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

FEB **16** 2011

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Form C-141 tevised October 10, 2003

NMOCD ARTESHAD

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

1220 South St. Francis Dr. Santa Fe, NM 87505

Release Notification and Corrective Action MKMW 1106025650 **OPERATOR** Final Report Initial Report COG OPERATING LLC Pat Ellis Name of Company Contact Address 550 W. Texas, Suite 100, Midland, TX 79701 Telephone No. 432-230-0077 Facility Name Birch Keely Unit #196 Facility Type Well Surface Owner Federal Mineral Owner Lease No. (API#) 30-015-24976 LOCATION OF RELEASE North/South Line Unit Letter Township Feet from the Section Range Feet from the East/West Line County Eddy P 25 175 29E Latitude 32 47.987 Longitude 104 01.569 NATURE OF RELEASE Type of Release Produced water Volume of Release 20bbls Volume Recovered 18bbls Date and Hour of Occurrence Source of Release Steel flowline Date and Hour of Discovery 02/06/2011 02/06/2011 6:00 a.m. Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☐ Not Required By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.\* Describe Cause of Problem and Remedial Action Taken.\* The steel flowline developed a hole due to corrosion. The pipe has been replaced and returned into service. Describe Area Affected and Cleanup Action Taken.\* Initially 20bbls of produced water was released from the steel flowline and we were able to recover 18bbls with a vacuum truck. From the source of the release, the water traveled 3' x 35' to a collecting area measuring 15' x 15' in the pasture. All standing fluid has been recovered. Tetra Tech will sample the spill site area to delineate any 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. OIL CONSERVATION DIVISION Signature: Approved by Distrig forde Byson Printed Name: Josh Russo Title: **HSE** Coordinator Approval Date: Expiration Date: E-mail Address: jrusso@conchoresources.com Conditions of Approval: Attached [ Remediation per OCD Rules & 02/15/2011 Phone: 432-212-2399 Attach Additional Sheets If Necessary Guidelines. SUBMIT REMEDIATION 2RP-616

PROPOSAL NOT LATER THAN: