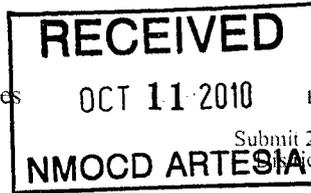


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Office in accordance
with Rule 116 on back
side of form

30-015-31491

Release Notification and Corrective Action

NMB 1031250766

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|--|---------------|--------------|
| Name of Company | COG OPERATING LLC 229137 | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | ETZ STATE TANK BATTERY | Facility Type | Tank Battery |

| | | | | |
|---------------|-------|---------------|-----------|--------|
| Surface Owner | State | Mineral Owner | Lease No. | B-8095 |
|---------------|-------|---------------|-----------|--------|

Houma St #1 Location

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| F | 16 | 17S | 30E | | | | | Eddy |

Latitude 32 50.143 Longitude 103 58.672

NATURE OF RELEASE

| | | | | | |
|-------------------|--|-----------------------------|------------|----------------------------|----------------------|
| Type of Release | oil | Volume of Release | 20bbls | Volume Recovered | 16bbls |
| Source of Release | 1 inch roll line off back of oil tanks | Date and Hour of Occurrence | 10/03/2010 | Date and Hour of Discovery | 10/03/2010 8:00 a.m. |

Was Immediate Notice Given? Yes No Not Required
If YES, To Whom?

By Whom? _____ Date and Hour _____
Was a Watercourse Reached? Yes No
If YES, Volume Impacting the Watercourse.

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The 1 inch roll line behind the oil tanks was corroded and developed a hole. The inoperable roll line has been removed and 1 inch bull plugs have been installed.

Describe Area Affected and Cleanup Action Taken.*
Initially 20bbls of oil was released from the roll line and we were able to recover 16bbls with a vacuum truck. The spill area had the dimensions of 20' x 130' south on the Houma State #1 well location, along with an area to the west in the pasture measuring 2' x 60'. All free fluid has been recovered and the pad location has been scraped and contaminated pad material has been disposed of appropriately. (The closest well location is the Houma State #1 and is on the same pad location as the Tank Battery where the release occurred, 2310' FNL 2310' FWL, Sec. 16-T17S-R30E, Eddy County, NM, B-8095, API# 30-015-31491). 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 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: | Supervisor: _____ |
| Title: HSE Coordinator | Approval Date: NOV 08 2010 | Expiration Date: _____ |
| E-mail Address: jrusso@conchoresources.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 10/11/2010 | Phone: 432-212-2399 | |

* Attach Additional Sheets If Necessary

REMEDATION per OCD Rules and
Guidelines. **SUBMIT REMEDIATION
PROPOSAL BY: 12/8/2010**

2RP-467

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Monday, October 11, 2010 2:26 PM
To: Bratcher, Mike, EMNRD
Cc: Tavarez, Ike; Dorey, Kim; tom.k.franklin@tetrattech.com
Subject: C-141 Initial Report - ETZ State Tank Battery
Attachments: ETZ STATE TANK BATTERY -- DATE OF RELEASE -- 10-03-2010.PDF

Mr. Bratcher,

Please see attached the C-141 Initial Report for the ETZ State Tank Battery release that occurred on 10/03/2010.

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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