



February 17, 2015

Oil Conservation Division
District 2 – Artesia
811 S. First St.
Artesia, NM 88210

Conditions for approval: remove
2feet BGS.

Re: Prohibition Federal Unit #1
30-025-31137
Sec. 12, T22S-R32E
Lea County, NM

Dr. Oberding,

COG Operating LLC would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is in response to the C-141 Initial report dated December 2, 2014.

Background

The release was caused by a corroded steel flow line with 18 barrels of produced water released and 9 barrels of produced water recovered. The release impacted the pasture on the south side of the location and the adjacent lease road. The approximate dimensions of the impacted area measure 1-17' in width by 200' in length.

Groundwater

Based on the Chevron Trend Maps, the release area would be classified at a site ranking of Zero with depth to groundwater at greater than 350'.

Soil Assessment and Analytical Results

Two sample points (S1 & S2) were selected within the pasture of the release area. Samples were taken at depths of 1', 2', 3', and 4' for S1 and down to 10' for S2 labeled on the attached Site Diagram. The Site Diagram includes a Sample Summary Table and an outline of the release.

Sample Results show elevated chloride levels to a depth of 2' for S1 and to a depth of 4' for S2. A copy of the Analytical Results is attached for your consideration.

Work Plan

COG Operating LLC proposes the excavation of S1 to a depth of approximately 2.5' (~550 ft²) and excavation of S2 to a depth of 5' (~1560 ft²). Excavated areas will be backfilled with like material and reseeded with a BLM approved seed mixture in June 2015. The lease road would be scraped and new caliche would be added to the scraped areas followed by fresh water for compaction.

S1	Cl-
1'	15100
2'	11200
3'	400
4'	80
S2	Cl-
1'	13500
2'	12800
3'	11600
4'	7460
6'	ND
8'	64
10'	144

If there are no objections or further stipulations, COG Operating LLC would like to begin the remediation process based on approval of this work plan. Please feel free to contact me with any questions or concerns at (575) 748-6933.

Sincerely,



Lupe Carrasco
Environmental Coordinator

Enclosure(s): Site Diagram
Analytical Results
C-141 Initial (Copy)

Prohibition Federal Unit #1

Prohibition Federal Unit #1

Section 12, T22S-R32E

Released: 18 B/P/W

Recovered: 9 B/P/W

32.40801

-103.63508

Legend

▲ Release Area

S1	Cl-
1'	15100
2'	11200
3'	400
4'	80
S2	Cl-
1'	13500
2'	12800
3'	11600
4'	7460
6'	ND
8'	64
10'	144

S1 Release Area
S2





December 17, 2014

GARRETT MERKET
COG OPERATING
P. O. BOX 1630
ARTESIA, NM 88210

RE: PROHIBITION

Enclosed are the results of analyses for samples received by the laboratory on 12/12/14 15:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 COG OPERATING
 GARRETT MERKET
 P. O. BOX 1630
 ARTESIA NM, 88210
 Fax To: NONE

 Received: 12/12/2014
 Reported: 12/17/2014
 Project Name: PROHIBITION
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 12/12/2014
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S 1 - 1' (H403806-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	15100	16.0	12/16/2014	ND	400	100	400	0.00		

Sample ID: S 1 - 2' (H403806-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	11200	16.0	12/16/2014	ND	400	100	400	0.00		

Sample ID: S 1 - 3' (H403806-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	400	16.0	12/16/2014	ND	400	100	400	0.00		

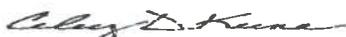
Sample ID: S 1 - 4' (H403806-04)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	80.0	16.0	12/16/2014	ND	400	100	400	0.00		

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 COG OPERATING
 GARRETT MERKET
 P. O. BOX 1630
 ARTESIA NM, 88210
 Fax To: NONE

 Received: 12/12/2014
 Reported: 12/17/2014
 Project Name: PROHIBITION
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 12/12/2014
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: S 2 - 1' (H403806-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	13500	16.0	12/16/2014	ND	400	100	400	0.00		

Sample ID: S 2 - 2' (H403806-06)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	12800	16.0	12/16/2014	ND	400	100	400	0.00		

Sample ID: S 2 - 3' (H403806-07)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	11600	16.0	12/16/2014	ND	400	100	400	0.00		

Sample ID: S 2 - 4' (H403806-08)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	7460	16.0	12/16/2014	ND	400	100	400	0.00		

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BILL TO

ANALYSIS REQUEST

Company Name: <u>Loake Resources</u>		P.O. #:	
Project Manager: <u>Janet M. Meeker</u>		Company:	
Address: <u>2008 W. Main</u>		Attn:	
City: <u>Adrian</u>		Address:	
State: <u>NM</u> Zip: <u>88210</u>		City:	
Phone #: <u>575-748-6940</u> Fax #:		State:	
Project #: _____		Phone #:	
Project Name: <u>Rehabilitation</u>		Zip:	
Project Location: _____		Fax #:	
Sampler Name: <u>Janet Meeker</u>		PRESERV:	
FOR LAB USE ONLY		SAMPLING	

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX							DATE	TIME	REMARKS	
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE				ICE / COOL
4403806	S1-1'					X					12-12-14	3:30	X	Chlorides
1	S1-2'					X					12-12-14	3:50	X	
2	S1-3'					X					12-12-14	3:50	X	
3	S1-4'					X					12-12-14	3:50	X	
4	S2-1'					X					12-12-14	5:30	X	
5	S2-2'					X					12-12-14	5:30	X	
6	S2-3'					X					12-12-14	5:30	X	
7	S2-4'					X					12-12-14	5:30	X	
8	S2-4'					X					12-12-14	5:30	X	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusions (except for any claim arising whether based in contract or tort) shall be limited to the amount paid by the client for the analyses. All claims excluding those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, loss of use, or loss of profits, incurred by client, as subcontractor, addition or subcontractor arising out of or related to the performance of services hereunder by Cardinal. Insignificance of whether such claims are based upon any of the above stated reasons, or otherwise.

