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-144
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☑ No ☐
Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Chi Operating Energy Telephone: (505) 628-3447 e-mail address: dorseyrogers@aol.com
Address: 1101 North Big Spring Rd. Carlsbad N.M. 88220.
Facility or well name: Scout 18 Fed #3 API #: 30-025-37681 U/L or Qtr/Qtr O Sec 18 T 19S R 34E
County: Lea Co N.M. Latitude N 32° 39' 17.1 Longitude 103° 35' 51.1" NAD: 1927 ☐ 1983 ☐
Surface Owner: Federal ☑ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type: Drilling ☑ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☐ Unlined ☐ Liner type: Synthetic ☑ Thickness 12 mil Clay ☐ Pit Volume _____ bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not. WTR 200'	
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	(20 points) (10 points) (0 points) 0 ~180'
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) (0 points) 0
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 1000 feet or more	(20 points) (10 points) (0 points) 0
	Ranking Score (Total Points)	0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:
See Attached work plan

Received Hobbs OCD JAN 2007

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 1/2/07
Printed Name/Title Dorsey Rogers Dwy Sup Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title L JOHNSON - ENVIRO ENGR Signature _____ Date: 1.3.07

BACKFILL APPROVED 2.12.07 OCD

P.O. Box 310
Hobbs, NM 88241-0310

Off 505.392.8584
Cell 505.631.2442
Fax 505.392.3085

New Mexic Environmental Services

Hobbs, New Mexico

Reserve Pit Remediation

SURFACE PIT CLOSURE PLAN

PIT PARAMETERS

COMPANY: Cimerex Energy.
WELL SITE: Scout 18 Fed. #5
LEGAL DESCRIPTION: Unit O Sec 18 T19s R34e
LAT:32*39'17.1" LONG: 103*36'51.1"

The reserve pit inset on this leasehold is being permitted to close as per New Mexico OCD "Pit and Below Grade Tank Guidelines" dated November 1, 2004.

This pit was excavated and formed to the dimensions roughly 120'x 120'x 6' deep. A 12 mil membrane liner and pad was used to prevent leakage to the surface soils. A visual examination of the membrane liner indicates that the liner had maintained its integrity.

After the drilling and completion phase of this project, the water phase of the pit contents were pumped and hauled to an approved water injection facility. It is estimated that the volume of solids remaining are to +/- 1500 yards. The burial cell is to be excavated and lined with a 20 mil membrane that complies with ASTM Standards: D-5747, D-5199, D-5994, and D-4833. The cutting will be loaded as to allow for >36" freeboard to ground level. After the cutting are loaded the 12 mil liner will be folded over the top, and a 20 mil minimum thickness liner meeting the minimum requirements as outlined in ASTM Standard Methods: D-5747, D-5199, D-5994, D-4833; will be used to cap and cover to an extended area that exceeds three feet in all directions from the edge of the burial cell.

A minimum of 36" of top soil will be used to cover the burial cell. This soil must be capable of supporting plant growth. A seed mixture will be used as to conform to local BLM and OCD requirements.

After the drilling solids are buried, the natural contour of the surrounding soils will be mechanically shaped as to prevent erosion of the well site until vegetation is established.

TRACEANALYSIS, INC.

6701 Aberdeen Avenue, Suite 9 Lubbock, Texas 79424 800•378•1296 806•794•1296 FAX 806•794•1298
200 East Sunset Road, Suite E El Paso, Texas 79922 888•588•3443 915•585•3443 FAX 915•585•4944
5002 Basin Street, Suite A1 Midland, Texas 79703 432•689•6301 FAX 432•689•6313
6015 Harris Parkway, Suite 110 Ft. Worth, Texas 76132 817•201•5260
E-Mail: lab@traceanalysis.com

Analytical and Quality Control Report

Cris Busby
New Mexico Environmental
P.O. Box 310
Hobbs, NM, 88241

Report Date: February 1, 2007

Work Order: 7020124

Project Name: Scout 18 Fed #5
Project Number: Sec 8,T19s R34e

Enclosed are the Analytical Report and Quality Control Report for the following sample(s) submitted to TraceAnalysis, Inc.

