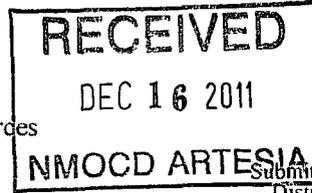


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nMLB1135450699 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	High Net Federal SWD	Facility Type	SWD Facility

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-35602
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LOCATION OF RELEASE

Unit Letter (lot) 2	Section 2	Township 25S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County	Eddy
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Latitude 32.16625 Longitude 104.05631

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	175bbls	Volume Recovered	174bbls
Source of Release	Water tank	Date and Hour of Occurrence	12/09/2011	Date and Hour of Discovery	12/09/2011 6:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher-OCD Jim Amos-BLM Terry Gregston-BLM			
By Whom?	Josh Russo	Date and Hour	12/12/2011 11:26 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.* A power failure at the SWD facility disable high level alarms which resulted in a water tank overflow. Electricians restored power supply and transponder has been repaired.					
Describe Area Affected and Cleanup Action Taken.* Initially 175bbls of produced water were released from the water tank inside the SWD facility. We were able to recover 174bbls with vacuum trucks. All free fluid has been recovered and contaminated gravel has been hauled to disposal. This facility is lined with a 40mil liner. The equipment has been steamed and new gravel has been added to the facility as necessary. The facility 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:					
Printed Name:	Josh Russo	OIL CONSERVATION DIVISION Signed By: Approved by District Supervisor:			
Title:	HSE Coordinator	Approval Date:	DEC 20 2011	Expiration Date:	N/A
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	N/A 	Attached <input type="checkbox"/>	
Date:	12/15/2011	Phone:	432-212-2399		

* Attach Additional Sheets If Necessary

2RA-982

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, December 16, 2011 9:29 AM
To: Bratcher, Mike, EMNRD; Amos, James A
Cc: Terry_Gregston@blm.gov
Subject: Concho - C-141 Initial/Final Report - High Net Federal #1 SWD Facility
Attachments: HIGH NET FEDERAL #1 SWD FACILITY -- DATE OF RELEASE -- 12-09-2011.pdf

Please see attached the C-141 Initial/Final Report for a release that occurred inside the lined facility at the High Net Federal SWD.

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: Gregston, Terry G [tgregsto@blm.gov]
Sent: Friday, December 16, 2011 3:00 PM
To: Joshua Russo; Bratcher, Mike, EMNRD; Amos, James A
Subject: RE: Concho - C-141 Initial/Final Report - High Net Federal #1 SWD Facility

I have received your final report.

Thank you,

Terry Gregston

Environmental Protection Specialist
Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220
Office (575) 234-5958
Cell (575) 361-2635
Fax (575) 234-5927

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From: Joshua Russo [mailto:jrusso@concho.com]
Sent: Friday, December 16, 2011 9:29 AM
To: Bratcher, Mike, EMNRD; Amos, James A
Cc: Gregston, Terry G
Subject: Concho - C-141 Initial/Final Report - High Net Federal #1 SWD Facility

Please see attached the C-141 Initial/Final Report for a release that occurred inside the lined facility at the High Net Federal SWD.

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: Monday, December 12, 2011 10:26 AM
To: Bratcher, Mike, EMNRD; Amos, James A
Cc: Terry_Gregston@blm.gov
Subject: Concho - High Net Federal SWD - Spill Notification

Please see attached a spill notification for a release that occurred inside a lined facility.

On 12-9-11 at 6:00am a water tank at the High Net Federal #1 SWD was found running over by a Dean's Communication field personnel, who then called the Lease Operator. Due to a power outage at Dean's Communication, the alarm system failed to notify any Concho employee. 175bbls of produced water was released into the lined dike. All 175bbls of water were recovered. A vacuum truck picked-up all standing fluid, contaminated gravel will be hauled to CRI. The liner and water tank will be steam cleaned and all cleaning fluids will be picked up and disposed. The battery liner will be refilled with new gravel. I will follow up with a C-141 Initial/Final Report.

GPS coordinates, legal description, and driving directions below:

N 32* 09.941 W 104* 03.395

High Net Federal SWD #1
100' FNL & 2140' FEL
Sec. 2-T25S-R28E
Eddy Co., NMNM98813
API #30-015-35602

South of Malaga on Hwy 285 to mile marker 12, T/E and follow main road 1.5 miles to location on left.

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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