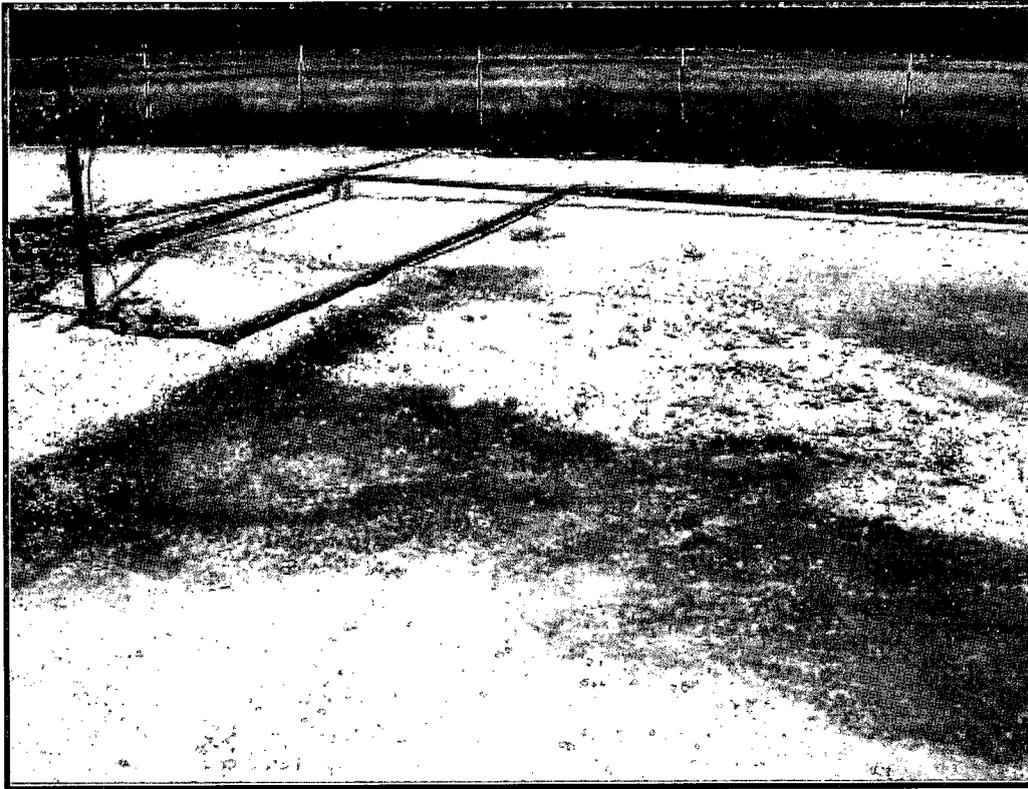
Appendix B
Site Photographs



Well sign



Release point facing northeast



Release area facing east



Release area facing south east



Release area facing south



Release area facing south



Release facing south



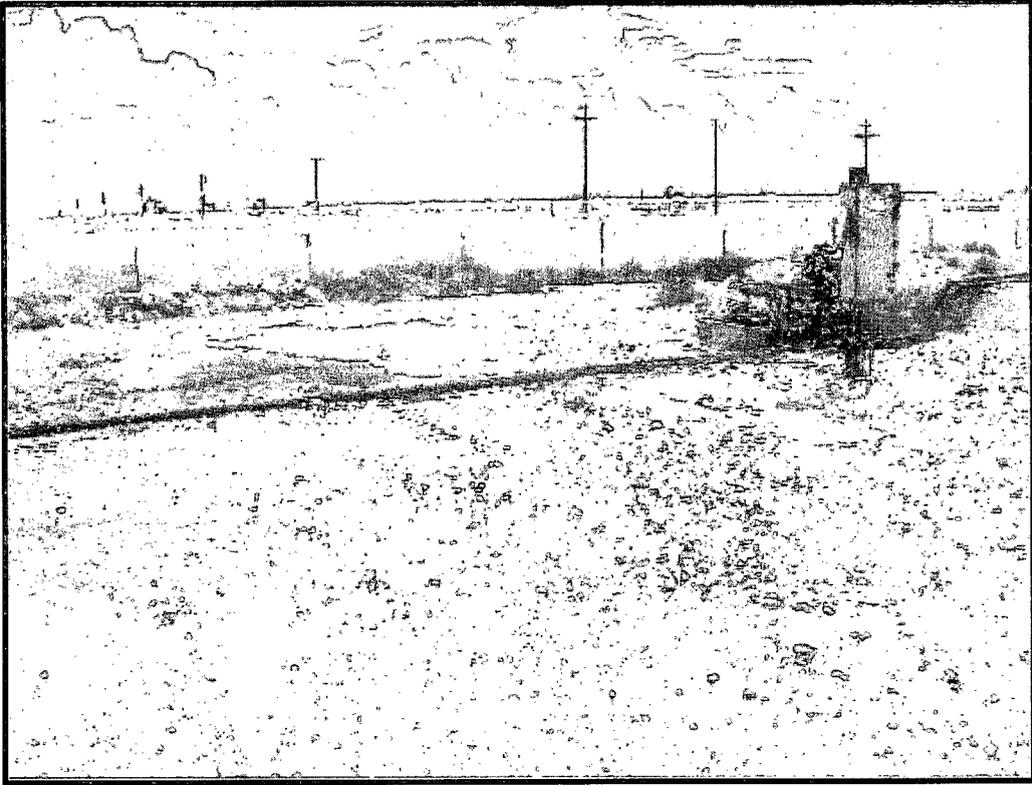
Release area facing south



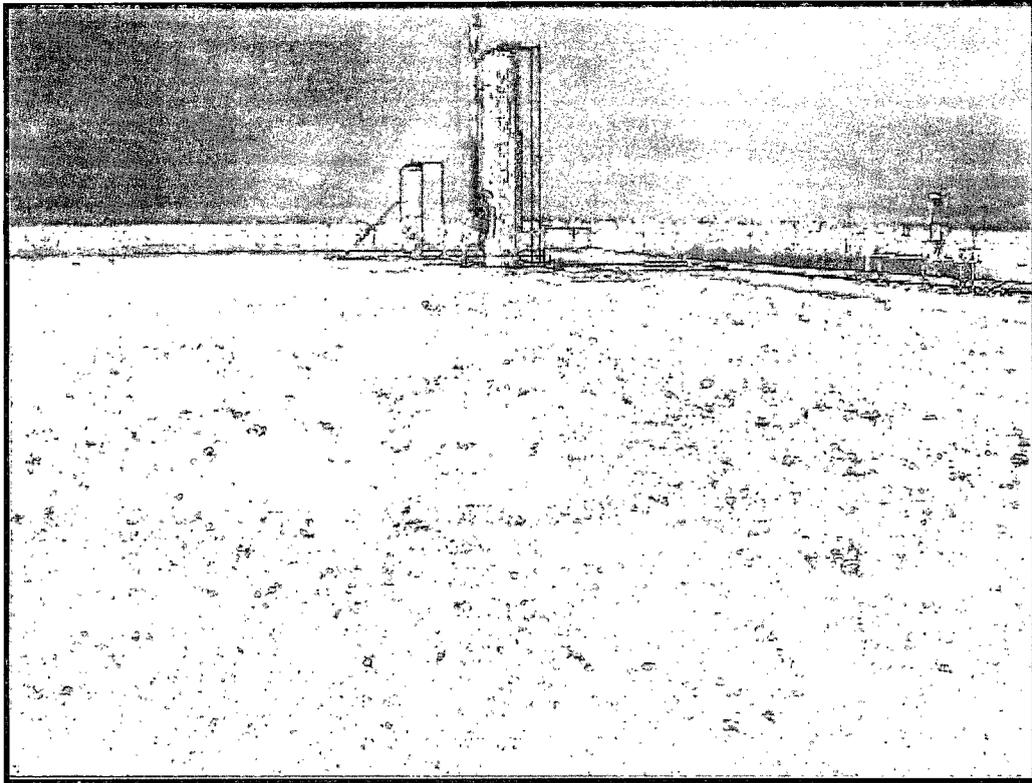
Release area southeast



Release area facing east



Release area facing south