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
115315	#001 S.E. Leg 8'	soil	2007-01-29	14:00	2007-02-01
115316	#002 N.E. Corner	soil	2007-01-29	14:30	2007-02-01
115317	#003 N.W. Corner	soil	2007-01-29	15:00	2007-02-01
115318	#004 S. W. Leg 10'	soil	2007-01-29	15:30	2007-02-01
115319	#005 Background	soil	2007-01-29	16:00	2007-02-01

These results represent only the samples received in the laboratory. The Quality Control Report is generated on a batch basis. All information contained in this report is for the analytical batch(es) in which your sample(s) were analyzed.

This report consists of a total of 5 pages and shall not be reproduced except in its entirety, without written approval of TraceAnalysis, Inc.

Dr. Blair Leftwich, Director

Standard Flags

B - The sample contains less than ten times the concentration found in the method blank.

Report Date: February 1, 2007
Sec 8,T19s R34e

Work Order: 7020124
Scout 18 Fed #5

Analytical Report

Sample: 115315 - #001 S.E. Leg 8'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	34221	Date Analyzed:	2007-02-01	Analyzed By:	SM
Prep Batch:	29706	Sample Preparation:	2007-02-01	Prepared By:	SM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		91.7		mg/Kg	4	5.00

Sample: 115316 - #002 N.E. Corner

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	34221	Date Analyzed:	2007-02-01	Analyzed By:	SM
Prep Batch:	29706	Sample Preparation:	2007-02-01	Prepared By:	SM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		96.2		mg/Kg	4	5.00

Sample: 115317 - #003 N.W. Corner

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	34221	Date Analyzed:	2007-02-01	Analyzed By:	SM
Prep Batch:	29706	Sample Preparation:	2007-02-01	Prepared By:	SM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		93.2		mg/Kg	4	5.00

Sample: 115318 - #004 S. W. Leg 10'

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	34221	Date Analyzed:	2007-02-01	Analyzed By:	SM
Prep Batch:	29706	Sample Preparation:	2007-02-01	Prepared By:	SM

Parameter	Flag	Result	RL	Units	Dilution	RL
Chloride		84.8		mg/Kg	4	5.00

Sample: 115319 - #005 Background

Analysis:	Chloride (Titration)	Analytical Method:	SM 4500-Cl B	Prep Method:	N/A
QC Batch:	34221	Date Analyzed:	2007-02-01	Analyzed By:	SM
Prep Batch:	29706	Sample Preparation:	2007-02-01	Prepared By:	SM

Report Date: February 1, 2007
Sec 8,T19s R34e

Work Order: 7020124
Scout 18 Fed #5

Parameter	Flag	RL Result	Units	Dilution	RL
Chloride		81.1	mg/Kg	4	5.00

Method Blank (1) QC Batch: 34221

QC Batch: 34221 Date Analyzed: 2007-02-01 Analyzed By: SM
Prep Batch: 29706 QC Preparation: 2007-02-01 Prepared By: SM

Parameter	Flag	MDL Result	Units	RL
Chloride		<3.25	mg/Kg	5

Laboratory Control Spike (LCS-1)

QC Batch: 34221 Date Analyzed: 2007-02-01 Analyzed By: SM
Prep Batch: 29706 QC Preparation: 2007-02-01 Prepared By: SM

Param	LCS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	90.3	mg/Kg	1	100	<3.25	90	90 - 110

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	LCSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	91.8	mg/Kg	1	100	<3.25	92	90 - 110	2	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Matrix Spike (MS-1) Spiked Sample: 115324

QC Batch: 34221 Date Analyzed: 2007-02-01 Analyzed By: SM
Prep Batch: 29706 QC Preparation: 2007-02-01 Prepared By: SM

Param	MS Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit
Chloride	304	mg/Kg	4	400	<13.0	76	84.6 - 117

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Param	MSD Result	Units	Dil.	Spike Amount	Matrix Result	Rec.	Rec. Limit	RPD	RPD Limit
Chloride	318	mg/Kg	4	400	<13.0	80	84.6 - 117	5	20

Percent recovery is based on the spike result. RPD is based on the spike and spike duplicate result.

