

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/226546393

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	Honey Graham State Com #1H Tank Battery	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37465

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	29	26S	28E					Eddy

Latitude 32 01.204 Longitude 104 06.974

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	90bbbls	Volume Recovered	89bbbls
Source of Release	Water tank	Date and Hour of Occurrence	08/20/2012	Date and Hour of Discovery	08/20/2012 1:00 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		
By Whom?	Josh Russo	Date and Hour	08/21/2012 1:35 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 water transfer pump failed which allowed for the produced water tank to fill and overflow into the facility. We are installing an alarm at this facility to prevent reoccurrence.

Describe Area Affected and Cleanup Action Taken.*
Initially 90bbbls of produced water were released from the water tank and we were able to recover 89bbbls with a vacuum truck. All released fluid was contained inside the lined facility walls of the tank battery. We have recovered all standing fluid and disposed of all contaminated gravel. We have added fresh gravel to the facility as necessary. 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:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	SEP 21 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	N/A
Date:	09/05/2012	Phone:	432-212-2399
		Conditions of Approval:	N/A
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1299

Bratcher, Mike, EMNRD

From: Joshua Russo <jrusso@concho.com>
Sent: Tuesday, August 21, 2012 12:35 PM
To: Bratcher, Mike, EMNRD
Cc: Michelle Mullins
Subject: Immediate Notification - Honey Graham State

Mr. Bratcher:

On 08/20/2012 at approximately 1:00 pm, a produced water tank was found running over at the above-referenced battery. An estimated 90bbls of produced water was released with 89bbls recovered by vacuum truck. All fluid was contained inside a 40 mil lined dike. The cause of the release was a water transfer pump failure. The pump 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 01.204 W104 06.974

Honey Graham State Com #1H (**closest well location**)
330'FNL & 660'FWL
Sec. 29 T26S R28E
Eddy County, NM
API 30-015-37465

From Highway 285, travel south to MM5 (Whites City Road). Turn west and travel 3 miles. Turn south and travel 3 miles. Turn east into location.

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. Illinois Avenue
Midland, Texas 79701



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