Relinquished By: Janet M. Meeker Date: 12-12-14 Time: 3:30

Received By: Wendi Henderson Date: _____ Time: _____

Phone Result: Yes No Add'l Phone #: _____

Fax Result: Yes No Add'l Fax #: _____

REMARKS:

Delivered By: (Circle One) UPS - UPS - Bus - Other: _____

Sample Condition: Intact Cool Pres No No

Checked By: Wendi Henderson (initials)

5.02

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326 #54



December 23, 2014

GARRETT MERKET
COG OPERATING
P. O. BOX 1630
ARTESIA, NM 88210

RE: PROHIBITION

Enclosed are the results of analyses for samples received by the laboratory on 12/18/14 16:10.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 COG OPERATING
 GARRETT MERKET
 P. O. BOX 1630
 ARTESIA NM, 88210
 Fax To: NONE

 Received: 12/18/2014
 Reported: 12/23/2014
 Project Name: PROHIBITION
 Project Number: NONE GIVEN
 Project Location: NOT GIVEN

 Sampling Date: 12/12/2014
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Kathy Perez

Sample ID: S 2 - 6' (H403875-01)

Chloride, SM4500Cl-B

mg/kg

Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	12/19/2014	ND	400	100	400	0.00	

Sample ID: S 2 - 8' (H403875-02)

Chloride, SM4500Cl-B

mg/kg

Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	64.0	16.0	12/19/2014	ND	400	100	400	0.00	

Sample ID: S 2 - 10' (H403875-03)

Chloride, SM4500Cl-B

mg/kg

Analyzed By: AP

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	144	16.0	12/19/2014	ND	400	100	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report



Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

BILL TO

ANALYSIS REQUEST

Company Name: COG Operating LLC Project Manager: Garrett Merkel Address: 2208 West Main City: Artesia State: NM Zip: 88210 Phone #: (575) 748-6940 Fax #: Project #: Project Owner: Project Name: Prohibition Project Location: Sampler Name: Garrett Merkel		P.O. #: Company: COG Operating LLC Attn: Robert McNeill Address: 600 W Illinois City: Midland State: TX Zip: 79701 Phone #: (432) 221-0388 Fax #:	
FOR LAB USE ONLY Lab I.D. Sample I.D. H4D3875 1 3		MATRIX GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER ACID/BASE ICE / COOL OTHER	
DATE 12/14/14 11:30 am 12-18-14 11:10		DATE 12/12/14 12/12/14 12/12/14	
TIME 2:00 PM 2:00 PM 2:00 PM		TIME 2:00 PM 2:00 PM 2:00 PM	
RECEIVED BY: [Signature] DATE: 12/14/14 TIME: 11:30 am DATE: 12-18-14 TIME: 11:10		RECEIVED BY: [Signature] DATE: 12/14/14 TIME: 11:30 am DATE: 12-18-14 TIME: 11:10	
DELIVERED BY: (Circle One) Sampler - UPS - Bus - Other:		CHECKED BY: [Signature] Sample Condition <input type="checkbox"/> Cool <input type="checkbox"/> Intact <input type="checkbox"/> Year <input type="checkbox"/> Yes <input type="checkbox"/> No	
REINQUISHED BY: [Signature] DELIVERED BY: (Circle One) Sampler - UPS - Bus - Other:		CHECKED BY: [Signature] Sample Condition <input type="checkbox"/> Cool <input type="checkbox"/> Intact <input type="checkbox"/> Year <input type="checkbox"/> Yes <input type="checkbox"/> No	

PLEASE NOTE: Liability and Damages. Cardinal's liability and clients' exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable services. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Phone Result: Yes No **Add'l Phone #:**
 Fax Result: Yes No **Add'l Fax #:**
 REMARKS: gca@trascoc@concho.com
 atrujillo@concho.com gmerkel@concho.com

#57 † Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476

District I
1625 N French Dr., Hobbs, NM 88240
District II
811 S First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC

Release Notification and Corrective Action

OPERATOR

Initial Report Final Repo

Name of Company: COG Operating LLC	Contact: Robert McNeill
Address: 600 West Illinois Avenue, Midland TX 79701	Telephone No. 432-230-0077
Facility Name: Prohibition Federal Unit #1	Facility Type: Battery
Surface Owner: Federal	Mineral Owner: Federal
API No. 30-025-31137	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	12	22S	32E	1980'	North	660'	West	Lea

Latitude 32 4081088116745 Longitude -103 634870651304

NATURE OF RELEASE

Type of Release: Water	Volume of Release: 18 bbls	Volume Recovered: 9 bbls
Source of Release: Steel flowline	Date and Hour of Occurrence: 11/18/2014 1:57 pm	Date and Hour of Discovery: 11/18/2014 1:57 pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
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.*

This release was caused by corrosion in a steel flowline. The leak was isolated and vacuum trucks were dispatched to recover any standing fluid. All fluid was disposed of at an NMOCD approved facility.

Describe Area Affected and Cleanup Action Taken.*

The impacted area is located in the pasture. And is approximately 200' x 17' in size. Concho will have the spill site sampled to delineate any possible contamination from the release and we will present a remediation work plan to the 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: Amanda Trujillo	Approved by Environmental Specialist:	
Title: Senior Environmental Coordinator	Approval Date:	Expiration Date:
E-mail Address: atrujillo@concho.com	Conditions of Approval:	
Date: December 2, 2014	Phone: 575-748-6940	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary