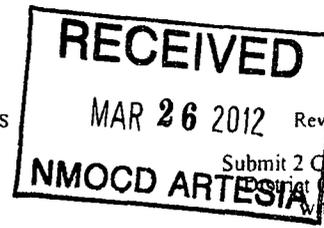


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nMLB 1209750617

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> 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	Loco Hills 34-3 SWD	Facility Type	SWD
Surface Owner	Federal	Mineral Owner	Lease No. (API#) 30-015-37270

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	34	17S	30E					Eddy

Latitude 32 52.423 Longitude 104 23.206

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	40bbbls	Volume Recovered	40bbbls
Source of Release	H-pump	Date and Hour of Occurrence	03/16/2012	Date and Hour of Discovery	03/16/2012 11:00 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		
By Whom?	Josh Russo	Date and Hour	03/19/2012 10:04 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 bad check valve on the discharge side of the H-pump allowed wellhead pressure to backup and blew off the suction hose causing the release. Bolted clamps have been put on both ends of the hose instead of bands.					
Describe Area Affected and Cleanup Action Taken.*					
Initially 40bbbls were released and we were able to recover all 40bbbls with a vacuum truck. The entire release was completely contained inside the lined facility walls of the SWD. Contaminated gravel has been removed from the facility and we have replaced with fresh gravel as needed. This 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:	APR 06 2012	Expiration Date:	N/A
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	N/A		
Date:	03/26/2012	Phone:	432-212-2399	Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1085

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Monday, March 26, 2012 3:56 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Gregston, Terry G
Subject: C-141 Initial/Final Report - Loco Hills 34-3 SWD
Attachments: LOCO HILLS 34-3 SWD -- DATE OF RELEASE -- 03-16-2012.pdf

Please see attached the C-141 Initial/Final Report for a release that occurred inside the lined facility at the Loco Hills 34-3 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



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: Monday, March 19, 2012 9:04 AM
To: Bratcher, Mike, EMNRD
Subject: Release notification - LOCO 34-3 SWD FACILITY (Lined Facility)

Mr. Bratcher,

Please see below the detailed description of a release that occurred on 03/16/2012 inside a lined facility:

On 3-16-12, at 11:00 a.m., a suction hose failure occurred at the Loco 34-3 SWD battery resulting in a 40bbl produced water spill. All fluids were contained within the lined dike and all 40bbls were recovered. Contaminated gravel will be cleaned or removed as needed. The hose will be replaced and check valve repaired before returning battery to service. We will follow up with a C-141 Initial/Final Report.

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

N 32* 52.423 W 104* 23.206
Unit J, Sec.34-T17S- R30E
1375' FSL & 2555' FEL
Eddy county
NMNM 0384574
API #30-015-37270

Intersection of HWY 82 and CR 217, T/S .2 mile, T/L and go straight 2 miles to location

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.