

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

RECEIVED

NOV 16 2010

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

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

30-015-33066

Release Notification and Corrective Action

NMLB 1032050254

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	JR's Horz Federal Tank Battery	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No.	NMNM-92177
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JR's Horz Fed 1

LOCATION OF RELEASE

Unit Letter D	Section 10	Township 26S	Range 29E	Feet from the 380	North/South Line North	Feet from the 330	East/West Line West	County Eddy
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Latitude 32 03.799 Longitude 103 58.756

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	328bbbls	Volume Recovered	161bbbls
Source of Release	Oil tanks	Date and Hour of Occurrence	11/10/2010	Date and Hour of Discovery	11/10/2010 8:30 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher—OCD Terry Gregston—BLM		
By Whom?	Josh Russo	Date and Hour	11/11/2010 8:24 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.*

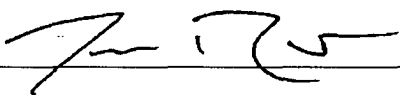
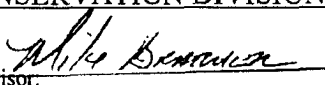
Describe Cause of Problem and Remedial Action Taken.*

Oil overflowed out of oil storage tanks due to water flow from JR's Horz #1 well backside. JR's Horz #1 well has had tubing and casing shut in until further notice.

Describe Area Affected and Cleanup Action Taken.*

Initially 328bbbls of oil was released from the tanks and we were able to recover 161bbbls of oil with vacuum trucks. All released fluid was contained inside the dike walls of the facility. The spill area had the dimensions of 30' x 120' inside the dike. (The closest well location to the release is on the same pad location, JR's Horz Federal #1 well, API# 30-015-33066). 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 District Supervisor: 	
Title: HSE Coordinator	Approval Date: NOV 16 2010	Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/16/2010 Phone: 432-212-2397	REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/16/2010	

* Attach Additional Sheets If Necessary

2RP-480