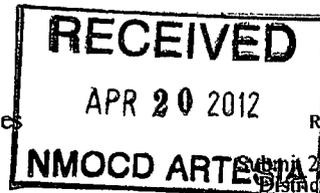


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Copies to appropriate
Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nmlb 12128 58264 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 | Texaco State BE Tank Battery | Facility Type | Tank Battery |

| | | | |
|---------------|-------|---------------|--|
| Surface Owner | State | Mineral Owner | Lease No. (API#) 30-015-04181 Texaco State BE #1 well |
|---------------|-------|---------------|--|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter B | Section 16 | Township 17S | Range 30E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32 29.020 Longitude 104 13.607

NATURE OF RELEASE

| | | | | | |
|-----------------------------|--|---|-----------------------|----------------------------|-----------------------|
| Type of Release | Oil and Produced water | Volume of Release | 4bbls oil 8bbls pw | Volume Recovered | 3bbls oil 7bbls pw |
| Source of Release | Fire tube | Date and Hour of Occurrence | 04/11/2012 | Date and Hour of Discovery | 04/11/2012 5:00 a.m. |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | | | |
| By Whom? | Date and Hour | | | | |
| 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 hole developed in the fire tube at the heater treater inside the tank battery. This caused the heater to catch fire and burn a flow line. The fire tube has been repaired.

Describe Area Affected and Cleanup Action Taken.*
Initially 12bbls of fluid were released from the flow line and we were able to recover 10bbls with a vacuum truck. The spill was contained inside the dike walls of the tank battery with exception of a small overspray area outside of the dike. The overspray area has been treated with Micro-blaze. 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 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 | Signed By: |
| Title: | HSE Coordinator | Approval Date: | MAY 07 2012 Expiration Date: |
| E-mail Address: | jrusso@conchoresources.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: | 04/20/2012 Phone: | 432-212-2399 | |

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 6/7/2012**

2RP-1116

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, April 20, 2012 3:54 PM
To: Bratcher, Mike, EMNRD
Cc: Tavarez, Ike; Dorey, Kim; Franklin, Tom K.
Subject: C-141 Initial Report - Texaco State BE Tank Battery
Attachments: TEXACO STATE BE TANK BATTERY -- DATE OF RELEASE -- 04-11-2012.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred at the Texaco State Be Tank Battery. We plan to assess the spill area timely.

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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