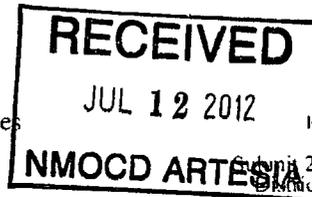


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

nJMW1219549113 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	Grave Digger State Com #3H Tank Battery	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-39151 Closest well location

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
2	2	20S	25E					Eddy

Latitude 32 36.545 Longitude 104 27.171

NATURE OF RELEASE

Type of Release	Produced fluids	Volume of Release	50bbls oil 50bbls produced water	Volume Recovered	49bbls oil 49bbls produced water
Source of Release	gasket on separator man-way plate	Date and Hour of Occurrence	06/22/2012	Date and Hour of Discovery	06/22/2012 9:00 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?	Michelle Mullins	Date and Hour	06/22/2012 4:40 p.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 failed gasket on separator allowed for the release of fluid inside the lined facility. The gasket has been replaced on the separator.

Describe Area Affected and Cleanup Action Taken.*

Initially 100bbls of fluid were released from the separator and we were able to recover 98bbls with a vacuum truck. All free fluid from the release was picked up from inside the lined facility. We have removed contaminated gravel and replaced with fresh gravel. 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		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Approved by District Supervisor:	Signed By
Title:	HSE Coordinator	Approval Date:	JUL 13 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	07/12/2012	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**

8/13/12

2RP-1226

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Thursday, July 12, 2012 7:25 AM
To: Bratcher, Mike, EMNRD
Subject: C-141 Initial/Final Report - Grave Digger
Attachments: GRAVE DIGGER STATE COM #3H TANK BATTERY -- DATE OF RELEASE -- 06-22-2012.pdf

Mr. Bratcher,

I have attached a C-141 Initial/Final Report for a release that occurred inside the lined facility at the Grave Digger State Com #3H Tank Battery.

Thank you sir,

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: Michelle Mullins [MMullins@concho.com]
Sent: Friday, June 22, 2012 3:40 PM
To: Bratcher, Mike, EMNRD
Cc: Joshua Russo
Subject: Grave Digger State Com 3H-Immediate Notification

Mr. Bratcher:

On 06/22/2012 at approximately 9:00 a.m., a failed gasket on a separator was discovered. Approximately 50 bbls of oil and 50 bbls of produced water was released inside the facility. Battery is lined with 40 mil plastic. The separator has been removed from service and the gasket is being replaced. We will get more details and follow up with a C-141.

GPS coordinates, legal description, and driving directions below.

N 32 36.545 W 104 27.171

Grave Digger State Com #3H
Unit B., Sec. 2 T20S, R25E
240' FNL 1850' FEL
Eddy County, NM
API 30-015-39151

From Highway 285, turn west onto Rock Daisy road. Travel approximately 2 miles, turn south onto lease road for .08 miles, turn SE on road, stay to the right for 1 mile.

Thanks.

Michelle Mullins
HSE Field Tech
2407 Pecos Avenue
P.O. Box 1630
Artesia, NM 88211-1630
Phone: (575)746-2010
Cell: (432) 934-1052
mmullins@conchoresources.com



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