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

Form C-144
June 24, 2008

For temporary pits, closed-loop systems, and *below-grade tanks, submit to the appropriate* NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: CIMAREX ENERGY CO. OF COLORADO OGRID #:
Address: PO BOX 1239 EUNICE, NM 88231
Facility or well name: FADEAWAY RIDGE 29 ST. COM #1
API Number: 30-015-35030-00-00 OCD Permit Number:
U/L or Qtr/Qtr K Section 29 Township 19S Range 28E County: Eddy
Center of Proposed Design: Latitude 32°-37'-44.3"-N Longitude 104°-12'-01.2"-W NAD: ☐1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ Steel Pit
☒ Lined ☐ Unlined
Liner type: Thickness 20 mil ☐ LLDPE ☒ HDPE ☐ PVC
☐ Other ☒ String-Reinforced
Seams: ☐ Welded ☒ Factory ☐ Other X2
Volume: 2500 bbl Dimensions: L 70 x W 20 x D 8

☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☒ Other PIT X 2
☒ Lined ☐ Unlined
Liner type: Thickness 20 mil ☐ LLDPE ☒ HDPE ☐ PVC
☐ Other
Seams: ☐ Welded ☒ Factory ☐ Other
Volume: bbl 2000 yd³
Dimensions: Length 70 x Width 20

☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl N/A
Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner
☐ Visible sidewalls only
☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC
☐ Other

Fencing: Subsection D of 19.15.17.11 NMAC
☐ Chain link, six feet in height, two strands of barbed wire at top
☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
Netting: Subsection E of 19.15.17.11 NMAC
☐ Screen ☐ Netting ☐ Other
☐ Monthly inspections
Signs: Subsection C of 19.15.17.11 NMAC
☒ 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Administrative Approvals and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
Please check a box if one or more of the following is requested, if not leave blank:
☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Accepted for record
NMOCD
Final Closure Date 8/22/08

ENTERED 0208229

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: ***The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance.*** **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☒ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☒ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☒ No

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: ***Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: 30-015-35030 or Permit Number: _____

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: ***Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Proposed Closure: 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☒ Waste Excavation and Removal TO CRI
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only: (19.15.17.13.D NMAC) ***Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.***

Disposal Facility Name: CRI Disposal Facility Permit Number: _____

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Dorsey Rogers Title: Drilling Supt.

Signature: [signature] Date: 6/30/2008

e-mail address: dorsey.rogers@coi.com Telephone: 575 200 6105

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only)

OCD Representative Signature: [signature] **Approval Date:** 7/29/08

Title: District II Supervisor **OCD Permit Number:** 02827

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

☐ **Closure Completion Date:** 8/22/08

Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method

☐ If different from approved plan, please explain.

Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Proof of Closure Notice
- ☐ Proof of Deed Notice (if applicable)
- ☐ Plot Plan
- ☐ Confirmation Sampling Analytical Results
- ☐ Waste Material Sampling Analytical Results
- ☐ Disposal Facility Name and Permit Number
- ☐ Soil Backfilling and Cover Installation
- ☐ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Dorsey Rogers Title: Drilling Supt.

Signature: [signature] Date: 8/26/2008

e-mail address: dorseyrogers@coi.com Telephone: 200 6105

Accepted for record
NMOCD

Cimarex Energy Company of Colorado
Drilling Department
Dorsey Rogers
207 South Mesa
Carlsbad, New Mexico 8822
A wholly-owned subsidiary of Cimarex Energy Co., a NYSE Listed Company, "XEC"

Final Closure Report

Fade Away Ridge 29 St. Com #1 Reserve Drilling Pit, API: 30-015-35030
Sec. 29 19S 28E – Eddy County, New Mexico
(OCD Permit #0208229)

Presented to:

New Mexico Oil Conservation Division

1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Prepared by:

Phoenix Environmental, LLC.

