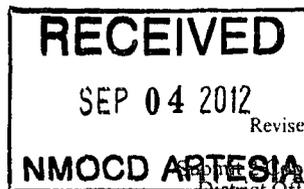


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Appropriate copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

NMLB/1224858324

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> 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	Skelly 989 Tank Battery	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No. (API#)	30-015-36498

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	23	17S	31E					Eddy

Latitude 32.82184 Longitude 103.84372

NATURE OF RELEASE

Type of Release	Oil and Produced water	Volume of Release	10bbls oil 40bbls produced water	Volume Recovered	10bbls oil 39bbls produced water
Source of Release	Water tank	Date and Hour of Occurrence	08/19/2012	Date and Hour of Discovery	08/19/2012 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 Jim Amos-BLM Terry Gregston-BLM		
By Whom?	Michelle Mullins	Date and Hour	08/19/2012 2:45 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.*

Due to a storm in the area, our alarm system was down at this facility allowing the water tank to overflow. Electricians have reset breakers and the alarm system is functioning correctly again.

Describe Area Affected and Cleanup Action Taken.*

Initially 50bbls of produced fluids were released from the water tank and we were able to recover 49bbls with a vacuum truck. The release was contained inside the walls of the facility, which are lined with plastic. All free fluid has been recovered and we have disposed of any contaminated gravel. We have added fresh gravel to the facility as necessary. 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:	
Title:	HSE Coordinator	Approval Date:	SEP 04 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	N/A
Date:	09/04/2012	Conditions of Approval:	N/A
Phone:	432-212-2399	Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1272

Bratcher, Mike, EMNRD

From: Joshua Russo <jrusso@concho.com>
Sent: Tuesday, September 04, 2012 3:56 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Gregston, Terry G
Subject: C-141 Initial/Final Report - Skelly 989 TB
Attachments: SKELLY 989 TANK BATTERY -- DATE OF RELEASE -- 08-19-2012.pdf

Please see attached a C-141 Initial/Final Report for a release that occurred on 08/19/2012 at our Skelly 989 Tank Battery. This facility is lined with a plastic liner.

Thank you,

Joshua Russo

HSE Coordinator
432.683.7443 (main)
432.685.4381 (direct)
432.212.2399 (cell)

jrusso@concho.com

Mailing Address:

One Concho Center
600 W. Illinios Avenue
Midland, Texas 79701



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Bratcher, Mike, EMNRD

From: Michelle Mullins <MMullins@concho.com>
Sent: Sunday, August 19, 2012 1:45 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Gregston, Terry G
Cc: Joshua Russo
Subject: Skelly Unit 989-Immediate Notification

Mr. Bratcher, Mr. Amos, Ms. Gregston:

On 08/19/2012 at approximately 9:00 am, a produced water tank was found running over at the above-referenced battery. An estimated 50 bbls of produced water was released with 49 bbls recovered by vacuum truck. All fluid was contained inside a 20 mil lined dike. The cause of the release was an alarm system failure due to storm in the area. The system has been repaired and returned to service. We will get more details and follow up with a C-141 Report.

GPS coordinates, legal description, and driving directions below.

N32.821 W104.843

Skelly Unit 989 (closest well location)
1980'FNL & 1649'FWL
Unit F Sec. 23 T17S R31E
Eddy County, NM
API 30-015-36498

From Highway 82, turn south at Wiser sign. Road leads directly in to battery.

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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