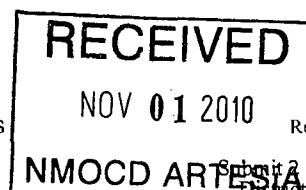


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
District Office in accordance
with Rule 116 on back
side of form

30-015-30031

Release Notification and Corrective Action

NMCP 1031349224

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	Schley Federal	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No.	NM-29281
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	29	17S	29E	1650	South	2310	West	Eddy

Latitude 32 48.162 Longitude 104 05.895

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	40bbls	Volume Recovered	35bbls
Source of Release	Water tank	Date and Hour of Occurrence	10/23/2010	Date and Hour of Discovery	10/23/2010 8:00 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?	Josh Russo	Date and Hour	10/25/2010 2:12 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.*

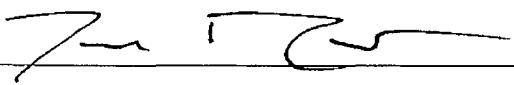

Describe Cause of Problem and Remedial Action Taken.*

Water tank overflowed due to an electrical problem with the water transfer pump. The electrical problem has been corrected and the water transfer pump is back in service.

Describe Area Affected and Cleanup Action Taken.*

Initially 40bbls was released from the water tank at the facility and we were able to recover 35bbls with a vacuum truck. The fluid traveled from around the transfer pump, to the well pad location where it then ran west across the location down the dike wall, and onto the old reserve pit west of the pad. The dimensions of the spill area were 15' x 300'. (The closest well to the release is the Schley Federal #1, API#30-015-30031, located on the same pad location as the Tank Battery). 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/OCD 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 Supervisor: 	
Title: HSE Coordinator	Approval Date: NOV 09 2010	Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/01/2010 Phone: 432-212-2399	REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/9/2010	

* Attach Additional Sheets If Necessary

2RP-471

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Monday, November 01, 2010 2:10 PM
To: Bratcher, Mike, EMNRD; terry_gregston@nm.blm.gov
Cc: Pat Ellis; james_amos@nm.blm.gov; Tavarez, Ike; Dorey, Kim; tom.k.franklin@tetrattech.com
Subject: C-141 Initial Report - Schley Federal Tank Battery
Attachments: SCHLEY FEDERAL TANK BATTERY -- DATE OF RELEASE -- 10-23-2010.PDF

Please see attached the C-141 Initial Report for the Schley Federal Tank Battery release that occurred on 10/23/2010. Please feel free to contact me with any questions or concerns you may have.

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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