Robert Grubbs Jr.
Senior Environmental Coordinator

September 23, 2015

Oil Conservation Division
District 2 – Artesia
811 S. First St.
Artesia, NM 88210

Re: Crossman 25 State #1
30-015-38948
Sec. 24, T25S-R27E
Eddy County, NM

Mr. Mike Bratcher,

COG Operating LLC would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is in response to the C-141 Initial report dated October 20, 2014.

Background

The release was caused by torrential rains that resulted in mass flooding. Flood waters washed tanks, debris, and pad material downstream. 280 bbls of oil and 100 bbls of produced water were lost and unrecoverable. GL Environmental Inc. (GLE) was contracted by the State Land Office to complete a site survey combined with a sampling and analysis effort of the affected portions of the draw. GLE identified one sample with elevated chloride concentrations on the pad through composite sampling of 3 discrete samples.

COG conducted additional sampling on August 19, 2015 to further identify the areas of contamination with discrete samples.

Groundwater

Based on the Chevron Trend Maps, the release area would be classified at a site ranking of **Twenty (20)** due to the depth of groundwater being <50'.

Soil Assessment and Analytical Results

COG sampling results indicate DRO concentrations within RRALs for a site ranking of twenty (20). The pad area was divided into 4 quadrants for sampling purposes. Chloride concentrations in two sampling areas (S2 and S3) were elevated for NMOCD's target of 1,000 mg/kg for the remediation of chlorides (see attached site diagram).

CORPORATE ADDRESS
One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS
Concho West | 2208 Main Street | Artesia, New Mexico 88210
PHONE 575.748.6940 | FAX 575.746.2096

Work Plan

COG proposes the following excavations:

T1 – No Excavation

T2 – Excavate 1'

T3 – Excavate 2'

T4 – No Excavation

Upon recommendation, COG will downsize the southwest edge of the pad area. Approximately 1100 cubic yards of material will be removed and a new pad boundary will be established. A 30" – 36" berm will be constructed along the west, south, and east edges of the pad.

If there are no objections or further stipulations, COG Operating LLC would like to begin the remediation process based on approval of this work plan. Please feel free to contact my with any questions or concerns at (432) 661-6601.

Sincerely,

Robert Grubbs Jr.

Senior Environmental Coordinator

Enclosed

(1) C-141 Initial (Copy)
(2) Site Diagram and Summary Table
(3) Laboratory Analysis

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: COG Operating LLC	Contact: Robert McNeill
Address: 600 West Illinois Avenue, Midland TX 79701	Telephone No. 432-230-0077
Facility Name: Crossman 25 State #1H	Facility Type: Battery

Surface Owner: Federal	Mineral Owner: Federal	API No. 30-015-38948

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	25	25S	27E	330'	North	330'	East	Eddy

Latitude 32.1073265861973 **Longitude** -104.136404581729

NATURE OF RELEASE

Type of Release: Oil and Produced Water	Volume of Release: 280 bbls Oil ; 100 bbls PW	Volume Recovered: 0 bbls Oil ; 0 bbls PW
Source of Release: Flood waters washed battery away.	Date and Hour of Occurrence: 9/19/2014 11:00 am	Date and Hour of Discovery: 9/19/2014 11:00 am
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mike Bratcher – OCD	
By Whom? Robert McNeill	Date and Hour: 9/22/2014 8:00 am (phone call)	
Was a Watercourse Reached? ☒ Yes ☐ No	If YES, Volume Impacting the Watercourse. Unknown	

If a Watercourse was Impacted, Describe Fully.*
Torrential rains caused flood waters to rise. Waters over ran the location, taking tanks and equipment away with the water. Most of the pad was taken away with the flood waters as well. Tanks and equipment was located approximately 2 miles further down the arroyo. The steel tanks were empty and the fiberglass tanks were torn apart.