P.O. Box 1856
Hobbs, New Mexico 88240

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SECTION I

PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856 2113 French Dr. Hobbs, NM 88241-1856 Office 505-391-9685 Fax 505-391-9687

June 26, 2008

Cimarex Energy Co.
207 S. Mesa
Carlsbad, New Mexico 88220

Attn: Mr. Dorsey Rogers
Drilling Superintendent

RE: Work Plan for the LOV # 2-8-117 on the Fadeaway Ridge 29 St. Com #1 Located in UL-K, Sec 29, T19S and R28E of Eddy County, New Mexico API # 30-015-35030

Dear Mr. Rogers:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Cimarex Energy Co., for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 575-631-8314.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC

Summary/Overview

The Fadeaway Ridge St. Com #1 drilling pit should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminates of concern are mid to high-level concentrations of drilling mud and cuttings that were left in the pits once drilling operations were completed.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 125' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <2,500ppm of TPH, <50ppm for BTEX and Chlorides less than <1,000ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up following the new pit rule 19.15.17 NMAC that started on 6-16-08.

Scope of Work for Off-Site Disposal

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 2,000cyds of impacted soils at the site that needs to be addressed for site closure.

1. Phoenix will mobilize to the site located north of Carlsbad, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance with the requirements of subsection G of 19.15.17.13 NMAC.
2. At the site a staging area will be set up for site control and safety.

3. The impacted soils will be excavated, stabilized and loaded into trucks for off-site disposal.

4. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal (CRI).

5. Phoenix will field screen the site during the excavation, and, once the TPH BTEX and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis to meet the requirements of subsection D of 19.15.17.13 NMAC.

6. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the site and contoured with a crown to prevent the ponding of water to meet the requirements of subsection H of 19.15.17.13 NMAC.

7. The site will be reseeded once backfilling operations have been completed to meet the requirements of subsection I of 19.15.17.13 NMAC

8. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos to meet the requirements of subsection K of 19.15.17.13 NMAC.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC

7007 2680 0001 6451 2810

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Response Required – Deadline Enclosed

17-Jun-08

CIMAREX ENERGY CO. OF COLORADO
P O BOX 1237
EUNICE NM 88231

LOV NO. 2-8-117

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

FADEAWAY RIDGE 29 STATE COM No.001 K-29-19S-28E **30-015-35030-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
06/16/2008	Routine/Periodic	Richard Inge	Yes	No	7/7/2008	iREI0816849672

Comments on Inspection: Drilling pits still open. Liner is down in both pits. Solids still in both pits. Pictures taken.

Violation of OCD rule 19.15.17.13. Please submit OCD form C-144 by Completion Action Due by date with the pit to be closed within 1 month of the closure approval.

GPS # – 32°-37'-44.3-N – 104°-12'-012-W ELV. 3382
GWD 125' BGS

COPY FROM WELL FILE

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Divison Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,

Richard Ingus

Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.
*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.

SECTION II

Project Overview

Phoenix Environmental, LLC. (Phoenix) was contracted for the closure of a reserve-drilling pit on the Fade Away Ridge 29 St #1, belonging to Cimarex Energy Co... The Fade Away Ridge 29 St #1 is located in Section 29 T19S R28E. The GPS Reading is 32°37'44.3"N & 104°12'01.2"W, with an elevation of 3392 feet above sea level. The land, in and around the site, is primarily used as domestic pasture for ranching and the production of oil and gas. The pit site is located on the south side of the location.

The potential contaminates of concern were mid- to high-level concentrations of produced water that was left after well work over was completed.

The ground water depth data available from the State of New Mexico Engineers' office showed the vertical depth to the top of water to be about 50 feet below surface.

Pursuant to the NMOCD guidelines for clean up of unlined surface impoundments, the clean up level for this site will be at <100 ppm for TPH (Total Petroleum Hydrocarbons) and <50 ppm for BTEX (Benzene, Toluene, Ethylbenzene, and Xylene). The NMOCD has also asked for CL (Chlorides) be returned back as close to background levels as possible or <250 ppm.

Findings and Conclusion

It appeared that in excess of 2,020 cubic yards of impacted soil were impacted in the pit area with the dimensions of 60x25x12. Impacted soils at the site were transported to a NMOCD approved disposal facility for disposal. (CRI Permit #R9166)

The bottom of the excavation (approximately 15 feet) was tested for TPH, BTEX & Chlorides to make certain that the target limits had been met prior to backfilling and compaction for closure. The site cleaned up well with vertical depth of impact, listed above at15 feet and not impacting groundwater. All of the final lab analyses were below the NMOCD guidelines for unlined surface impoundments (refer to attached laboratory reports for actual levels.)

