

October 20, 2017

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

Re: Closure Letter
THO State #1 (2RP-3530)
API #: 30-015-34515
Unit Letter E Section 34, Township 17S, Range 28E
Eddy County, NM

Mr. Bratcher,

COG Operating, LLC (COG) is pleased to submit for your consideration the following closure request for the THO State #1. This release occurred on January 5, 2016 and impacted a portion of the unlined battery and an area of pasture adjacent to the well pad. All work has been completed in accordance with the work plan submitted and approved by the NMOCD on August 12, 2016.

Background

On January 5, 2016, a tank overflowed during a storm that prevented accessibility to the location. Once roads were passable, vacuum trucks were dispatched to recover the standing fluid. Approximately twenty (20) barrels of oil was released of which eighteen (18) barrels were recovered, resulting in a net loss of two (2) barrels. The initial cleanup consisted of a six (6) inch excavation within the unlined facility and the adjacent pasture. On August 12, 2016, the New Mexico Oil Conservation Division (NMOCD) approved the remediation work plan.

Remedial Actions

- S1- Excavated to a depth of 6 feet.
- S2- Excavated to a depth of 1.5 feet.
- S3- Excavated to a depth of 4 feet. (Confirmation Samples Attached)
- S4- Excavated to a depth of 6 inches to remove surface staining.
- S5- Excavated to a total depth of 2 feet.
- S6- Excavated to a total depth of 1.5 feet.

All of the excavated soil was hauled to an NMOCD approved solid waste disposal facility. The excavation was backfilled with like material, contoured to match the surrounding terrain and reseeded.

Laboratory Results

Confirmation Sampling Event November 16, 2016

Sample ID	Depth (feet)	Chloride (mg/kg)
AH1 (S3)	3	<16.0
AH1 (S3)	5	64

Closure Request

Based on the information provided, COG Operating LLC would like to submit the enclosed documents for closure of the above captioned release. A signed C-141 Final is enclosed for your consideration as well as the confirmation sample analytical data, and site diagram depicting the confirmation samples..

Please feel free to contact me with any questions or concerns at (575) 746-2010.

Sincerely,



Dakota Neel
HSE Coordinator
dneel2@conchol.com

Enclosed:

- (1) Site Diagram
- (2) Laboratory Analytical Reports and Chain-of-Custody Forms
- (3) Initial C-141 (Copy)
- (4) Final C-141

THO STATE #1

Legend

- Confirmation Sample
- AOI
- THO STATE 1





December 05, 2016

AARON LIEB
COG OPERATING
P. O. BOX 1630
ARTESIA, NM 88210

RE: THO STATE OIL BATTERY

Enclosed are the results of analyses for samples received by the laboratory on 11/30/16 11:34.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-16-8. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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 (V1, 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 black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 COG OPERATING
 AARON LIEB
 P. O. BOX 1630
 ARTESIA NM, 88210
 Fax To: NONE

Received:	11/30/2016	Sampling Date:	11/16/2016
Reported:	12/05/2016	Sampling Type:	Soil
Project Name:	THO STATE OIL BATTERY	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Angela Cabrera
Project Location:	NOT GIVEN		

Sample ID: AH 1 @ 3' (H602674-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	12/01/2016	ND	400	100	400	0.00	

Sample ID: AH 1 @ 5' (H602674-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	12/01/2016	ND	400	100	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

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



Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BILL TO

ANALYSIS REQUEST

Company Name: COG Operating LLC
 Project Manager: Aaron Lieb
 Address: 2407 Pecos Avenue
 City: Artesia State: NM Zip: 88210
 Phone #: 575-748-1553 Fax #:
 Project #: Project Owner:
 Project Name: THO State Battery
 Project Location:
 Sampler Name: Aaron Lieb
 P.O. #:
 Company: COG Operating LLC
 Attn: Robert McNeill
 Address: 600 W Illinois
 City: Midland
 State: TX Zip: 79701
 Phone #: (432) 221-0388
 Fax #:

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX						PRESERV.	SAMPLING	DATE	TIME	BTEX	TPH	Chloride
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :							
H602674	AH1 @ 3'											11/16/16	2:30 PM			X
	AH1 @ 5'											11/16/16	2:30 PM			X

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: *[Signature]* Date: 11-30-16
 Received By: *[Signature]*
 Relinquished By: *[Signature]* Date: 11/30/16
 Received By: *[Signature]*

Delivered By: (Circle One)
 Sampler - UPS - Bus - Other:
 Sample Condition: Cool Intact
 Yes No Yes No
 CHECKED BY: *[Signature]*

Phone Result: Yes No Add'l Phone #:
 Fax Result: Yes No Add'l Fax #:
 REMARKS:
 dreel2@concho.com
 alieb@concho.com
 rrrubbs@concho.com
 thaskell@concho.com

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

Form C-141
Revised August 8, 2011

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

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: T H O STATE #001	Facility Type: Battery

Surface Owner: Fee	Mineral Owner: State	API No. 30-015-34515
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	34	17S	28E	2310	North	990	West	Eddy

Latitude Longitude

NATURE OF RELEASE

Type of Release: Oil	Volume of Release: 20 bbls Oil	Volume Recovered: 18 bbls Oil
Source of Release: Tank Over flow	Date and Hour of Occurrence: 1/5/2016 2:00 pm	Date and Hour of Discovery: 1/5/2016 2:00 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
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.*
This release was caused by a tank that overflowed during a storm that caused accessibility to be limited.

Describe Area Affected and Cleanup Action Taken.*
This release occurred within the earthen containment and in the adjacent pasture. Concho had the spill site sampled to delineate any possible impact from the release and presented a remediation work plan to the NMOCD for approval. All remediation work has been completed according to the workplan approved by the 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: 	OIL CONSERVATION DIVISION	
	Approved by Environmental Specialist:	
Printed Name: Dakota Neel	Approval Date:	Expiration Date:
Title: HSE Coordinator	Conditions of Approval:	
E-mail Address: dneel2@concho.com	Attached <input type="checkbox"/>	
Date: October 19, 2017 Phone: 575-746-2010		

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
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Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
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.*

This release was caused by a tank overflowed during a storm that caused accessibility to be limited. Vacuum trucks were dispatched to recover all standing fluid.

Describe Area Affected and Cleanup Action Taken.*

This release occurred within the earthen containment. Concho will have the spill site sampled to delineate any possible contamination from the release and we will present a remediation work plan to the NMOCD for approval prior to any significant remediation work.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert McNeill	Approved by Environmental Specialist:	
Title: Environmental Manager	Approval Date:	Expiration Date:
E-mail Address: rmcneill@concho.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: January 19, 2016 Phone: 432-230-0077		

* Attach Additional Sheets If Necessary