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 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

Revised October 10, 200 Submit 2 Copies to appropria: District Office in accordance

Form C-14

with Rule 116 on bac side of for

30-015-28183 Release Notification and Corrective Action nMLB0514438151 **OPERATOR** ☐ Initial Report Final Rep Name of Company COG Operating LLC Diane Kuykendall Contact Address 550 W. Texas Ave., Suite 1300 Midland, TX 79701 Telephone No. 432-683-7443 Facility Name Keystone #4 Facility Type Oil Well Surface Owner Don Rains Lease No. 301047 Mineral Owner LOCATION OF RELEASE Feet from the North/South Line Feet from the East/West Line Unit Letter Section **Township** Range County 1980 F 32 **20S** 28E 1650 North West Eddy Latitude Longitude NATURE OF RELEASE produced oil & water leak Volume of Release >5 bbls Type of Release Volume Recovered Source of Release Date and Hour of Occurrence Date and Hour of Discovery Valve at base of Tank leaking Prior to 4/13/05 4/13/05 by OCD Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☒ No ☐ Not Required By Whom? Mike Bratcher contacted us Date and Hour 4/13/05 RECEIVED Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No APR 18 2005 If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Leak at tank valve. Vacuum truck pulled free standing fluids. Isolated tank and preparing to fix tank. Highlander was contacted for remediation plan. Describe Area Affected and Cleanup Action Taken.* Dike was ¼ full. With fluids. Free standing fluids were pulled off. Preparing to fix tank. 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 OIL CONSERVATION DIVISION TIM GUM Signature: by MB Approved by District Supervisor: Printed Name: Diane Kuykendall Approval Date: 5/2/05 Title: Production Analyst Expiration Date: Conditions of Approval: Submit Remediation Workplan E-mail Address: dkuykendall@conchoresources.com Attached

* Attach Additional Sheets If Necessary

Phone: 432-685-4372

Approved Copy sent top. Emajed

Date: 4/15/05



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COG Operating, LLC 550 W. Texas Ave. Suite 1300 Midland TX 79701 October 14, 2005

Reference: Keystone 004

F-32-20s-28e

30-015-28183

Incident # nMLB0514438151

Keystone 001

G-32-20s-28e

30-015-22218

Incident # nMLB0512230909

Operator,

The NMOCD District 2 Office (OCD) is in receipt of an Assessment Report and Work Plan for Remediation (Work Plan) prepared and submitted to the OCD by your agent, Highlander Environmental Corp. The Work Plan proposes procedures for the remediation of contaminates present at each of the above referenced well sites.

USGS Depth to Groundwater information indicates that these well sites are situated in an area that has a possibility of encountering groundwater at depths of less than 50' bgs. The proposed Recommended Remediation Action Levels (RRAL) for TPH is 1,000 mg/kg. As stated in my letter dated May 24, 2005, chloride levels at these sites must be addressed in a manner to insure that groundwater cannot be impacted above the New Mexico Water Quality Control Commission standard of 250 mg/L.

It is the OCD's position that the RRAL for TPH at these sites should be 100 mg/kg and that, referencing the soil analysis presented, the vertical extent of chloride contaminates has not yet been fully delineated. At the Keystone #004, chloride levels were being encountered above 250 mg/kg at depths of 15' to 16' (BH-2 and BH-3). At the Keystone #001, only one borehole was advanced with chloride levels of over 2,500 mg/kg encountered at the 10'-11' sample point.

At this time the Work Plan is accepted with the following stipulations and/or changes:

- 1. RRAL for TPH is 100 mg/kg
- 2. RRAL for Benzene is 10 mg/kg with BTEX being 50 mg/kg
- 3. RRAL for Chlorides will be based on WQCC Guidelines.
- 4. Contaminated materials are to be transported to an OCD approved disposal facility.
- 5. Remediation work is to commence no later than November 7, 2005.
- 6. OCD District 2 office is to be notified 24 hours prior to commencement of remediation activities.
- 7. OCD District 2 office is to be notified 24 hours prior to obtaining samples where analysis of such samples are to be presented to the OCD.
- 8. A Final Report form C-141 is to be submitted to the OCD upon satisfactory completion of project.

Please be advised that acceptance and/or approval of Work Plans or documents 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. Acceptance and/or approval does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If I can be of assistance in this matter, my contact information is listed below.

Mile Bancon

Mike Bratcher, NMOCD District 2

1301 W. Grand Ave. Artesia, NM 88210

(505) 748-1283 Ext 108 Cell: (505) 626-0857 email:Mike.Bratcher@state.nm.us