

RECEIVED

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

JUN 25 2010

Form C-141
Revised October 10, 2003

HOBBSD
Submit 3 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	JC FEDERAL #2 TANK BATTERY	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No.	NMLC029509B API# 30-025-34772

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	22	17S	32E	2310	North	2310	West	Lea

Latitude 32 49.247 Longitude 103 45.325

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	70bbbls	Volume Recovered	65bbbls
Source of Release	Discharge piping (4" poly transition in poly neck)	Date and Hour of Occurrence	06/12/2010	Date and Hour of Discovery	06/12/2010 11:30 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Larry Johnson—OCD Geoffrey Leking—OCD		
By Whom?	Josh Russo	Date and Hour	06/14/2010 9:22 a.m.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

WTR 75'

If a Watercourse was Impacted, Describe Fully.*

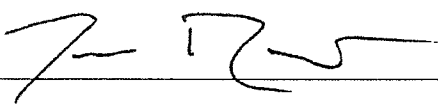
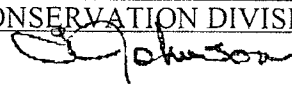

Describe Cause of Problem and Remedial Action Taken.*

We had a failure at a 4 inch poly discharge piping. The poly pipe has been repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.*

Initially 70bbbls of produced water was release from the discharge piping on the 4 inch poly transition in the poly neck and we were able to recover 65bbbls of produced water with a vacuum truck. The release caused a light 80' x 80' skim area on the pad location which then flowed to a 3' x 120' channel off into the pasture to a 10' x 15' area where the fluid collected. The chloride content of the produced water released is 135,500 mg/l. 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 BLM / 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	Approved by District Superintendent  ENVIRONMENTAL ENGINEER	
Title:	HSE Coordinator	Approval Date:	6.23.10
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	8.23.10
Date:	06/21/2010	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/> 
		SUBMIT FINAL C-141 w/ Docs BY IRP# 10.6.2568	

* Attach Additional Sheets If Necessary

WLT 101 7649117