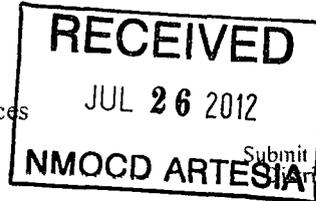


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nJMW1221551189

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	Lightning 24 Federal Com #1	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-33001
---------------	---------	---------------	--	------------------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	24	25S	26E					Eddy

Latitude 32 07.270 Longitude 104 14.667

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	100bbbls	Volume Recovered	80bbbls
Source of Release	Steel tank	Date and Hour of Occurrence	07/11/2012	Date and Hour of Discovery	07/11/2012 2:30 p.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?	Michelle Mullins	Date and Hour	07-11/2012 7:53 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 steel tank developed a hole which then allowed for the release of fluids inside the facility. The tank has been taken out of service, cleaned, and prepped for repairs.

Describe Area Affected and Cleanup Action Taken.*

Initially 100bbbls of produced water were released from the steel tank and we were able to recover 80bbbls with a vacuum truck. All free fluid has been recovered. The release was completely contained inside the dike walls of the facility. 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.

OIL CONSERVATION DIVISION

Signature:		Approved by District Supervisor:		Signed By
Printed Name:	Josh Russo	Approval Date:	AUG 02 2012	Expiration Date:
Title:	HSE Coordinator	Conditions of Approval:		Attached <input type="checkbox"/>
E-mail Address:	jrusso@conchoresources.com			
Date:	07/26/2012	Phone:	432-212-2399	

* Attach Additional Sheets If Necessary

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

9/2/12

2RP-1243

Bratcher, Mike, EMNRD

From: Joshua Russo <jrusso@concho.com>
Sent: Thursday, July 26, 2012 2:46 PM
To: Bratcher, Mike, EMNRD; Jim Amos office (jamos@blm.gov); Gregston, Terry G
Cc: Tavarez, Ike; Dorey, Kim; Franklin, Tom K.
Subject: C-141 Initial Report - Lightning 24 Federal Com #1 TB
Attachments: LIGHTNING 24 FEDERAL COM #1 TANK BATTERY -- DATE OF RELEASE -- 07-11-2012.pdf

Please see attached a C-141 Initial Report for a release that occurred at our Lightning 24 Federal Com #1 TB. 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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Bratcher, Mike, EMNRD

From: Michelle Mullins [MMullins@concho.com]
Sent: Wednesday, July 11, 2012 6:53 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Gregston, Terry G
Cc: Joshua Russo
Subject: Lightning 24 Fed Com #1-Immediate Notification

Mr. Bratcher, Mr. Amos, Ms. Gregston

On 7-11-12 at approximately 2:30pm, a produced water leak was discovered at the Lightning 24 Fed Com #1 tank battery. The produced water storage tank had developed a hole. An estimated 100bbls of produced water was released. 80 bbls were recovered from inside the unlined dike by vacuum truck. The tank has been removed from service and is awaiting repair. We will get more details and follow up with a C-141 Report.

GPS coordinates, legal description, and driving directions below.

GPS-unavailable at report time

Lightning 24 Fed Com #1
660'FNL & 1980'FEL
Sec. 24, T25S, R36E
Eddy Co. ~~36E~~ ^{26E}
API 30-015-33001

On Old Cavern Highway, travel south till Black River Village Road. Cross it. Road becomes John D. Forham. Travel approximately 8.2 miles, turn right into location.

Thank you,

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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Bratcher, Mike, EMNRD

From: Amos, James A [jamos@blm.gov]
Sent: Thursday, July 12, 2012 8:19 AM
To: Michelle Mullins; Bratcher, Mike, EMNRD; Gregston, Terry G
Cc: Joshua Russo
Subject: RE: Lightning 24 Fed Com #1-Immediate Notification

Michelle,

Thanks for the notification, I'll be the contact on this one.

From: Michelle Mullins [<mailto:MMullins@concho.com>]
Sent: Wednesday, July 11, 2012 6:53 PM
To: mike.bratcher@state.nm.us; Amos, James A; Gregston, Terry G
Cc: Joshua Russo
Subject: Lightning 24 Fed Com #1-Immediate Notification

Mr. Bratcher, Mr. Amos, Ms. Gregston

On 7-11-12 at approximately 2:30pm, a produced water leak was discovered at the Lightning 24 Fed Com #1 tank battery. The produced water storage tank had developed a hole. An estimated 100bbls of produced water was released. 80 bbls were recovered from inside the unlined dike by vacuum truck. The tank has been removed from service and is awaiting repair. We will get more details and follow up with a C-141 Report.

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Thank you,

Michelle Mullins
HSE Field Tech
2407 Pecos Avenue
P.O. Box 1630
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Phone: (575)746-2010
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Bratcher, Mike, EMNRD

From: Michelle Mullins [MMullins@concho.com]
Sent: Thursday, July 12, 2012 8:27 AM
To: 'jamos@blm.gov'; Bratcher, Mike, EMNRD; 'tgregsto@blm.gov'
Cc: Joshua Russo
Subject: Re: Lightning 24 Fed Com #1-Immediate Notification

Thanks Jim.

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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From: Amos, James A [mailto:jamos@blm.gov]
Sent: Thursday, July 12, 2012 09:19 AM
To: Michelle Mullins; mike.bratcher@state.nm.us <mike.bratcher@state.nm.us>; Gregston, Terry G <tgregsto@blm.gov>
Cc: Joshua Russo
Subject: RE: Lightning 24 Fed Com #1-Immediate Notification

Michelle,

Thanks for the notification, I'll be the contact on this one.

From: Michelle Mullins [mailto:MMullins@concho.com]
Sent: Wednesday, July 11, 2012 6:53 PM
To: mike.bratcher@state.nm.us; Amos, James A; Gregston, Terry G
Cc: Joshua Russo
Subject: Lightning 24 Fed Com #1-Immediate Notification

Mr. Bratcher, Mr. Amos, Ms. Gregston

On 7-11-12 at approximately 2:30pm, a produced water leak was discovered at the Lightning 24 Fed Com #1 tank battery. The produced water storage tank had developed a hole. An estimated 100bbls of produced water was released. 80 bbls were recovered from inside the unlined dike by vacuum truck. The tank has been removed from service and is awaiting repair. We will get more details and follow up with a C-141 Report.

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