Standard (ICV-1)

QC Batch: 34221 Date Analyzed: 2007-02-01 Analyzed By: SM

[1]Matrix spike recoveries out of control limits due to matrix spike being diluted out. Use LCS/LCSD to demonstrate analysis is under control.

Report Date: February 1, 2007
Sec 8,T19s R34e

Work Order: 7020124
Scout 18 Fed #5

Param	Flag	Units	ICVs True Conc.	ICVs Found Conc.	ICVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	98.3	98	85 - 115	2007-02-01

Standard (CCV-1)

QC Batch: 34221

Date Analyzed: 2007-02-01

Analyzed By: SM

Param	Flag	Units	CCVs True Conc.	CCVs Found Conc.	CCVs Percent Recovery	Percent Recovery Limits	Date Analyzed
Chloride		mg/Kg	100	102	102	85 - 115	2007-02-01

LAB Order ID # 702124 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
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200 East Sunset Rd., Suite E, El Paso, Texas 79922, Tel (915) 585-3443, Fax (915) 585-4944, 1 (888) 588-3443
6015 Harris Pkwy., Suite 110, Ft. Worth, Texas 76132, Tel (817) 201-5260

Company Name: D.M.E.S. Phone #: 505(~~444~~) 441-0403
Address: (Street, City, Zip) PO Box 310 Hobbs N.M. Fax #: (505) 392-3035
Contact Person: Cris Busby E-mail: dmescopers@qx.com
Invoice to: (If different from above) Cimarex Energy
Project #: Sec. 4, T19s, R34e Project Name: Scout 18 Fed #3
Project Location (including state): Sampler Signature: Cris Busby

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
11535	#001 S.E. Leg 4'	#1	4oz		X							X		1/29	2:00
16	#002 N.E. Corner				X							X		1/29	2:30
17	#003 N.W. Corner				X							X		1/29	3:00
18	#004 S.W. Leg 10'				X							X		1/29	3:30
19	#005 Background	↓	↓		X							X		1/29	4:00

	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	Turn Around Time if different from standard	Hold
11535																	X		
16																	X		
17																	X		
18																	X		
19																	X		

Relinquished by:	Date:	Time:	Received by:	Date:	Time:
Cris Busby	2/1/07	8:30		2/1/07	8:30 AM NM
Relinquished by:	Date:	Time:	Received by:	Date:	Time:
Relinquished by:	Date:	Time:	Received at Laboratory by:	Date:	Time:
	2/1/07	12:25 PM TX		2-1-07	12:25

LAB USE ONLY: Intact (Y) N; Headspace Y / N; Temp 6.0 °C; Log-in-Review

REMARKS:

