

October 24, 2017

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

Re: Closure Letter
Pilum 15 Fee #002H (2RP-3655)
API #: 30-015-42644
Unit Letter P Section 16, Township 18S, Range 26E
Eddy County, NM

Mr. Bratcher,

COG Operating, LLC (COG) is pleased to submit for your consideration the following closure request for the Pilum 15 Fee #002H. This release occurred on April 4, 2016 and impacted the pasture. All work has been completed in accordance with the work plan submitted and approved by the NMOCD on March 16, 2017.

Background

On April 4, 2016, an unknown person shot at the flowline causing damage to the poly flowline. Approximately five (5) barrels of produced water were released and zero (0) were recovered. On March 16, 2017, the New Mexico Oil Conservation Division (NMOCD) approved the remediation work plan.

Remedial Actions

- S1- Excavated to a depth of 6-7 feet.
- S2- Excavated to a depth of 4-5 feet.

All of the excavated soil was hauled to an NMOCD approved solid waste disposal facility. As requested by the NMOCD, representative sidewall and bottom hole samples were obtained for lateral and vertical confirmation and can be viewed in the attached analytical table below. The excavation was backfilled with like material, contoured to match the surrounding terrain and reseeded.

Laboratory Results

Lateral Confirmation Samples

Sample ID	Depth (feet)	Chloride (mg/kg)
North	5	80
South	5	288
East	5	32.0

Vertical Confirmation Samples

Sample ID	Depth (feet)	Chloride (mg/kg)
S1	6.5	192
S2	4.5	160

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

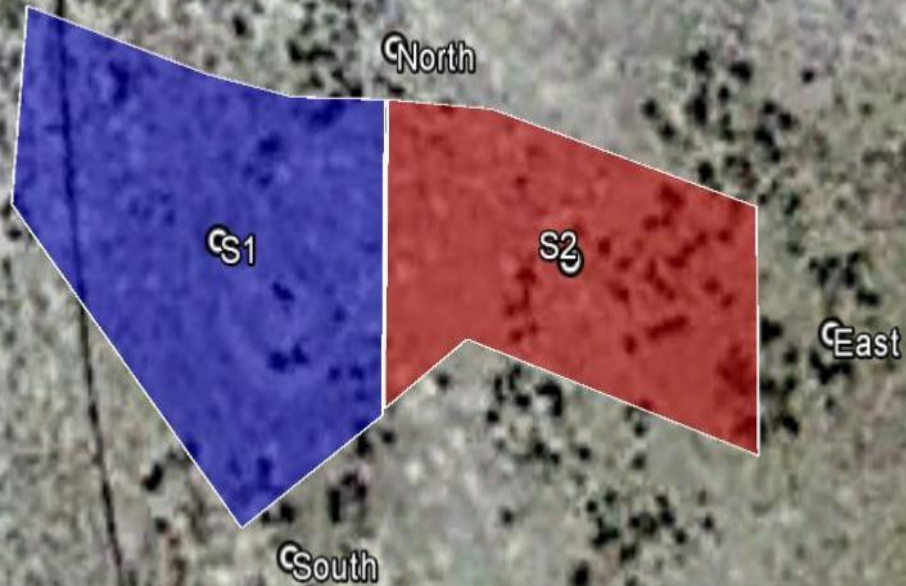
Enclosed:

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

Pilum 15 Fee #2H

Pilum 15 Fee #2H

- Legend**
- 4.5 ft
 - 6.5 ft.
 - Sample Points



N

50 ft



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

April 12, 2017

DAKOTA NEEL

COG OPERATING

P. O. BOX 1630

ARTESIA, NM 88210

RE: PILUM 15 FEE #2H

Enclosed are the results of analyses for samples received by the laboratory on 04/06/17 11:15.