Release area facing north

Cimarex Crestone #1 site photos 1-3-11



Excavation facing east



Excavated area facing southeast



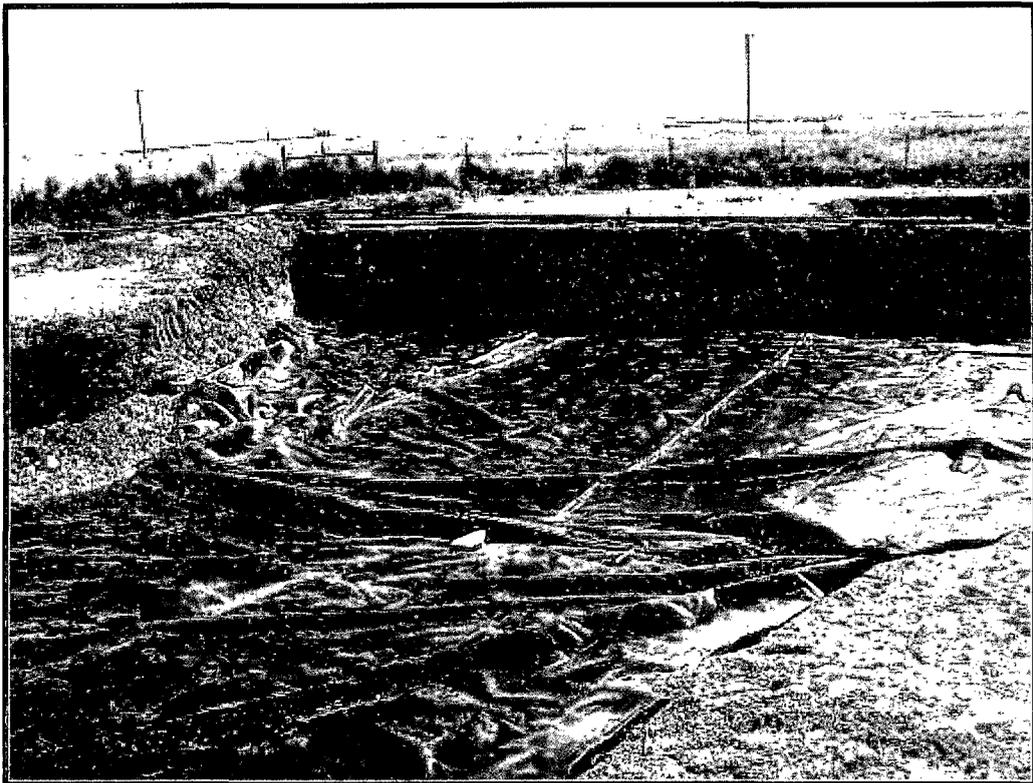
Excavated area facing south



Excavated area lined facing south



Excavated area lined facing south



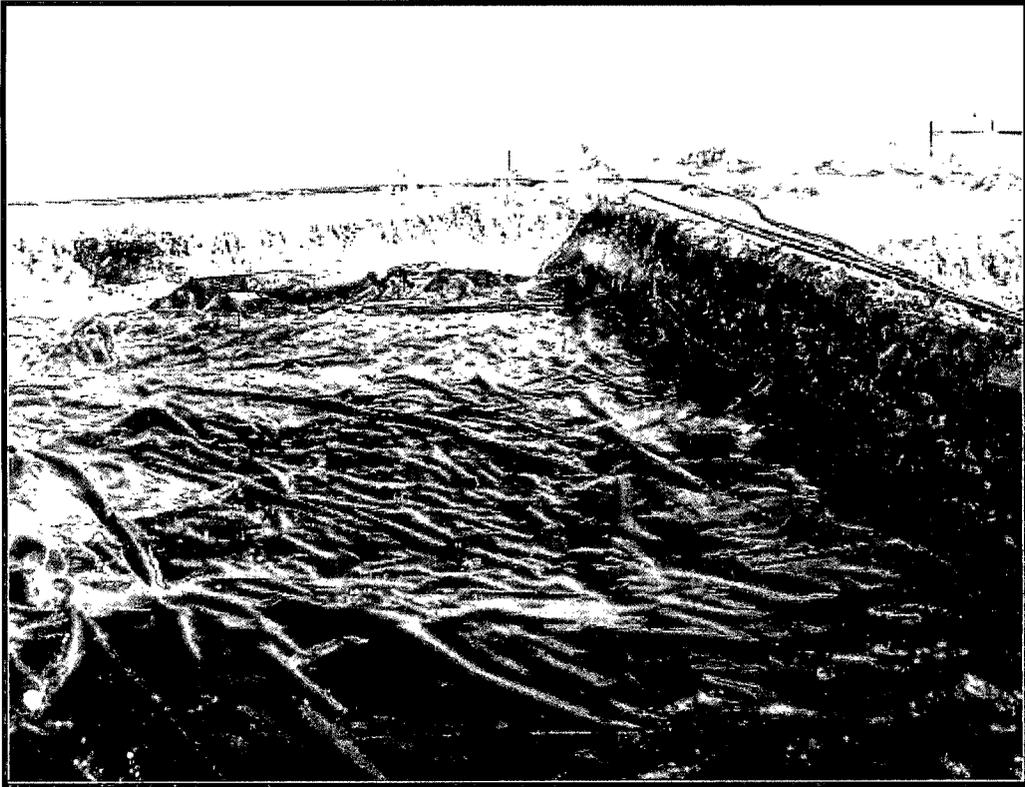
Excavated area lined facing southeast



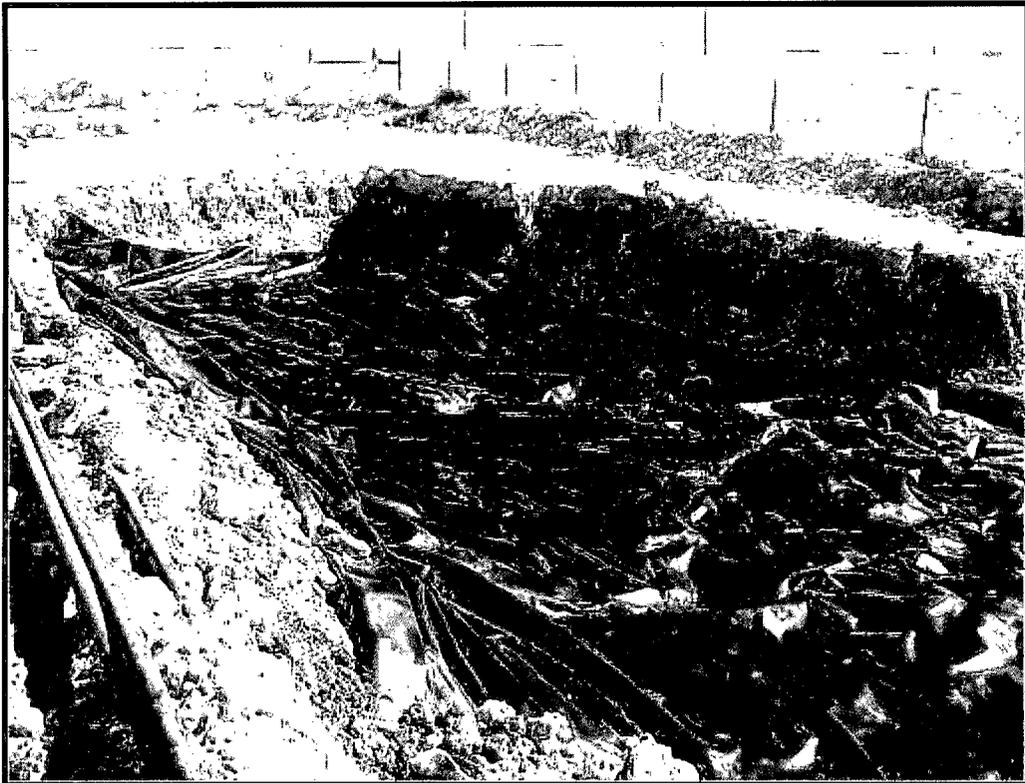
Excavated area lined facing east



