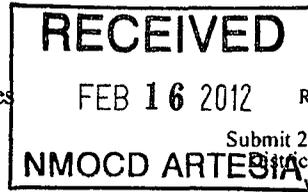


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

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

NM 431205233552 OPERATOR Initial Report Final Report

Name of Company	COG OPERATING LLC <i>229/37</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	BKU #146	Facility Type	Flowline

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-04394
---------------	---------	---------------	--	------------------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	30	17S	30E					Eddy

Latitude 32 48.725 Longitude 104 00.541

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	75bbls	Volume Recovered	1bbls
Source of Release	Steel flowline	Date and Hour of Occurrence	02/02/2012	Date and Hour of Discovery	02/02/2012 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?			
By Whom?	Josh Russo	Mike Bratcher-OCD Jim Amos-BLM Terry Gregston-BLM			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date and Hour	02/03/2012 2:33 p.m.	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Steel flowline ruptured due to erosion. This section of the line has been cut and a new section has been added.

Describe Area Affected and Cleanup Action Taken.*

Initially an estimated 75bbls of produced water and a slight trace of hydrocarbons were released from the ruptured steel line. We have repaired the steel line and returned the well back into service. The closest well location to the release is the BKU #301. 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:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	FEB 21 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	02/15/2012	Phone:	432-212-2399

Conditions of Approval:
Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**
3/21/2012

Attached

2RP-1034

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Thursday, February 16, 2012 8:49 AM
To: Bratcher, Mike, EMNRD; Amos, James A; Terry_Gregston@blm.gov
Cc: Tavaréz, Ike; Dorey, Kim; Franklin, Tom K.
Subject: C-141 Initial Report - BKU #146
Attachments: BKU #146. CLOSEST WELL LOCATION BKU #301 -- DATE OF RELEASE -- 02-02-2012.pdf

Please see attached the C-141 Initial Report for a release that occurred at the BKU #146 flow line on 02/02/2012.

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



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system.
Thank you

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, February 03, 2012 1:33 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Terry_Gregston@blm.gov
Subject: Release Notification

Please see below the detailed description of a release:

On 2-2-12 at 8:00am, a ruptured steel flow line was discovered on the BKU #146 injection well. Approximately 75bbls of produced water, with a trace of hydrocarbons, was released into the pasture area. The spill area had an average width of 10' and was 350' in length. Affected vegetation that showed slight hydrocarbon staining has been treated with Microblaze. The bad section of pipe was replaced with new, and the well was returned to service. We will follow up with a C-141 Initial Report.

GPS coordinates of the spill site, Legal description of the well closest to the spill site, and driving directions to the spill site are below:

N 32* 48.725 W 104* 00.541

BKU Unit #301

330' FNL & 1650' FEL

Sec.30-T17S-R30E

Eddy County, NMNM 88525X

API #30-015-30696

From Hwy 82, T/S on General American Rd. .6 mi, T/E on Ave. C .6 mi to BKU #146, T/N .1 mi to spill on right.

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



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.