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,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:COG OPERATING
DAKOTA NEEL
P. O. BOX 1630
ARTESIA NM, 88210
Fax To: NONEReceived: 04/06/2017
Reported: 04/12/2017
Project Name: PILUM 15 FEE #2H
Project Number: NONE GIVEN
Project Location: NOT GIVENSampling Date: 04/04/2017
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Tamara Oldaker**Sample ID: S1 - BOTTOM HOLE (H700918-01)**

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	192	16.0	04/10/2017	ND	432	108	400	0.00		

Sample ID: S2 - BOTTOM HOLE (H700918-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	160	16.0	04/10/2017	ND	432	108	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

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



(575) 393-2326 FAX (575) 393-2476

5. Please fax written changes to 575-393-2476

April 12, 2017

DAKOTA NEEL

COG OPERATING

P. O. BOX 1630

ARTESIA, NM 88210

RE: PILUM 15 FEE #2H

Enclosed are the results of analyses for samples received by the laboratory on 04/06/17 11:15.

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.

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Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

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Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 COG OPERATING
 DAKOTA NEEL
 P. O. BOX 1630
 ARTESIA NM, 88210
 Fax To: NONE

 Received: 04/06/2017
 Reported: 04/12/2017
 Project Name: PILUM 15 FEE #2H
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 04/04/2017
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: NORTH - 5' (H700919-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	80.0	16.0	04/10/2017	ND	432	108	400	0.00	

Sample ID: SOUTH - 5' (H700919-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	288	16.0	04/10/2017	ND	432	108	400	0.00	

Sample ID: EAST - 5' (H700919-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AC					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	04/10/2017	ND	432	108	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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-	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

Cardinal Laboratories

*=Accredited Analyte

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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

[illegible]

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: PILUM 15 FEE #002H	Facility Type: Well	
Surface Owner: Fee	Mineral Owner: Fee	API No. 30-015-42644

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	16	18S	26E	789'	South	450'	East	Eddy

Latitude 32.74250309 Longitude -104.37926734

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 5 bbls	Volume Recovered: 0 bbls
Source of Release: flowline	Date and Hour of Occurrence: 4/4/2016 7:00:00 AM	Date and Hour of Discovery: 4/4/2016 7:00:00 AM
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.*

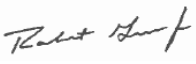
Describe Cause of Problem and Remedial Action Taken.*

This release was caused when an unknown person shot at the flowline causing damage to the poly flowline. The leak was stopped and the polyline repaired.

Describe Area Affected and Cleanup Action Taken.*

This release occurred within the pasture, alongside the road. 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: 	<u>OIL CONSERVATION DIVISION</u>		
Printed Name: Robert Grubbs Jr.	Approved by Environmental Specialist:		
Title: Senior Environmental Coordinator	Approval Date:	Expiration Date:	
E-mail Address: rgrubbs@concho.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: April 19, 2016	Phone: 432-683-7443		

* Attach Additional Sheets If Necessary

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
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State of New Mexico
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1220 South St. Francis Dr.
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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: PILUM 15 FEE #002H	Facility Type: Well	
Surface Owner: Fee	Mineral Owner: Fee	API No. 30-015-42644

LOCATION OF RELEASE

Unit Letter P	Section 16	Township 18S	Range 26E	Feet from the 789'	North/South Line South	Feet from the 450'	East/West Line East	County Eddy
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Latitude 32.74250309 Longitude -104.37926734

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 5 bbls	Volume Recovered: 0 bbls
Source of Release: flowline	Date and Hour of Occurrence: 4/4/2016 7:00:00 AM	Date and Hour of Discovery: 4/4/2016 7:00:00 AM
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 when an unknown person shot at the flowline causing damage to the poly flowline. The leak was stopped and the polyline repaired.		
Describe Area Affected and Cleanup Action Taken.* The release remained on location around the wellhead. 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 prior to any significant remediation work. All work has been completed according to the workplan approved by the NMOCD on March 16, 2017.		
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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Dakota Neel	Approved by Environmental Specialist:	
Title: HSE Coordinator	Approval Date:	Expiration Date:
E-mail Address: dneel2@concho.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: October 24, 2017	Phone: 575-746-2010	

* Attach Additional Sheets If Necessary