



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
Submit 2 copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

nMLB1125155040 *229137* 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 | True Grit Fee | Facility Type | Tank Battery |

| | | | | | |
|---------------|---------|---------------|--|------------------|--------------|
| Surface Owner | Private | Mineral Owner | | Lease No. (API#) | 30-005-63093 |
|---------------|---------|---------------|--|------------------|--------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| 4 | 3 | 11S | 28E | | | | | Chaves |

Latitude 33 23.524 Longitude 104 07.570

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|----------------------|----------------------------|----------------------|
| Type of Release | Produced water | Volume of Release | 100bbls | Volume Recovered | 50bbls |
| Source of Release | Water tank | Date and Hour of Occurrence | 08/09/2011 | Date and Hour of Discovery | 08/09/2011 5:00 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 | | | |
| By Whom? | Josh Russo | Date and Hour | 08/11/2011 9:47 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.*
A corroded swage at a water tank allowed for the release of out of the tank. All connections have been replaced with plastic coated steel.

Describe Area Affected and Cleanup Action Taken.*
Initially roughly 100bbls were released from the water tank at the facility. We were able to recover 50bbls with a vacuum truck. The spill was completely contained inside the facility walls of the tank battery. All free fluid has been picked up. BBC will sample the spill site area to delineate any possible contamination from the release. We will notify the NMOCD 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 | Signed By: | |
| Title: | HSE Coordinator | Approved by District Supervisor: | |
| E-mail Address: | jrusso@conchoresources.com | Approval Date: | SEP 08 2011 |
| Date: | 08/23/2011 | Expiration Date: | |
| Phone: | 432-212-2399 | Conditions of Approval: | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 10/8/2011**

2RP-877

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Tuesday, August 23, 2011 2:25 PM
To: Bratcher, Mike, EMNRD
Cc: Cliff P. Brunson; kswinney@bbcinternational.com
Subject: C-141 - True Grit Fee
Attachments: TRUE GRIT FEE -- DATE OF RELEASE -- 08-09-2011.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred at the True Grit Fee 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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Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Thursday, August 11, 2011 8:47 AM
To: Bratcher, Mike, EMNRD
Subject: True Grit Fee TB Release - Immediate Notification

Mr. Bratcher,

Please see the detailed description below of a release that occurred on 08-09-2011: (I did some research and I believe that this location is far enough to the west in Chaves County to fall under the District 2 office. Please let me know if I am incorrect, thank you).

On 8-9-11 at 5:00am, a 100 bbl spill of produced water was found on the True Grit Fee #1. The incident was caused by a corroded swedge on gun-barrel. All water was contained within unlined dike. 50bbls were recovered and disposed of appropriately. We have replaced with plastic coated swedge and valve. We have removed contaminated soil and gravel. We will follow up with a C-141 Initial Report.

GPS coordinates, driving directions, and legal description listed below:

N 33* 23.524 W 104* 07.570

True Grit Fee #1

Sec. 3-T11S-R28E, Chaves County

East of Roswell to mile marker 177, LE Ranch Sign T/S and go approximately 1 mile, T/L at Y and to ½ mile, T/E before cattle guard and go ½ mile to location.

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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