Describe Cause of Problem and Remedial Action Taken.*

Describe Area Affected and Cleanup Action Taken.*

The impacted area shows no signs of hydrocarbon or brine impact. Once the area dries out and is accessible to heavy equipment we will conduct a more thorough search of the area for hydrocarbon impact. Equipment will be removed from the draw and disposed of at an NMOCD approved facility.

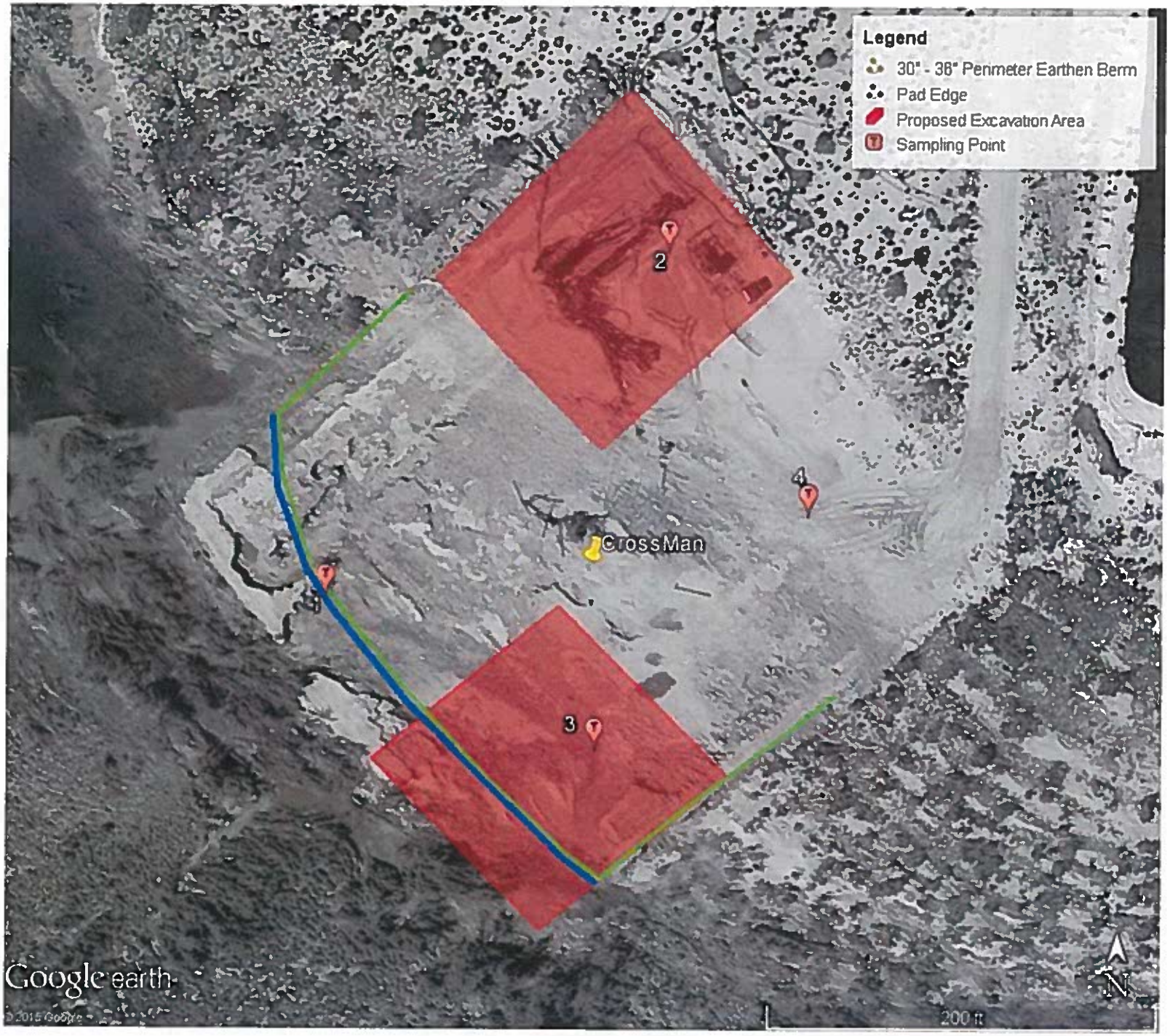
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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: A Trujillo	OIL CONSERVATION DIVISION	
Printed Name: Amanda Trujillo	Approved by Environmental Specialist:	
Title: Senior Environmental Coordinator	Approval Date:	Expiration Date:
E-mail Address: atrujillo@concho.com	Conditions of Approval:	Attached ☐
Date: October 20, 2014 Phone: 575-748-6940		

