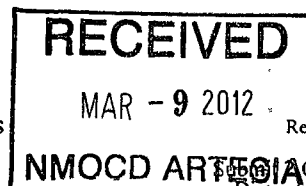


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

NMLB1208056604

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	SRO 4" water transfer line	Facility Type	4" water line
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-38257

LOCATION OF RELEASE

SRO Stut 17H

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	9	26S	28E					Eddy

Latitude 32 03.884 Longitude 104 06.007

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	15bbls	Volume Recovered	none
Source of Release	Broken "Y" connection on poly line	Date and Hour of Occurrence	02/24/2012	Date and Hour of Discovery	02/24/2012 9:30 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.*


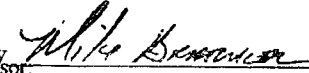
Describe Cause of Problem and Remedial Action Taken.*

A "Y" connection on a 4" water transfer line was found damaged. A new connection has been added to the line and the line has been returned to service.

Describe Area Affected and Cleanup Action Taken.*

Initially roughly 15bbls were released from the damaged "Y" and we were unable to recover any fluid from the release. The spill area measures roughly 70' x 300' in the pasture adjacent to the line. The closest well location is the SRO 17 STATE 1H API# 30-015-38257. 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	Signed By  Approved by District Supervisor	
Title:	HSE Coordinator	Approval Date:	MAR 20 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	03/07/2012	Phone:	432-212-2399

Conditions of Approval:
Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**
4/20/2012

Attached ☐

* Attach Additional Sheets If Necessary

2RP-1061

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, March 09, 2012 2:31 PM
To: Bratcher, Mike, EMNRD
Cc: Tavarez, Ike; Dorey, Kim; Franklin, Tom K.
Subject: C-141 Initial Report - SRO 4" WATER TRANSFER LINE
Attachments: SRO 4 INCH WATER TRANSFER LINE -- DATE OF RELEASE -- 02-24-2012.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred from a 4" water transfer line near our SRO 17 STATE #1H well location. The damage from the line is thought to have originated from a construction crew moving our line without permission. We will investigate further and we plan to have the spill area assessed timely.

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.