

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
AUG 3 2011
NMOCD ARTESIA

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

n KMW 1110148125

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	USP Fee #3	Facility Type	Well

Surface Owner	Private	Mineral Owner		Lease No. (API#)	30-015-37948
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	9	23S	29E					Eddy

Latitude 32 18.765 Longitude 103 59.854

NATURE OF RELEASE

Type of Release	Produced Fluid	Volume of Release	70bbls	Volume Recovered	0bbls
Source of Release	Frac Tank	Date and Hour of Occurrence	03/27/2011	Date and Hour of Discovery	03/27/2011 10:00 p.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.*
The cause of the release was due to a valve malfunction off of the frac tank. The valve has been repaired and the frac tank has been returned to service.

Describe Area Affected and Cleanup Action Taken.*
Initially 70bbls of produced fluid was released from the frac tank and we were unable to recover any fluid. The fluid spread around the location heading south 200' and then to the east 150'. All released fluid was completely contained on the pad of the well location. The pad location was ripped and scraped and all the contaminated material was appropriately hauled and disposed. Clean caliche was hauled onto the location and the pad has been restored back 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	Signed By  Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	8/4/2011
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	NA
Date:	08/03/2011	Phone:	432-212-2399
		Conditions of Approval:	NA <i>Final</i>
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-730

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Wednesday, August 03, 2011 1:10 PM
To: Bratcher, Mike, EMNRD
Subject: C-141 Final Report - USP FEE #3 WELL LOCATION
Attachments: USP FEE #3 -- DATE OF RELEASE -- 03-27-2011 FINAL.pdf

Mr. Bratcher,

Please see attached the C-141 Final Report for the USP Fee #3 well location. We have met all of Mosaic's environmental concerns and the location looks great.

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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