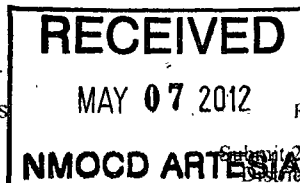


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb 121534/006

NOTE:

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	COG OPERATING LLC 217955	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Challenger State Tank Battery	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner		Lease No. (API#)	30-015-36535
				Closest well	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	1	25S	29E					Eddy

Latitude 32.16446 Longitude 103.94461

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	3bbbls	Volume Recovered	0bbbls
Source of Release	Heater/flowline	Date and Hour of Occurrence	04/25/2012	Date and Hour of Discovery	04/25/2012 2:45 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	04/26/2012 4:42 p.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.*

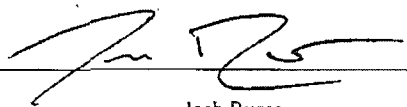
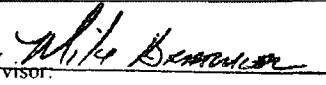
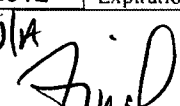
Describe Cause of Problem and Remedial Action Taken.*

On 04/25/2012, a heater treater at our Challenger State Tank Battery caught on fire. A fire tube gasket failed at one heater treater and caused the second heater treater in close proximity to ignite. We are working to replace the two 4' x 20' heater treaters with one 6' x 20' heater treater

Describe Area Affected and Cleanup Action Taken.*

During the fire at the facility, a mist of produced fluid was sprayed from the heater treaters onto the tank battery location. The area affected by the spray measured 25' x 50' inside the facility. There were also three flowlines that melted directly outside the facility from the heat of the fire. Minimal fluid was released from the heater treater and the flowlines. It is estimated that 3bbbls were released from the overspray and the fluid that was in the burned flowlines. There was no standing fluid to recover from any of the release points. The facility has been scraped both where the overspray occurred, and where the flowlines were burned. New gravel has been added to the facility where necessary.

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: JUN 01 2012	Expiration Date: N/A
E-mail Address: jrusso@conchoresources.com		Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 05/07/2012 Phone: 432-212-2399			

* Attach Additional Sheets If Necessary

2RA-1144

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Monday, May 07, 2012 1:01 PM
To: Bratcher, Mike, EMNRD
Subject: C-141 Initial/Final - Challenger State Tank Battery
Attachments: CHALLENGER STATE TANK BATTERY -- DATE OF RELEASE -- 04-25-2012.pdf

Mr. Bratcher,

Please see attached a C-141 Initial/Final Report for a fire that occurred at the Challenger State 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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