District J 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Azrec, 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-144
March 12, 2004
Illing and production facilities, submit to

For drilling and production facilities, submit to appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe office

Is pit or below-grade tan	ude Tank Registration or Closur k covered by a "general plan"? Yes  No by below-grade tank  Closure of a pit or below-grade	×
Operator:     Gruy Petroleum Management Co.     Telephone:       Address:     P.O. Box 140907, Irving, Tx 75014-0907	772-443-6489_e-mail address: <u>zfarris@cimarex.com</u> <b>37174</b> _U/L or Qtr/QtrBSec2T24:	
Pit  Type: Drilling Production Disposal Workover Emergency Lined Unlined Liner type: Synthetic Thickness 12 mil Clay Volume 12000bbl	Below-grade tank  Volutne:bbl Type of fluid:  Construction material:  Double-walled, with leak detection? Yes  If not, explain why not	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(10 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 No	(20 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet	(20 points) 02 81. 91. 11. 12. 12. 12. 12. 12. 12. 12. 12. 1
	Ranking Score (Total Points)	0
If this is a pit clusure: (1) attach a diagram of the facility showing the pit's onsite  offsite  If offsite, name of facility date. (4) Groundwater encountered: No Yes  If yes, show depth belo diagram of sample locations and excavations.	(3) Attach a general description of remedial acti	on taken including remediation start date and end
I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , a Date: 03-28-06  Printed Name/Title Zeno Farris Manager Operations Administration  Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations.	a general permit, or an (attached) alternative Of  Signature	CD-approved plan
Approval: Date: O 2006 Printed NaMARie 3 0 2006 PETROLEUM ENGINEER	Signature 3	

## Gruy Petroleum Management Co.

5215 North O'Connor Road ♦ Suite 1500 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6486 Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

A subsidiary of Cimarex Energy Co. • A NYSE Listed Company • "XEC"



March 28, 2006

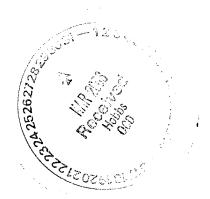
Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240 Attn: Ms. Donna Mull

Re: Statewide Rule 118

Hydrogen Sulfide Gas Contingency Plan

Proposed State 1 No. 2 Well

Dear Ms. Mull:



In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Gruy Petroleum Management Co. does not anticipate that there will be enough H2S from the surface to the Morrow/Atoka formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

State 1 No. 2 2-2-24S-34E 660' FNL & 1980' FEL Lea Co., NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

Zeno Farris

Manager Operations Administration

Zenofany