The site was backfilled and compacted with clean backfill and contoured with a crown back to grade to prevent ponding on the area. The site was reseeded and should vegetate very well with upcoming rains.

Chronology of Operations

1. *July 1, 2008 – Phoenix mobilized on-site. The first order on the agenda was a tailgate safety meeting to review any potential safety concerns of the site and to cover the clean- up operations. (Please note that a daily safety meeting is the first order of the day before any work begins on site). New Mexico One Call was notified of the intent to finish the pit closure. A dozier was mobilized on-site. The crew began to mix and blend reserve drilling pit contents to dry out the mud for future hauling to a NMOCD approved disposal facility. Location was dressed and prep for trucks to start hauling off contents of reserve drilling mud.*

2. *July 2, 2008 – Crew started to dig out impacted soil from reserve drilling pit and loaded into trucks. A total of 240 cubic yards was taken to disposal on this day.*

3. *July 3, 2008 – Impacted soil was dug out of reserve drilling pit and loaded into trucks. Trucks hauled 220 cubic yards of impacted soil to disposal.*

4. *July 7, 2008 – Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 300 cubic yards of impacted soil was taken to disposal.*

5. *July 8, 2008 - Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 220 cubic yards of impacted soil was taken to disposal.*

6. *July 9, 2008 - Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 240 cubic yards of impacted soil was taken to disposal.*

7. *July 10, 2008 – Crew was rained out on this day. A vacuum truck was called out to pull of excess rain water from the reserve drilling pit.*

8. *July 14, 2008 - Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 240 cubic yards of impacted soil was taken to disposal.*

9. *July 15, 2008 - Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 240 cubic yards of impacted soil was taken to disposal.*

10. *July 16, 2008 - Impacted soil was dug out of reserve drilling pit and loaded into trucks. A total of 200 cubic yards of impacted soil was taken to disposal.*

11. *July 7, 2008 – Crew finished digging out impacted soil, which was loaded into trucks... A total of 120 cubic yards was taken to disposal on this date. The bottom of the reserve drilling pit was cleaned. Final samples were taken and sent to a*

third party laboratory for analysis of Chlorides for final verification of the limits met. (Please refer to attached reports, pages 8 through 12 of this report).

12. *July 18, 2008 - Crew began to backfill the reserve drilling pit.*

13. *July 21, 2008 – Crew continued to backfill the reserve drilling pit.*

14. *July 22, 2008 – Crew push in material from location to backfill to complete the backfilling of the reserve drilling pit. Final contouring and compactions was implemented to return the site back to grade. Contouring was completed with a crown to prevent rainwater ponding.*

15. *July 29, 2008 – The site was reseeded with native grasses and with the available moisture should vegetate very quickly.*

Limitations

Phoenix Environmental LLC has prepared this report to the best of its ability. No other warranty expressed, implied or intended is made.

This report has been prepared for Cimarex Energy Company of Colorado our client. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent from Phoenix Environmental LLC and/or the client.

Certification

The following Phoenix/Cimarex personnel have reviewed this report and verify that to the best of their knowledge the contents are true and correct.

Name: ***Allen Hodge, REM # 7096***

Signature: _____

Title: VP Operations
Phoenix Environmental LLC

Name: ***Dorsey Rogers***

Signature: _____

Title: Drilling Superintendent
Cimarex Energy Company of Colorado

SECTION III

SUMMARY SOIL ANALYSIS REPORT

Client: Cimarex Energy Co.
Supervisor: Allen Hodge
Sample Matrix: Soil

Facility: # Fade Away Ridge 29 St Com. 1
Order No.: Dorsey Rogers
Samples Received: Intact on site

Initial Project Screening

Sample	Date	Depth	Chlorides	TPH	BTEX	Location	Test Method
#1							
#2							
#3							
#4							
#5							
#6							

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Interim Project Screening

Sample	Date	Depth	Chlorides	PID TPH	PID BTEX	Location	Test Method
#1	6/25/08	15'	<50			Southeast	EPA 325.3
#2	6/25/08	15"	<50			Southwest	EPA 325.3
#3	6/25/08	14'	60			Northeast	EPA 325.3
#4	6/25/08	14'	<50			Northwest	EPA 325.3
#5							
#6							
#7							
#8							
#9							
#10							
#11							
#12							
#13							
#14							
#15							
#16							

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Final (Third Party Laboratory) Project Screening Verification

