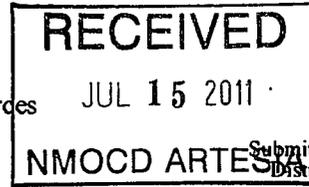


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

NMCB1122437327

OPERATOR

Initial Report Final Report

Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	SRO State #14	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37426
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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
M	10	26S	28E					Eddy

Latitude 32 03.085 Longitude 104 04.953

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	80bbls	Volume Recovered	77bbls
Source of Release	Sight glass (at Free Water Knockout)	Date and Hour of Occurrence	07/02/2011	Date and Hour of Discovery	07/02/2011 10:30 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher-OCD		
By Whom?	Josh Russo	Date and Hour	07/03/2011 4:01 p.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.*

The sight glass at the Free Water Knockout cracked and broke allowing fluid to be released. The sight glass has been replaced.

Describe Area Affected and Cleanup Action Taken.*

Initially 80bbls were released from the defective sight glass and we were able to recover 77bbls with a vacuum truck. The entire release was contained inside the lined facility dike walls. The spill area measured 30' x 40' inside the battery and all contaminated gravel has been removed from the spill area. New gravel has been added to the facility as necessary. Site has been returned to its prior condition.

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:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	AUG 12 2011
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	NA
Date:	07/15/2011	Phone:	432-212-2399
		Conditions of Approval:	NA
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

21P-837

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, July 15, 2011 1:10 PM
To: Bratcher, Mike, EMNRD
Subject: C-141 - SRO State #14TB
Attachments: SRO STATE #14 TANK BATTERY (SIGHT GLASS) -- DATE OF RELEASE -- 07-02-2011.pdf

Mr. Bratcher,

Please see attached the C-141 Initial/Final Report for a release that occurred inside a lined facility on 07/02/2011. The site has been returned to its prior condition.

Thank you,

Joshua Russo

HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
jrusso@conchoresources.com



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Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Sunday, July 03, 2011 3:01 PM
To: Bratcher, Mike, EMNRD
Subject: Release notification - lined facility

Mr. Bratcher,

On 7-2-11 at 10:30am, a 80 bbl spill of produced oil and water was found on the SRO State #14. The incident was caused by a faulty sight glass on the free water knock out at the battery. 78 bbls was recovered within lined dike. All contaminated gravel will be removed and replaced. Liner will be steamed cleaned. We will follow up with C-141 Initial/Final Report.

GPS coordinates, driving directions, and legal description listed below.

N 32* 03.085' W104* 04.953'

SRO State #14

South of Malaga on Hwy 285 to mile marker 5 (White City Road), T/W and go 0.8 miles, T/S go 2.2 miles, T/N go 0.2 miles to location.

Thanks,

Joshua Russo
HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
Jrusso@conchoresources.com

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