

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

SEP 13 2010

HOBBSUCD

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

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	FEDERAL BI SWD	Facility Type	SWD
Surface Owner	Federal	Mineral Owner	
		Lease No. (API#) 30-025-27068	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	28	17S	32E	480'	SOUTH	1980'	WEST	Lea

Latitude 32 47.973 Longitude 103 46.404

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	460bbbls	Volume Recovered	448bbbls
Source of Release	8 inch PVC 45	Date and Hour of Occurrence	09/01/2010	Date and Hour of Discovery	09/01/2010 10:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Larry Johnson—OCD Geoffrey Leking—OCD		
By Whom?	Josh Russo	Date and Hour	09/02/2010 10:28 a.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.*

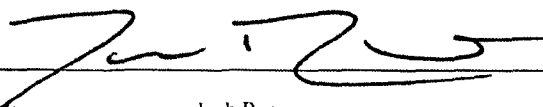
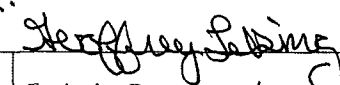
Describe Cause of Problem and Remedial Action Taken.*

Due to the added pressure from the Pronghorn valve being closed because of the Pronghorn release earlier in the day, the PVC 45/cracked at the Federal BI SWD. The 8" PVC has been repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.*

Initially 460bbbls was released from the cracked PVC at the SWD location and we were able to recover 448bbbls with vacuum trucks. 400bbbls was released and contained inside the dike walls and we were able to recover 398bbbls. 60bbbls was released in the pasture area and we were able to recover 50bbbls. The dimensions of the spill area outside the dike walls measured 30 yards x 20 yards. The chloride content of the produced water from this release is roughly 135,000 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 NMOCD/BLM 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 ENV. ENGINEER:	
Title:	HSE Coordinator			Approval Date:	09/13/10
E-mail Address:	jrusso@conchoresources.com			Expiration Date:	11/15/10
Date:	09/13/2010	Phone:	432-212-2399	Conditions of Approval:	DELINATE TO CLEANUP. SUBMIT FINAL C-141 BY 11/15/10
				Attached <input type="checkbox"/>	IRP-12-10-2671

* Attach Additional Sheets If Necessary