Sample	Date	Depth	Chlorides	TPH	BTEX	Location	Test Method
#1	7/28/08	15'	<32.5			Southeast	See Report
#2	7/28/08	15"	<32.5			Southwest	See Report
#3	7/28/08	14'	38.1			Northeast	See Report
#4	7/28/08	14'	<32.5			Northwest	See Report
#5	7/28/08	0-6"	<32.5			Background	
#6							
#7							

Samples reported in parts per million (ppm) and depth is in feet (') and inches (")

Phoenix Environmental, LLC.
P.O. Box 1856 – 2113 French Drive
Hobbs, New Mexico 88241
505.391.9685 – FAX: 505.391.9687

SOIL ANALYSIS REPORT

Date: 6/25/08
Client: Cimarex Energy Co.
Supervisor: Allen Hodge
Sample Matrix: Soil

Facility: Fadeaway Ridge 29 St. #1
Test Method: EPA 325.3
Order No.: Dorsey Rogers
Sample Received: Intact on site

Sample	Cl (ppm)	Depth (feet)	Location
#1	<50	15′	Southeast
#2	<50	15′	Southwest
#3	60	14′	Northeast
#4	<50	14′	Northwest

COMMENTS: Sample does not meet limits for NMOCD guidelines for unlined pit closure.

Summary Report

Dorsey Rogers
Cimarex
207 S Mesa
Carlsbad, NM, 88220

Report Date: July 31, 2008

Work Order: 8072833

Project Location: UL-K, Sec. 29-T195-R28E
Project Name: Fadeaway Ridge 29 St. Com. #1
Project Number: API 30-015-35030

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
168585	Southeast @ 15'	soil	2008-07-22	14:00	2008-07-28
168586	Southwest @ 15'	soil	2008-07-22	14:20	2008-07-28
168587	Northeast @ 14'	soil	2008-07-22	14:45	2008-07-28
168588	Northwest @ 14'	soil	2008-07-22	15:00	2008-07-28
168589	Background @ 0-6"	soil	2008-07-22	15:30	2008-07-28

	BTEX				MTBE	TPH DRO	TPH GRO
	Benzene	Toluene	Ethylbenzene	Xylene	MTBE	DRO	GRO
Sample - Field Code	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
168585 - Southeast @ 15'	<0.0100	<0.0100	<0.0100	<0.0100		<50.0	<1.00
168586 - Southwest @ 15'	<0.0100	<0.0100	<0.0100	<0.0100		<50.0	<1.00
168587 - Northeast @ 14'	<0.0100	<0.0100	<0.0100	<0.0100		<50.0	<1.00
168588 - Northwest @ 14'	<0.0100	<0.0100	<0.0100	<0.0100		<50.0	<1.00
168589 - Background @ 0-6"	<0.0100	<0.0100	<0.0100	<0.0100		<50.0	<1.00

Sample: 168585 - Southeast @ 15'

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

Sample: 168586 - Southwest @ 15'

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

Sample: 168587 - Northeast @ 14'

Param	Flag	Result	Units	RL
Chloride		**38.1**	mg/Kg	3.25

Sample: 168588 - Northwest @ 14'

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

Sample: 168589 - Background @ 0-6"

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

LAB Order ID # _____ Page _____ of _____

TraceAnalysis, Inc.

email: lab@traceanalysis.com

6701 Aberdeen Avenue, Suite 9
Lubbock, Texas 79424
Tel (806) 794-1296
Fax (806) 794-1298
1 (800) 378-1296

5002 Basin Street, Suite A1
Midland, Texas 79703
Tel (432) 689-6301
Fax (432) 689-6313

200 East Sunset Rd., Suite E
El Paso, Texas 79922
Tel (915) 585-3443
Fax (915) 585-4944
1 (888) 588-3443

8808 Camp Bowie Blvd West, Suite 180
Ft. Worth, Texas 76116
Tel (817) 201-5260
Fax (817) 560-4336

Company Name: Phoenix Environmental LLC	Phone #: 575-391-9685
Address: (Street, City, Zip) P.O. Box 1856 Hobbs NM 88241	Fax #: 575-391-9687
Contact Person: Allen Hodge	E-mail: FAHodge@Leaco.Net
Invoice to: (If different from above) Cimarex	
Project #: API # 30-015-35030	Project Name: Fadeaway Ridge 29 St. Com #1
Project Location (including state): UL-K-SEC 29-T19S-R28E	Sampler Signature:

ANALYSIS REQUEST
(Circle or Specify Method No.)

