

RECEIVED
 SEP 28 2012
NMOCD ARTESIA

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-141
 Revised October 10, 2003
 Submit 2 Copies to appropriate
 District Office in accordance
 with Rule 116 on back
 side of form

Release Notification and Corrective Action

JM 1229047587

OPERATOR Initial Report Final Report

| | |
|---|-----------------------------------|
| Name of Company COG OPERATING LLC 229137 | Contact Pat Ellis |
| Address 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. 432-230-0077 |
| Facility Name Aid State SWD | Facility Type SWD |

| | | |
|--------------------------|---------------|--------------------------------------|
| Surface Owner State | Mineral Owner | Lease No. (API#) 30-015-29569 |
|--------------------------|---------------|--------------------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| O | 14 | 17S | 28E | | | | | Eddy |

Latitude 32.83002 Longitude 104.14274

NATURE OF RELEASE

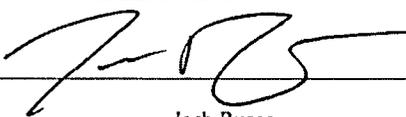
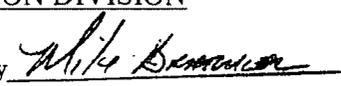
| | | |
|--|--|--|
| Type of Release Produced water w/ skim oil | Volume of Release 700bbbls | Volume Recovered 650bbbls |
| Source of Release Water tanks | Date and Hour of Occurrence 09/22/2012 | Date and Hour of Discovery 09/22/2012 8:00 a.m. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? <div style="text-align: right;">Mike Bratcher-OCD</div> | |
| By Whom? Michelle Mullins | Date and Hour 09/23/2012 7:33 a.m. | |
| 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.*
 Water was released from the water tanks due to a plugged equalizer line and alarm failure. The alarms have been re-calibrated and the problem with the equalizer line has been resolved.

Describe Area Affected and Cleanup Action Taken.*
 Initially 700bbbls were released from the water tanks and we were able to recover 650bbbls with a vacuum truck. The majority of the release was contained inside the lined facility of the Aid State SWD; however, some fluid did travel into the pasture area. All free fluid has been recovered. Contaminated gravel inside the facility has been removed and fresh gravel has been added. The facility has been returned to its prior condition. Tetra Tech will sample the spill site area in the pasture 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:  Printed Name: Josh Russo Title: HSE Coordinator E-mail Address: jrusso@conchoresources.com Date: 09/28/2012 Phone: 432-212-2399 | OIL CONSERVATION DIVISION Approved by District Supervisor: Signed By  <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> OCT 16 2012 Approval Date: </div> <div style="text-align: center;"> Expiration Date: </div> </div> Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>Nov. 16, 2012</u> Attached <input type="checkbox"/> |
|---|--|

* Attach Additional Sheets If Necessary

ZRP-1324

Bratcher, Mike, EMNRD

From: Joshua Russo <jrusso@concho.com>
Sent: Friday, September 28, 2012 2:01 PM
To: Bratcher, Mike, EMNRD
Cc: Ike Tavarez (ike.tavarez@tetrattech.com); Robert Grubbs (Robert.Grubbs@tetrattech.com); Tom Franklin (tom.k.franklin@tetrattech.com)
Subject: C-141 Initial Report - Aid State SWD
Attachments: AID STATE SWD -- DATE OF RELEASE -- 09-22-2012.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred on 09-22-2012 at our Aid State SWD.

Thank you,

Joshua Russo

HSE Coordinator
432.683.7443 (main)
432.685.4381 (direct)
432.212.2399 (cell)
jrusso@concho.com

Mailing Address:

One Concho Center
600 W. Illinios Avenue
Midland, Texas 79701



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