

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

**RECEIVED**  
MAY 19 2010  
**HOBBSOCD**

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**

**OPERATOR**  Initial Report  Final Report

Name of Company	COG OPERATING LLC	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	BC FEDERAL #3	Facility Type	WELL
Surface Owner	FEDERAL	Mineral Owner	
		Lease No. (API#) 30-025-34932	

**LOCATION OF RELEASE**

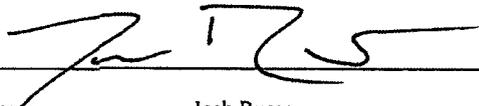
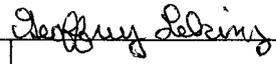
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	20	17S	32E	1650	NORTH	940	EAST	LEA

Latitude 32.82283 Longitude 103.78315

**NATURE OF RELEASE**

Type of Release	Oil / Produced Fluids	Volume of Release	55bbls	Volume Recovered	50bbls
Source of Release	Wellhead	Date and Hour of Occurrence	05/07/2010	Date and Hour of Discovery	05/07/2010 8:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson - OCD Geoffrey Leking - OCD			
By Whom?	Josh Russo	Date and Hour	05/07/2010 5:53 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.* The packing blew out of the BC Federal #3 well. The well has been re-packed and put back into service.					
Describe Area Affected and Cleanup Action Taken.* 55bbls of oil and produced fluids was initially released from the wellhead and we were able to recover 50bbls. All free fluid from the release remained on the well pad and the dimensions of the spill area were 15'x30'. The well pad has been scraped and the contaminated pad material has been removed. (Any produced water that was released would have had an estimated chloride content of 110,000 mg/l. Any Oil that was released would have had an estimated oil gravity of 36) 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 BLM / 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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Approved by ENV ENGINEER:	
Title:	HSE Coordinator	Approval Date:	05/19/10
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	07/19/10
Date:	05/10/2010	Phone:	432-212-2399
		Conditions of Approval:	SUBMIT FINAL C-141 BY 07/19/10
		Attached	<input type="checkbox"/>
		IRP-10-5-2534	

\* Attach Additional Sheets If Necessary