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

Carrier # Carry Jim

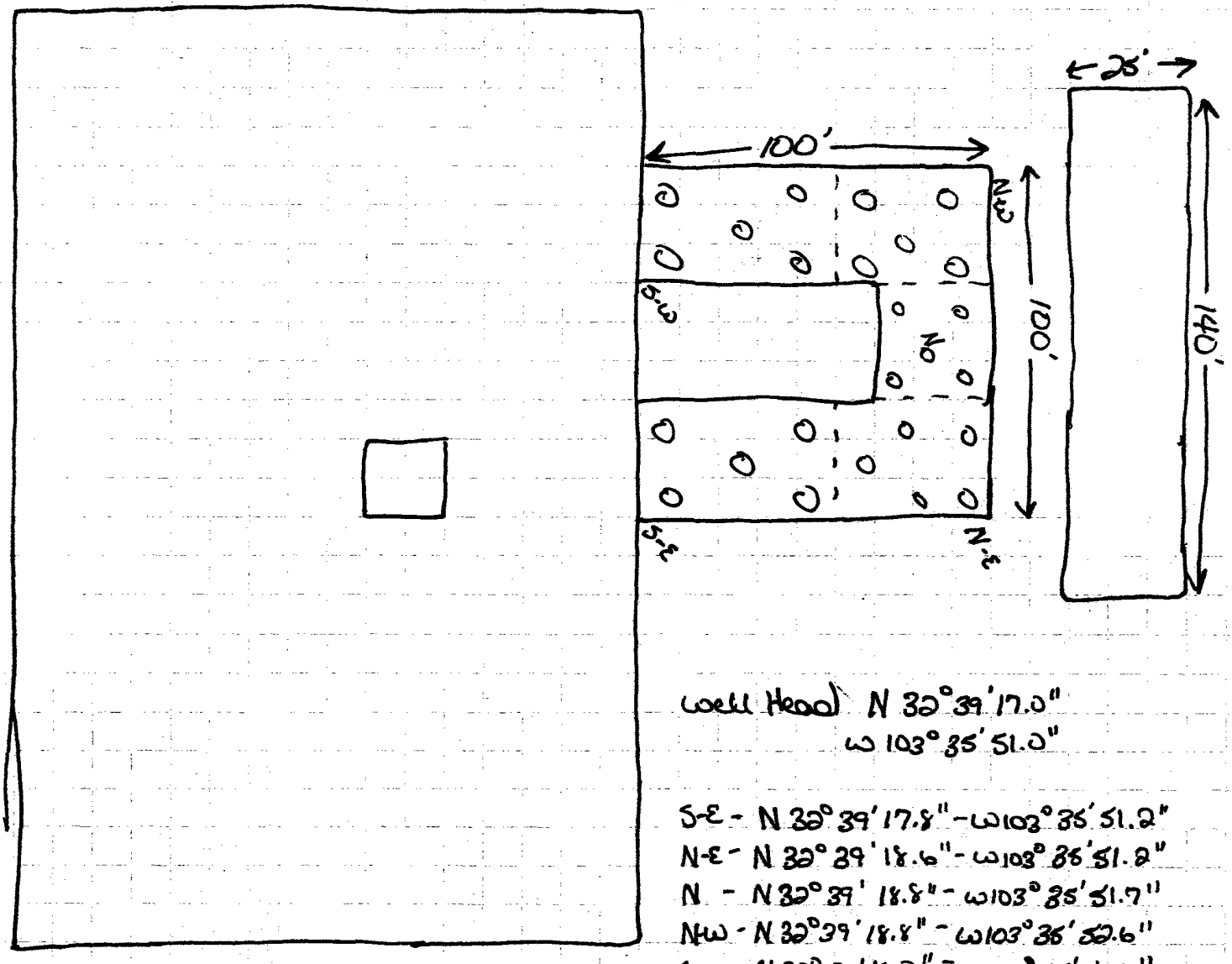
Submittal of samples constitutes agreement to Terms and Conditions listed on reverse side of C. O. C.

ORIGINAL COPY

Cimarex Scout 18 fed #5 1600' fsl & 2030 fel.

Unit O, Sec. 18, T19S, R34E, API# 30-025-37881 Lea Co.

N 32° 39' 17.0" - W 103° 35' 51.0"



Road

Well Head N 32° 39' 17.0"
W 103° 35' 51.0"

S-E - N 32° 39' 17.8" - W 103° 35' 51.2"
N-E - N 32° 39' 18.6" - W 103° 35' 51.2"
N - N 32° 39' 18.8" - W 103° 35' 51.7"
NW - N 32° 39' 18.8" - W 103° 35' 52.6"
S-W - N 32° 39' 18.0" - W 103° 35' 52.6"

Tomb: N 32° 39' 19.5"
W 103° 35' 51.7"