

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1700 Rio Brazos Road, Aztec, NM 87410
District IV
1 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

MAR 23 2012

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

NMLB1208748492

OPERATOR

☒ Initial Report

☒ Final Report

| | | | |
|-----------------|--|------------------|--------------|
| Name of Company | COG OPERATING LLC 229137 | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | Texaco State "BE" Tank Battery | Facility Type | Tank Battery |
| Surface Owner | State | Mineral Owner | |
| | | Lease No. (API#) | 30-015-36352 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter B | Section 16 | Township 17S | Range 30E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.83939 Longitude 103.97696

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-----------------------|----------------------------|-----------------------|
| Type of Release | Produced water | Volume of Release | 390bbbs | Volume Recovered | 388bbbs |
| Source of Release | Pump strainer | Date and Hour of Occurrence | 03/12/2012 | Date and Hour of Discovery | 03/12/2012 10:00 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 | 03/13/2012 12:57 p.m. | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | | | |

Watercourse was Impacted, Describe Fully.*

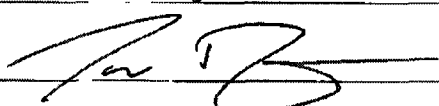
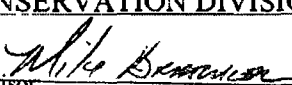
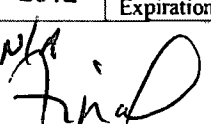
Describe Cause of Problem and Remedial Action Taken.*

The valve on the bottom of the pump strainer was left open after cleaning the strainer. The valve has been closed.

Describe Area Affected and Cleanup Action Taken.*

Initially roughly 390bbbs were released from the open valve and we were able to recover 388bbbs with vacuum trucks. The entire release was contained inside the lined facility. The contaminated gravel has been removed and replaced as needed. The liner has been steam cleaned. This facility has been returned 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: | MAR 27 2012 |
| E-mail Address: | jrusso@conchoresources.com | Expiration Date: | N/A |
| Date: | 03/23/2012 | Phone: | 432-212-2399 |
| Conditions of Approval: | |  Attached <input type="checkbox"/> | |

ch Additional Sheets If Necessary

2RP-1076

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Friday, March 23, 2012 8:44 AM
To: Bratcher, Mike, EMNRD
Subject: C-141 Initial/Final Report - Texaco State BE Tank Battery
Attachments: TEXACO STATE BE TANK BATTERY -- DATE OF RELEASE -- 03-12-2012.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred inside the lined facility of the Texaco State BE 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: Tuesday, March 13, 2012 11:57 AM
To: Bratcher, Mike, EMNRD
Subject: Texaco St. "BE" tank battery- NOTIFICATION OF RELEASE

Mr. Bratcher,

Please see the detailed description of a reportable quantity release below. The entire release was contained inside a lined facility.

On 3-12-12 at 10:00am a spill was discovered at the Texaco St. "BE" tank battery. The spill was caused by a valve being inadvertently left open after cleaning the pump strainer pot. The valve was closed upon discovery and the battery returned to service. 390bbls of produced water was released into the 50' X 50' dike, which is completely lined. Roughly 388bbls were recovered. Gravel inside the dike will be cleaned or replaced and the battery returned to pre-spill condition. We will follow up with a C-141 INITIAL/FINAL REPORT.

GPS coordinates, legal description to closest well, and driving directions below.

N 32* 50.363 W 103* 58.618
Texaco BE #9
Unit B. Sec.16-T17S-R30E
890' FNL & 2510' FEL
Eddy County, NM
API #30-015-36352
From HWY 82, T/N on CR 219, 1.5 miles to Bty

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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