Excavated area lined facing south



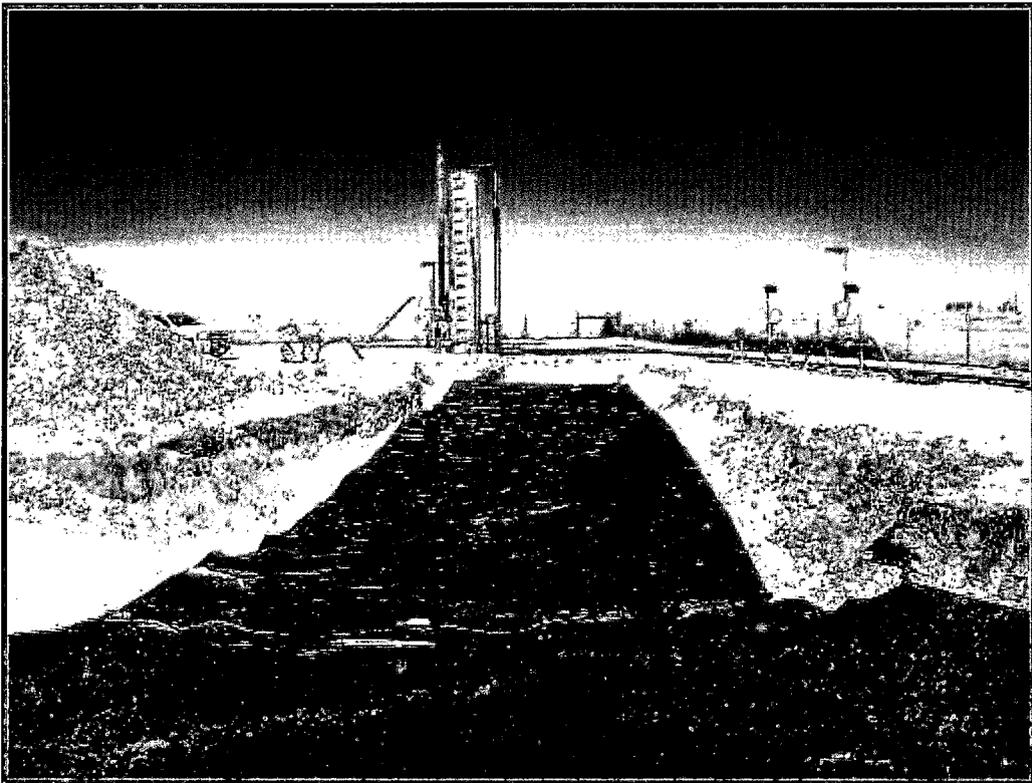
Excavated area lined facing east



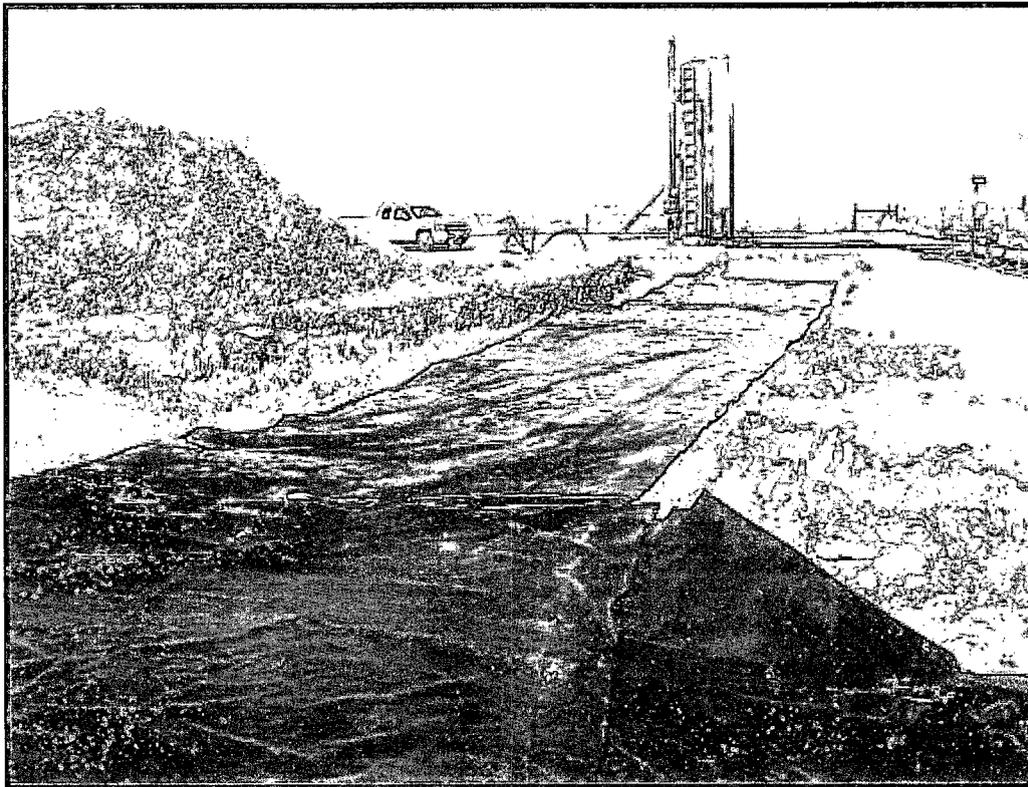
Excavated area lined facing southeast



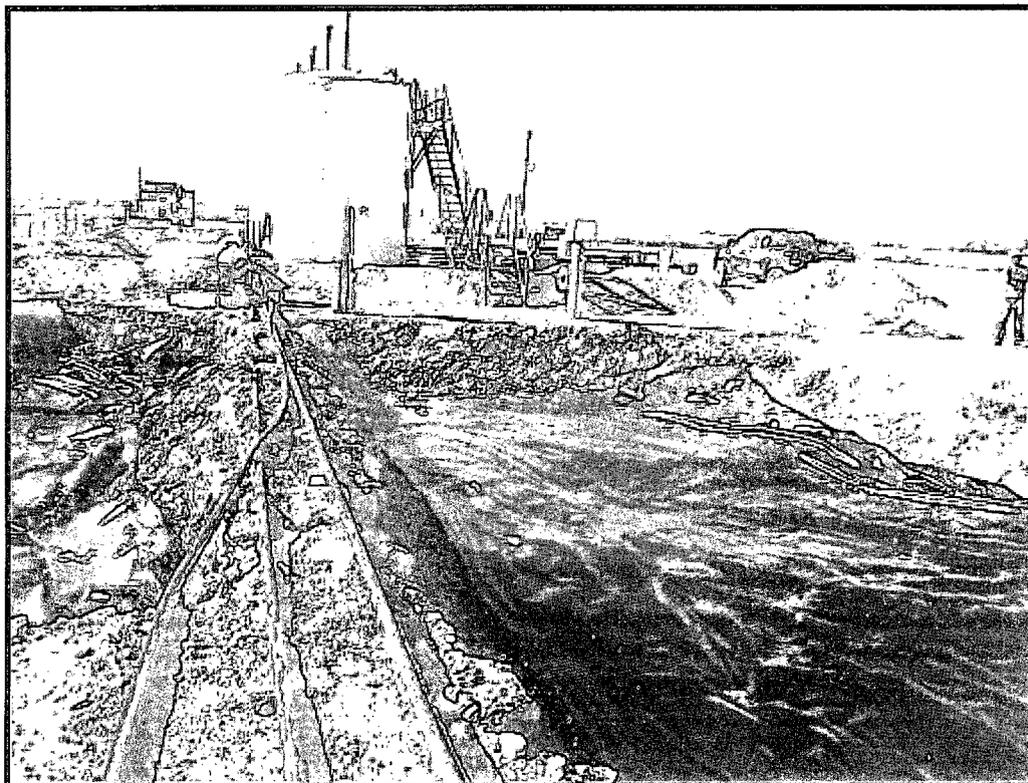
Excavated area lined facing south



Excavated area facing north



Excavated area lined facing northwest



Excavated area lined facing west



Excavated area lined facing west

Cimarex Crestone #1 site photos 1-10-11



