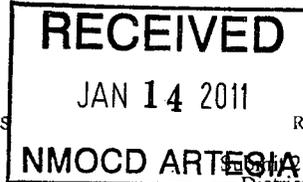


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

NKMW 1101931286

OPERATOR Initial Report Final Report

Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Way South State Com #1	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37234

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	30	26S	28E					Eddy

Latitude 32 01.176 Longitude 104 07.122

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	150bbls	Volume Recovered	149bbls
Source of Release	Water tank	Date and Hour of Occurrence	01/02/2011	Date and Hour of Discovery	01/02/2011 2:00 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	01/03/2011 10:34 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 a head switch malfunction, the water transfer pump did not operate properly. The problem with the head switch has corrected and the water pump has been returned to service.

Describe Area Affected and Cleanup Action Taken.*
Initially 150bbls of produced water was released from the water tank due to the transfer pump malfunction. We were able to recover 149bbls with a vacuum truck. All fluid remained inside the lined facility of the tank battery. Contaminated gravel has been removed and replaced with clean gravel as necessary. The tank battery 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:	<i>3/2/2011</i> Expiration Date: <i>N/A</i>
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	<i>N/A Final</i> Attached <input type="checkbox"/>
Date:	01/07/2011 Phone: 432-212-2399		

* Attach Additional Sheets If Necessary

2 RP-563

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Friday, January 14, 2011 12:53 PM
To: Bratcher, Mike, EMNRD
Cc: Pat Ellis
Subject: C-141 Way South State Com #1 Tank Battery
Attachments: WAY SOUTH STATE COM #1 TANK BATTERY -- DATE OF RELEASE -- 01-02-2011.PDF

Mr. Bratcher,

Please see attached the C-141 Initial/Final Report for the release that occurred on 01/02/2011 at the Way South State Com. #1 Tank Battery.

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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