* Attach Additional Sheets If Necessary

September 23, 2015

Crossman 25 State #1



Depth to GW per SEO: <50'

T1	DRO	Cl-
0-1'	<50.0	490
2	<50.0	490
4	<50.0	196
6'	<50.0	196
8'	<50.0	392
10'	<50.0	94
T2	**DRO**	**Cl-**
0-1'	<50.0	1970
2	<50.0	939
4	<50.0	751
6'	<50.0	563
8'	<50.0	188
10'	<50.0	94
T3	**DRO**	**Cl-**
0-1'	<50.0	11,000
2	<50.0	1690
4	<50.0	282
6'	<50.0	190
8'	<50.0	397
10'	<50.0	<20
T4	**DRO**	**Cl-**
0-1'	<50.0	474
2	<50.0	190
4'	<50.0	664
6'	<50.0	474
8'	<50.0	95
10'	<50.0	<20

Bold values exceed RRALs

CONCHO

Summary Report

Robert Grubbs
COG Operating, LLC
550 W. Texas Avenue
Suite 100
Midland, TX 79701

Report Date: September 10, 2015

Work Order: 15082118

Project Location: Eddy Co, NM
Project Name: Crossman 25 State

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
402936	T-1 0-1'	soil	2015-08-19	00:00	2015-08-21
402937	T-1 2'	soil	2015-08-19	00:00	2015-08-21
402938	T-1 4'	soil	2015-08-19	00:00	2015-08-21
402939	T-1 6'	soil	2015-08-19	00:00	2015-08-21
402940	T-1 8'	soil	2015-08-19	00:00	2015-08-21
402941	T-1 10'	soil	2015-08-19	00:00	2015-08-21
402942	T-2 0-1'	soil	2015-08-19	00:00	2015-08-21
402943	T-2 2'	soil	2015-08-19	00:00	2015-08-21
402944	T-2 4'	soil	2015-08-19	00:00	2015-08-21
402945	T-2 6'	soil	2015-08-19	00:00	2015-08-21
402946	T-2 8'	soil	2015-08-19	00:00	2015-08-21
402947	T-2 10'	soil	2015-08-19	00:00	2015-08-21
402948	T-3 0-1'	soil	2015-08-19	00:00	2015-08-21
402949	T-3 2'	soil	2015-08-19	00:00	2015-08-21
402950	T-3 4'	soil	2015-08-19	00:00	2015-08-21
402951	T-3 6'	soil	2015-08-19	00:00	2015-08-21
402952	T-3 8'	soil	2015-08-19	00:00	2015-08-21
402953	T-3 10'	soil	2015-08-19	00:00	2015-08-21
402954	T-4 0-1'	soil	2015-08-19	00:00	2015-08-21
402955	T-4 2'	soil	2015-08-19	00:00	2015-08-21
402956	T-4 4'	soil	2015-08-19	00:00	2015-08-21
402957	T-4 6'	soil	2015-08-19	00:00	2015-08-21
402958	T-4 8'	soil	2015-08-19	00:00	2015-08-21
402959	T-4 10'	soil	2015-08-19	00:00	2015-08-21

