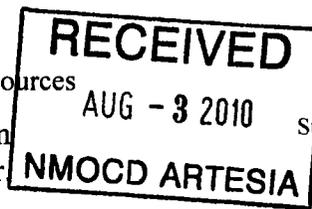


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30-015-24092

Release Notification and Corrective Action

NMLB1023151336

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input 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	Spruce Federal Tank Battery	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No.	NMNM-96836

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	25	17S	27E					Eddy

Latitude 32 48.146 Longitude 104 14.010

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	60bbbls	Volume Recovered	4bbbls
Source of Release	Fiberglass overflow tank	Date and Hour of Occurrence	07/20/2010	Date and Hour of Discovery	07/20/2010 7:00 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 Terry Gregston—BLM			
By Whom?	Pat Ellis	Date and Hour	07/20/2010 5:49 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 fiberglass overflow tank at the facility developed a hole in the bottom of it. The defective tank has been removed and replaced with a new tank.

Describe Area Affected and Cleanup Action Taken.*
Due to the hole in the bottom of the tank, we initially released 60bbbls of produced water across the front of the battery and into the pasture. We were able to recover 4bbbls of produced water with a vacuum truck. The fluid flowed into several different "fingers" measuring a total length of 825', none of which are greater than 3' wide. (The closest well location to the release is the Spruce Federal #1, Unit K, Sec.25T17S-R27E, 1650' FSL 2310' FWL, 32.802338-104.233276, NMNM-96836). 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.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Approved by:	
Title:	HSE Coordinator	Approval Date:	AUG 19 2010
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	08/01/2010	Phone:	432-212-2399

Conditions of Approval:
REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: SEPT 19, 2010

Attached

2RP-429

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Pat Ellis [PEllis@conchoresources.com]
Sent: Tuesday, July 20, 2010 4:49 PM
To: Bratcher, Mike, EMNRD; Terry Gregston (terry_gregston@nm.blm.gov)
Cc: Joshua Russo; Ike Tavaréz (ike.tavaréz@tetrattech.com)
Subject: Spruce Federal Tank Battery - Immediate Notification

We had a release at our Spruce Federal Tank Battery on 7-20-10 at 8:00 AM. Estimated 60 BBLS of produced water released with 4 BBLS recovered. Fluid traveled across the front of the battery, then off into the pasture where it separated into several small fingers. Total length is 825' by 3' wide. We were currently working the site from a previous spill and had not replaced the dike. The release was caused by a hole in the bottom of a fiberglass overflow tank.

GPS of spill location:

N 32 48.146
W 104 14.010

Legal description:

NE/4 SW/4, Sec.25, T17S, R27E

Patrick Ellis
Manager HSE
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Office 432.686.3023
Cell 432.230.0077
Fax 432.687.8008



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