

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

HOBBS OCD

DEC 27 2011

RECEIVED

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**

**OPERATOR**

Initial Report  Final Report

Name of Company	COG OPERATING LLC	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	BC FEDERAL #26	Facility Type	Well location

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-025-38745
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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	20	17S	32E					Lea

Latitude 32 49.219 Longitude 103 47.653

**NATURE OF RELEASE**

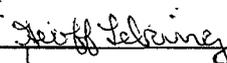
Type of Release	Oil and Produced water	Volume of Release	Oil 10bbls Produced water 25bbls	Volume Recovered	Oil 8bbls Produced water 12bbls
Source of Release	Wellhead	Date and Hour of Occurrence	12/16/2011	Date and Hour of Discovery	12/16/2011 1:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Geoffrey Leking-OCD		
By Whom?	Josh Russo	Date and Hour	12/19/2011 11:01 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.\*  
Well released produced fluids onto the location while crew was installing BOP.

Describe Area Affected and Cleanup Action Taken.\*  
Initially 35bbls were released from the wellhead and we were able to recover 20bbls with a vacuum truck. All fluids remained on the pad location of the BC Federal #26 well. The pad has been scraped and any contaminated soil has been hauled to disposal. Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present a remediation work plan to the NMOCD/BLM 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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Approved by:	ENV SPECIALIST: District Supervisor: 
Title:	HSE Coordinator	Approval Date:	12/28/11 Expiration Date: 02/28/11
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	SUBMITTAL OF FINAL C-141 DUE BY 02/28/11
Date:	12/27/2011	Phone:	432-212-2399
		Attached	<input type="checkbox"/>
		IRP-12-11-2773	

\* Attach Additional Sheets If Necessary