Sample - Field Code	TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
402936 - T-1 0-1'	<50.0 B,Qr	<4.00
402937 - T-1 2'	<50.0 B,Qr	<4.00
402938 - T-1 4'	<50.0 B,Qr	<4.00
402939 - T-1 6'	<50.0 B,Qr	<4.00
402940 - T-1 8'	<50.0 B,Qr	<4.00
402941 - T-1 10'	<50.0 B	<4.00
402942 - T-2 0-1'	<50.0 B	<4.00
402943 - T-2 2'	<50.0 B	<4.00
402944 - T-2 4'	<50.0 B	<4.00
402945 - T-2 6'	<50.0 B	<4.00
402946 - T-2 8'	<50.0 B	<4.00
402947 - T-2 10'	<50.0 B	<4.00
402948 - T-3 0-1'	<50.0 B	<4.00
402949 - T-3 2'	<50.0 B	<4.00
402950 - T-3 4'	<50.0 B	<4.00
402951 - T-3 6'	<50.0 B	<4.00
402952 - T-3 8'	<50.0 B	<4.00
402953 - T-3 10'	<50.0 B	<4.00
402954 - T-4 0-1'	<50.0 B	<4.00
402955 - T-4 2'	<50.0 B	<4.00
402956 - T-4 4'	<50.0 B	<4.00
402957 - T-4 6'	<50.0 B	<4.00
402958 - T-4 8'	<50.0 B	<4.00
402959 - T-4 10'	<50.0 B	<4.00

Sample: 402936 - T-1 0-1'

Param	Flag	Result	Units	RL
Chloride		**490**	mg/Kg	4

Sample: 402937 - T-1 2'

Param	Flag	Result	Units	RL
Chloride		**490**	mg/Kg	4

Sample: 402938 - T-1 4'

Param	Flag	Result	Units	RL
Chloride		**196**	mg/Kg	4

Sample: 402939 - T-1 6'

Param	Flag	Result	Units	RL
Chloride		**196**	mg/Kg	4

Sample: 402940 - T-1 8'

Param	Flag	Result	Units	RL
Chloride		**392**	mg/Kg	4

Sample: 402941 - T-1 10'

Param	Flag	Result	Units	RL
Chloride		**94.0**	mg/Kg	4

Sample: 402942 - T-2 0-1'

Param	Flag	Result	Units	RL
Chloride		**1970**	mg/Kg	4

Sample: 402943 - T-2 2'

Param	Flag	Result	Units	RL
Chloride		**939**	mg/Kg	4

Sample: 402944 - T-2 4'

Param	Flag	Result	Units	RL
Chloride		**751**	mg/Kg	4

Sample: 402945 - T-2 6'

Param	Flag	Result	Units	RL
Chloride		**563**	mg/Kg	4

Sample: 402946 - T-2 8'

Param	Flag	Result	Units	RL
Chloride		**188**	mg/Kg	4

Sample: 402947 - T-2 10'

Param	Flag	Result	Units	RL
Chloride		**94.0**	mg/Kg	4

Sample: 402948 - T-3 0-1'

Param	Flag	Result	Units	RL
Chloride		**11000**	mg/Kg	4

Sample: 402949 - T-3 2'

Param	Flag	Result	Units	RL
Chloride		**1690**	mg/Kg	4

Sample: 402950 - T-3 4'

Param	Flag	Result	Units	RL
Chloride		**282**	mg/Kg	4

Sample: 402951 - T-3 6'

Param	Flag	Result	Units	RL
Chloride		**190**	mg/Kg	4

Sample: 402952 - T-3 8'

Param	Flag	Result	Units	RL
Chloride		**379**	mg/Kg	4

Sample: 402953 - T-3 10'

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 402954 - T-4 0-1'

Param	Flag	Result	Units	RL
Chloride		**474**	mg/Kg	4

Sample: 402955 - T-4 2'

Param	Flag	Result	Units	RL
Chloride		**190**	mg/Kg	4

Sample: 402956 - T-4 4'

Param	Flag	Result	Units	RL
Chloride		**664**	mg/Kg	4

Sample: 402957 - T-4 6'

Param	Flag	Result	Units	RL
Chloride		**474**	mg/Kg	4

Sample: 402958 - T-4 8'

Param	Flag	Result	Units	RL
Chloride		**95.0**	mg/Kg	4

Sample: 402959 - T-4 10'

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4