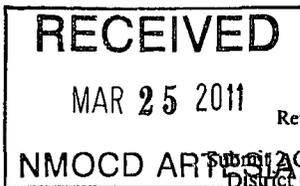


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

nkmw 1108731535 OPERATOR Initial Report 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	Skelly Unit 942	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015- 43645 <i>34645</i>
					NMNM - 029419A

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	22	17S	31E					Eddy

Latitude 32 49.510 Longitude 103 51.384

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	15bbls	Volume Recovered	14bbls
Source of Release	Oil Tank	Date and Hour of Occurrence	03/20/2011	Date and Hour of Discovery	03/20/2011 7:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
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 oil tank ran over at the facility due to the lease being turned on after curtailment and rapidly increased production volumes. Return wells into production at a slower rate after a lease is shut in.					
Describe Area Affected and Cleanup Action Taken.*					
Initially 15bbls of oil was released from the oil tank and we were able to recover 14bbls with a vacuum truck. The spill was completely contained inside the berm walls of the facility. The dimensions of the spill area measured 20' x 20' next to the oil tank. 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 District Supervisor:	
Title:	HSE Coordinator	Approval Date:	<i>3/28/11</i>
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	03/25/2011	Phone:	432-212-2399

* Attach Additional Sheets If Necessary

Conditions of Approval:
Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**

4/28/11

Attached

2RP-666

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Friday, March 25, 2011 10:21 AM
To: Bratcher, Mike, EMNRD; terry_gregston@nm.blm.gov
Cc: Pat Ellis; james_amos@nm.blm.gov; Tavarez, Ike; Dorey, Kim; tom.k.franklin@tetrattech.com
Subject: C-141 Initial Report - Skelly 942 TB
Attachments: SKELLY UNIT 942 -- DATE OF RELEASE -- 02-20-2011.PDF

Please see attached the C-141 Initial Report for a release that occurred at the Skelly 942 Tank Battery on 03/20/2011.

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



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.