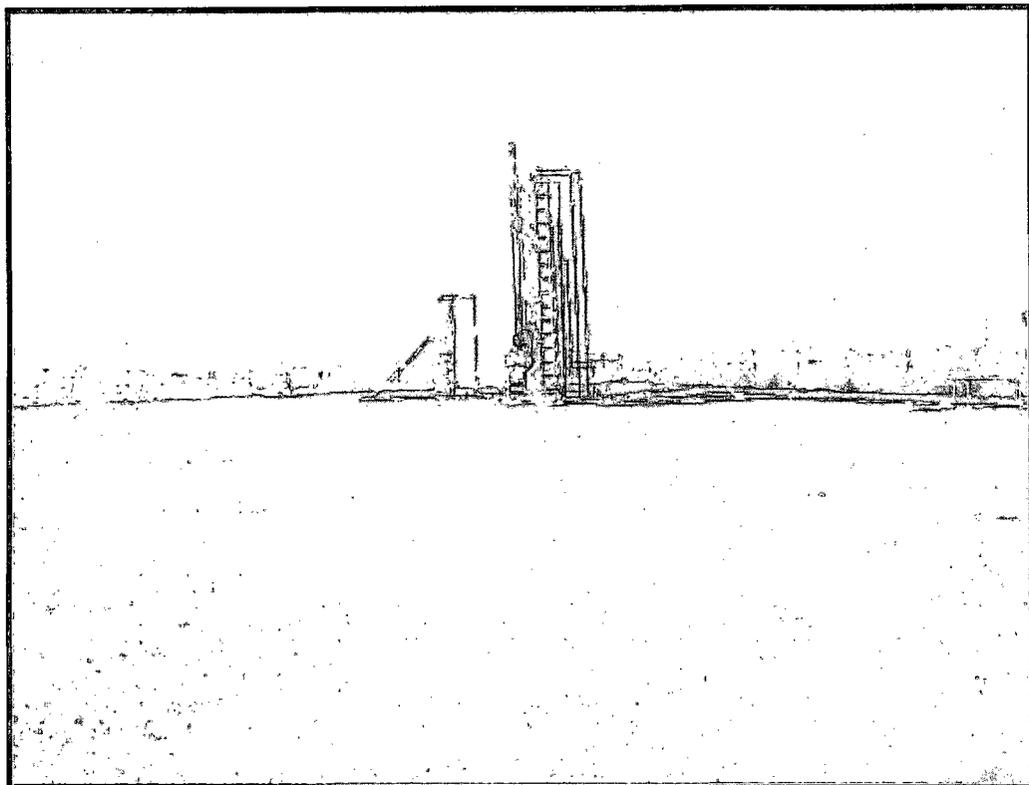
Well sign



Backfilled area facing east



Backfilled area facing east



Backfilled area facing east



Backfill area facing southeast



Backfilled area facing north



Backfilled area facing south

Appendix C
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	Contact: Marty Davis
Address: 600 N Marienfeld Suite 600, Midland TX 79701	Telephone No. (575) 605-5509