LAB # (LAB USE ONLY)	FIELD CODE	# CONTAINERS	Volume / Amount	MATRIX: WATER	SOIL	AIR	SLUDGE	PRESERVATIVE METHOD: HCl	HNO_3	H_2SO_4	NaOH	ICE	NONE	SAMPLING: DATE	TIME	MTBE 8021B / 602 / 8260B / 624	BTEX 8021B / 602 / 8260B / 624	TPH 418.1 / TX1005 / TX1005 Ext(C35)	TPH 8015 GRO / DRO / TVHC	PAH 8270C / 625	Total Metals Ag As Ba Cd Cr Pb Se Hg 6010B/200.7	TCLP Metals Ag As Ba Cd Cr Pb Se Hg	TCLP Volatiles	TCLP Semi Volatiles	TCLP Pesticides	RCI	GC/MS Vol. 8260B / 624	GC/MS Semi Vol. 8270C / 625	PCB's 8082 / 608	Pesticides 8081A / 608	BOD, TSS, pH	Moisture Content	81 (chlorides)				Turn Around Time if different from standard	Hold
	1- Southeast @ 15'	1	4oz		X							X		7-22-08	2:00		X		X													X					
	2- Southwest @ 15'	1	4oz		X							X		7-22-08	2:20		X		X													X					
	3- Northeast @ 14'	1	4oz		X							X		7-22-08	2:45		X		X													X					
	4- Northwest @ 14'	1	4oz		X							X		7-22-08	3:00		X		X													X					
	5- Background @ 0-6"	1	4oz		X							X		7-22-08	3:30		X		X													X					

Relinquished by:	Company:	Date:	Time:	Received by:	Company:	Date:	Time:	Temp°c:
	Phoenix	7-22-08	3:45					
	Phoenix	7-28-08	3:30					

LAB USE ONLY

Intact Y / N

Headspace Y / N / NA

Log-in-Review

REMARKS:

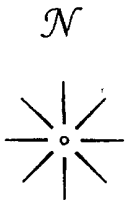
2-day Rush

- ☐ Dry Weight Basis Required
- ☐ TRRP Report Required
- ☐ Check If Special Reporting Limits Are Needed

Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

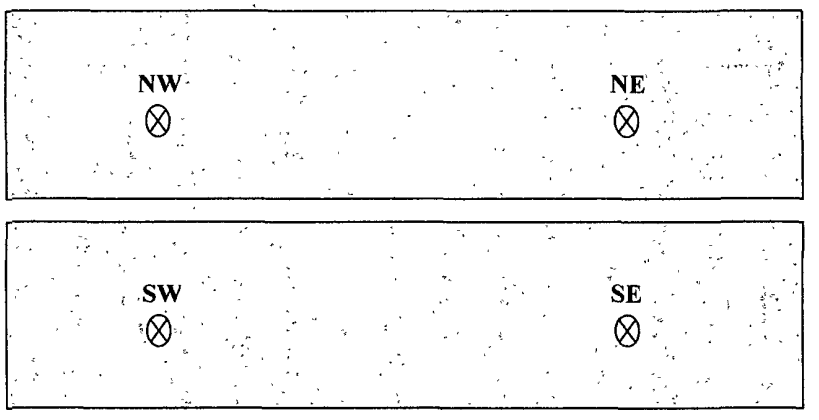
Carrier # _____

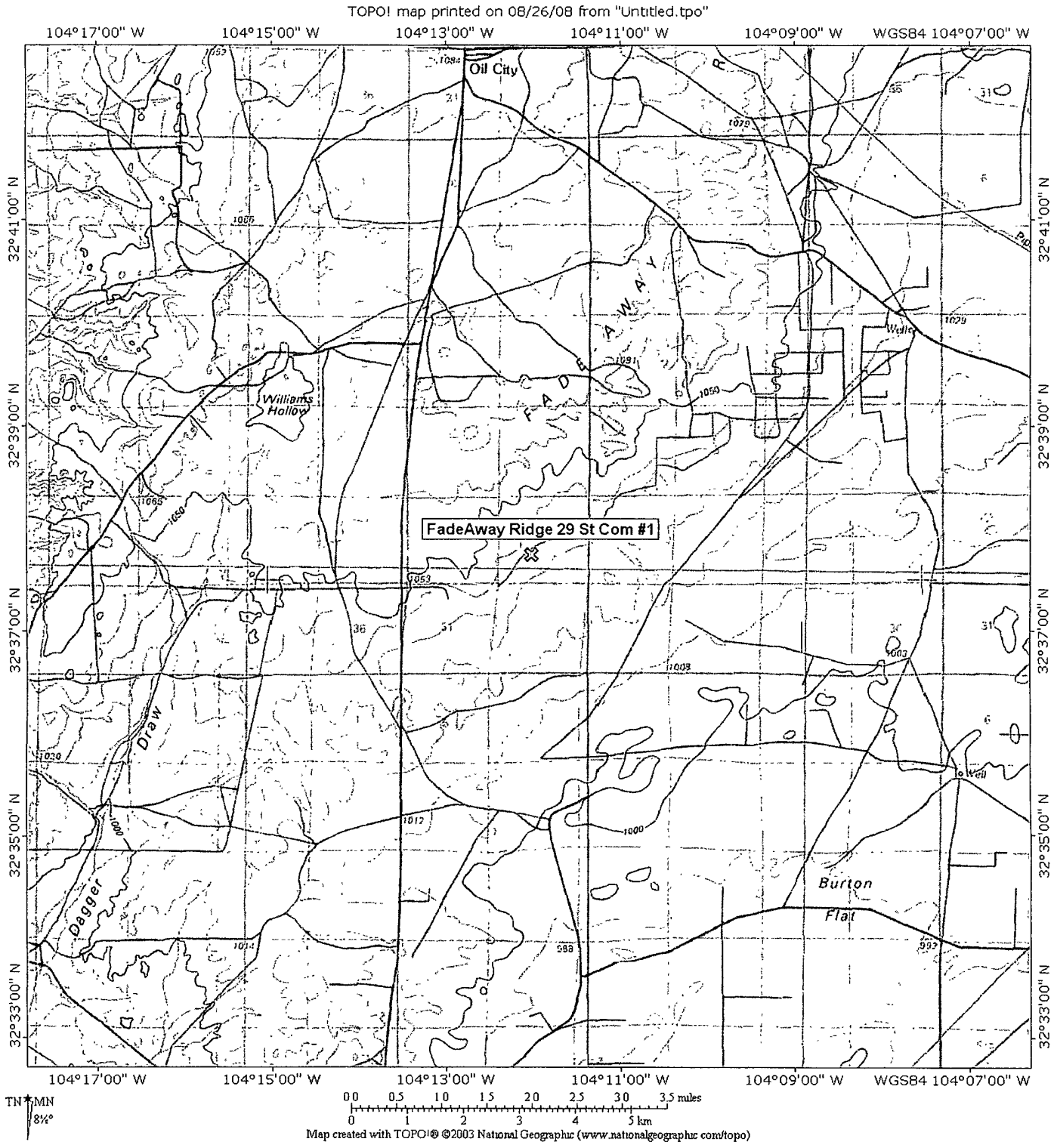
SECTION IV

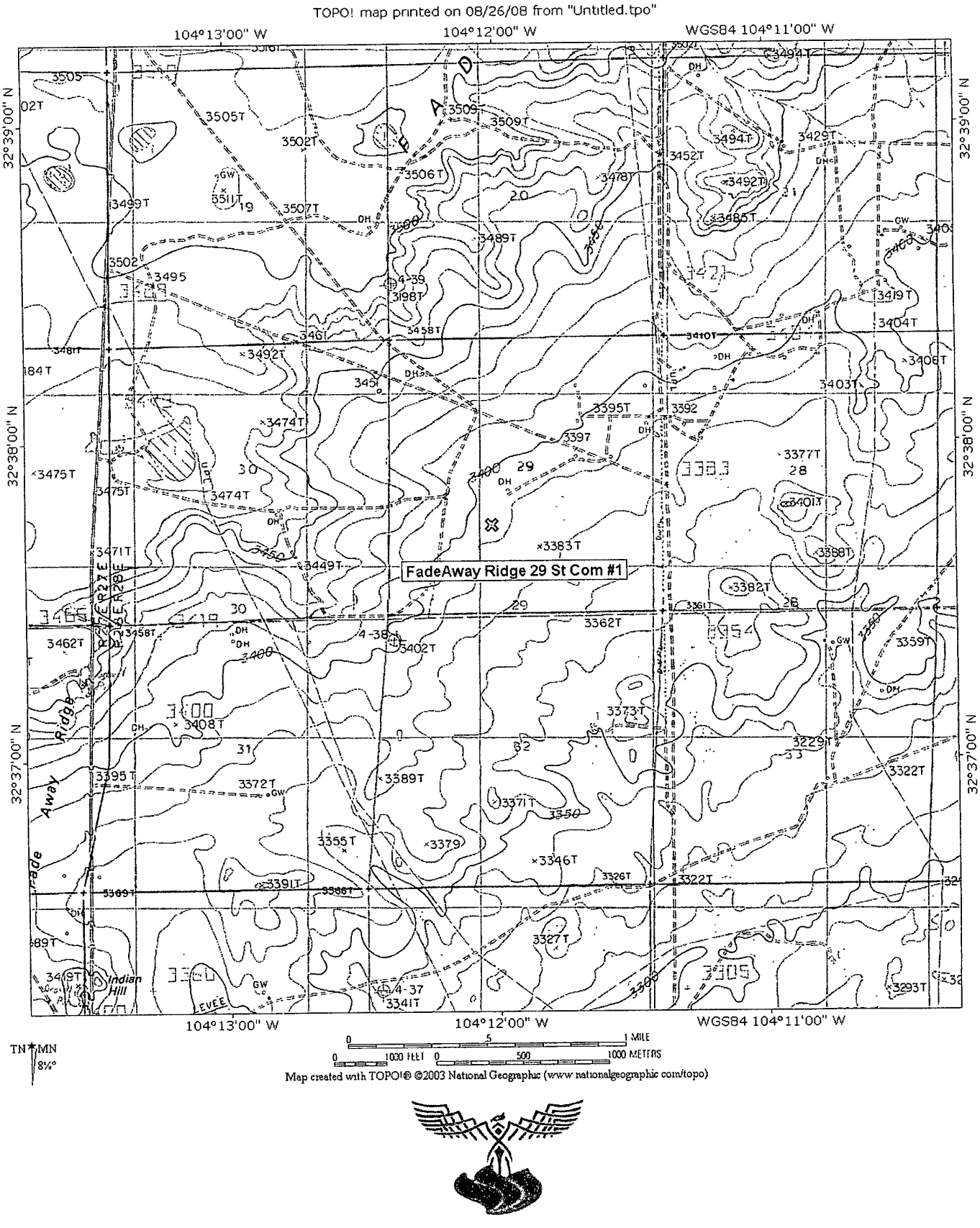


Cimarex Energy
Fadeaway Ridge 29 St. Com #1
UL-K-SEC 29-T19S- R28E
Eddy Co. NM
API# 30-015-35030

1. SE - N32°37'44.5"-W104°12'01.4"
2. SW - N32°37'44.4"-W104°12'01.9"
3. NE - N32°37'45.0"-W104°12'01.5"
4. NW - N32°37'45.0"-W104°12'01.9"
5. BG – N32°37'43.9"-W104°12'03.6"




TOPO! map printed on 08/26/08 from "Untitled.tpo"
104°17'00" W
104°15'00" W
104°13'00" W
104°11'00" W
104°09'00" W
WGS84 104°07'00" W
32°41'00" N
32°39'00" N
32°37'00" N
32°35'00" N
32°33'00" N
Oil City
Williams Hollow
FADEAWAY
FadeAway Ridge 29 St Com #1
Dagger Draw
Burton Flat
Well
TN MN
8½°
0 0.5 1 1.5 2 2.5 3 3.5 miles
0 1 2 3 4 5 km
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)


TOPO! map printed on 08/26/08 from "Untitled.tpo"
104°13'00" W
104°12'00" W
WGS84 104°11'00" W
32°39'00" N
32°38'00" N
32°37'00" N
FadeAway Ridge 29 St Com #1
Indian Hill
TN MN
8½°
0 5 1 MILE
0 1000 FEET 0 500 1000 METERS
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)