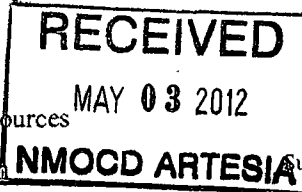


District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

NMLB/2/5255011		OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> 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	Eggs State Tank Battery	Facility Type	Tank Battery		
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37260 Closest well location		

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	8	25S	30E					Eddy

Latitude 32 09.013 Longitude 103 53.999

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	130bbbs	Volume Recovered	129bbbs
Source of Release	Oil tanks	Date and Hour of Occurrence	04/18/2012	Date and Hour of Discovery	04/18/2012 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		
By Whom?	Michelle Mullins	Date and Hour	04/18/2012 4:17 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.*

Valve on water dump closed at a valve setting that by-passed fluid to stock tanks. The Eggs State #1H was shut in until the tank levels could lower to their normal levels.

Describe Area Affected and Cleanup Action Taken.*

Initially 130bbbs were released from the oil tanks and we were able to recover 129bbbs with a vacuum truck. All standing fluid has been removed from the 40mil lined tank battery. Contaminated gravel has been removed and replaced with fresh gravel as necessary. The tank battery lined has been steamed and this facility has been returned to its prior condition.

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:	
Title: HSE Coordinator		Approved by District Supervisor:	
E-mail Address: jrusso@conchoresources.com		Approval Date: MAY 29 2012	Expiration Date:
Date: 04/01/2012 Phone: 432-212-2399		Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 6/29/2012	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RD-1139

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Thursday, May 03, 2012 2:39 PM
To: Bratcher, Mike, EMNRD
Subject: C-141 INITIAL/FINAL REPORT - EGGS STATE TANK BATTERY
Attachments: EGGS STATE TANK BATTERY -- DATE OF RELEASE -- 04-18-2012.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred at our Eggs State Tank Battery. This facility is lined with a 40mil liner.

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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Bratcher, Mike, EMNRD

From: Michelle Mullins [MMullins@concho.com]
Sent: Thursday, April 19, 2012 6:31 AM
To: Bratcher, Mike, EMNRD
Subject: Fw: Immediate Notification-Eggs State #1H

Michelle Mullins

HSE Field Tech

2407 Pecos Avenue

P.O. Box 1630

Artesia, NM?? 88211-1630

Phone: (575)746-2010

Cell: (432) 934-1052

mmullins@conchoresources.com??

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From: Michelle Mullins
Sent: Wednesday, April 18, 2012 04:17 PM
To: Joshua Russo
Subject: Immediate Notification-Eggs State #1H

Mr. Bratcher:

On 4-18-12 at 8:00am the Eggs State #1 battery storage tanks were found running over. Approximately 130 bbls of oil and produced water was released inside a 40 mil lined dike. The incident occurred due to a closed valve on water dump at heater. Standing fluid and contaminated gravel will be removed. Tanks and tank battery liner will be steam cleaned and gravel will be replaced. GPS coordinates, driving directions, and legal description listed below.

N32* 09.013 W103* 53.999

Eggs St #1H, Unit B
Sec. 8-T25S-R30E
660' FNL & 1650' FEL
Eddy County, NM API #30-015-37260

From Malaga, turn onto McDonald Road. Follow till it turns to caliche. Go over 5 ton bridge, cross cattleguard, turn right. Follow road to compressor station, turn right. At cattle guard just past compressor station, so south. Travel approximately 2.5 miles, turn right. Road leads into location.

Thank you.

Michelle Mullins

HSE Field Tech

2407 Pecos Avenue

P.O. Box 1630

Artesia, NM 88211-1630

Phone: (575)746-2010

Cell: (432) 934-1052

mmullins@conchoresources.com



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