Facility Name: Crestone #1	Facility Type:

Surface Owner:	Mineral Owner:	Lease No.
----------------	----------------	-----------

LOCATION OF RELEASE

AP# 30-025-37894

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	12	15S	37E					Lea

Latitude: 33° 01' 57.2" Longitude: 103° 09' 01.7"

NATURE OF RELEASE

Type of Release: Crude Oil	Volume of Release: 35 bbls	Volume Recovered: 0 bbls
Source of Release: Internal Corrosion	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: 8/4/10, ~ 1 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Buddy Hill, NMOCD	
By Whom? Marty Davis, Cimarex	Date and Hour: 08/4/2010 1:30pm	
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.*

The nipple at the bottom of the heater treater was ruptured due to internal corrosion.

Describe Area Affected and Cleanup Action Taken.*

SESI was contacted for assessment. The affected area was 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.

Signature: <i>Marty Davis</i>	OIL CONSERVATION DIVISION	
Printed Name: Marty Davis	Approved by District Supervisor: <i>Jeff Idem</i>	
Title: Field Foreman	Approval Date: <u>02/01/2011</u>	Expiration Date: <u> </u>
E-mail Address: mdavis@cimarex.com	Conditions of Approval:	
Date: 10/1/10 Phone: (575) 605-5509	Attached <input type="checkbox"/> <u>IRP-02-11-2679</u>	

* Attach Additional Sheets If Necessary