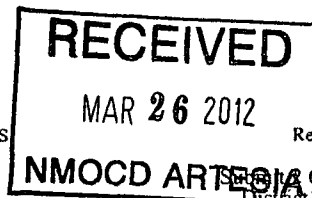


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

NMLB120975344

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	COG OPERATING LLC <i>229/37</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Skelly Unit #605 Tank Battery	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-36885
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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
J	14	17S	31E					Eddy

Latitude 32 50.035 Longitude 103 50.359

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	50bbls	Volume Recovered	50bbls
Source of Release	Water pump	Date and Hour of Occurrence	03/15/2012	Date and Hour of Discovery	03/15/2012 3:00 p.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	03/19/2012 9:50 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.*

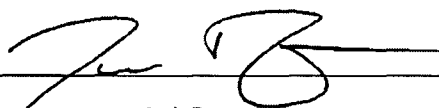
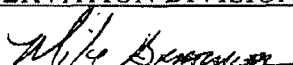

Describe Cause of Problem and Remedial Action Taken.*

The transition weld parted on poly flowline on the discharge side of the water transfer pump. The flowline has been repaired and returned to service.

Describe Area Affected and Cleanup Action Taken.*

Initially roughly 50bbls were released from the faulty flowline at the discharge side of the water transfer pump. We were able to recover all 50bbls. The release was contained inside the lined facility walls of the tank battery. All contaminated gravel has been removed and replaced with fresh gravel. The 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:	APR 06 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	N/A
Date:	03/26/2012	Phone:	432-212-2399
		Conditions of Approval:	N/A 
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-1086

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Monday, March 26, 2012 2:26 PM
To: Bratcher, Mike, EMNRD; Amos, James A; Gregston, Terry G
Subject: C-141 Initial/Final Report - Skelly Unit 605 TB (Lined Facility)
Attachments: SKELLY UNIT 605 TANK BATTERY -- DATE OF RELEASE -- 03-15-2012.pdf

Please see attached a C-141 Initial/ Final Report for a release that was completely contained inside a lined facility.

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: Monday, March 19, 2012 8:50 AM
To: Bratcher, Mike, EMNRD
Subject: Spill Notification - Skelly #605 Tank Battery (Lined Facility)

Mr. Bratcher,

Please see the detailed description below of a release that occurred on 03/15/2012:

On 3-15-12, at 3:00 p.m., a weld parted on the poly transition on the discharge side of the water transfer pump at the Skelly 605 Tank Battery. 50bbls of produced water was released into the lined dike. All 50bbls were recovered by a vacuum truck. Contaminated materials will be removed, disposed, and replaced. The poly line was repaired and the battery returned to service. We will follow up with a C-141 Initial/Final Report.

GPS coordinates, legal description, and driving directions are below.

N 32* 50.035 W 103* 50.359
Skelly 605
Unit J, Sec.14-T17S-R31E
Eddy County
API #30-015-36885

West of Maljamar on Hwy 82 approximately 5 miles, turn North on Wiser road 1 mile to battery on West side of lease road.

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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