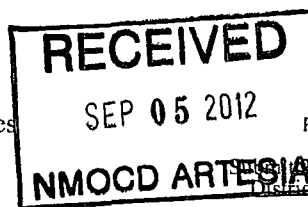


District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505

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  
Copies to appropriate  
Office in accordance  
with Rule 116 on back  
side of form

### Release Notification and Corrective Action

nMLB/226546393

#### 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	Honey Graham State Com #1H Tank Battery	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37465
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#### LOCATION OF RELEASE

Unit Letter D	Section 29	Township 26S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32 01.204 Longitude 104 06.974

#### NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	90bbbls	Volume Recovered	89bbbls
Source of Release	Water tank	Date and Hour of Occurrence	08/20/2012	Date and Hour of Discovery	08/20/2012 1:00 p.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?	Josh Russo	Date and Hour	08/21/2012 1:35 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.\*

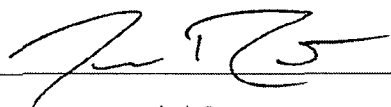
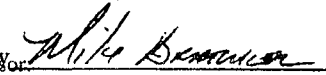
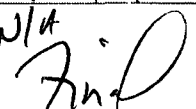
Describe Cause of Problem and Remedial Action Taken.\*

A water transfer pump failed which allowed for the produced water tank to fill and overflow into the facility. We are installing an alarm at this facility to prevent reoccurrence.

Describe Area Affected and Cleanup Action Taken.\*

Initially 90bbbls of produced water were released from the water tank and we were able to recover 89bbbls with a vacuum truck. All released fluid was contained inside the lined facility walls of the tank battery. We have recovered all standing fluid and disposed of all contaminated gravel. We have added fresh gravel to the facility as necessary. 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	Approved by District Supervisor: 	
Title: HSE Coordinator	Approval Date: SEP 21 2012	Expiration Date: N/A
E-mail Address: jrusso@conchoresources.com	Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 09/05/2012 Phone: 432-212-2399		

\* Attach Additional Sheets If Necessary

2RA-1299

## Bratcher, Mike, EMNRD

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**From:** Joshua Russo <jrusso@concho.com>  
**Sent:** Tuesday, August 21, 2012 12:35 PM  
**To:** Bratcher, Mike, EMNRD  
**Cc:** Michelle Mullins  
**Subject:** Immediate Notification - Honey Graham State

Mr. Bratcher:

On 08/20/2012 at approximately 1:00 pm, a produced water tank was found running over at the above-referenced battery. An estimated 90bbls of produced water was released with 89bbls recovered by vacuum truck. All fluid was contained inside a 40 mil lined dike. The cause of the release was a water transfer pump failure. The pump has been repaired and returned to service. We will get more details and follow up with a C-141 Report.

GPS coordinates, legal description, and driving directions below.

N32 01.204 W104 06.974

Honey Graham State Com #1H (**closest well location**)  
330'FNL & 660'FWL  
Sec. 29 T26S R28E  
Eddy County, NM  
API 30-015-37465

From Highway 285, travel south to MM5 (Whites City Road). Turn west and travel 3 miles. Turn south and travel 3 miles. Turn east into location.

Thank you.

### **Joshua Russo**

HSE Coordinator  
432.683.7443 (main)  
432.685.4381 (direct)  
432.212.2399 (cell)  
[jrusso@concho.com](mailto:jrusso@concho.com)

*Mailing Address.*

One Concho Center  
600 W. Illinois Avenue  
Midland, Texas 79701



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