

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

**HOBBS OCD**

**AUG 13 2014**

**RECEIVED**

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**

**OPERATOR**

Initial Report | Final Report

|                 |                                             |                               |                |
|-----------------|---------------------------------------------|-------------------------------|----------------|
| Name of Company | COG OPERATING LLC                           | Contact                       | Robert McNeill |
| Address         | 600 West Illinois Avenue, Midland, TX 79701 | Telephone No.                 | 432-230-0077   |
| Facility Name   | LPC 31 Federal #001                         | Facility Type                 | Tank Battery   |
| Surface Owner   | Federal                                     | Mineral Owner                 |                |
|                 |                                             | Lease No. (API#) 30-025-37440 |                |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G           | 31      | 18S      | 32E   |               |                  |               |                | Lea    |

Latitude 32.70587 Longitude 103.80451

**NATURE OF RELEASE**

|                             |                                                                                                           |                                           |                                               |                            |                                          |
|-----------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------|----------------------------|------------------------------------------|
| Type of Release             | Oil and produced water                                                                                    | Volume of Release                         | 20bbls of oil<br>50bbls of produced water     | Volume Recovered           | 0bbls of oil<br>16bbls of produced water |
| Source of Release           | Heater treater                                                                                            | Date and Hour of Occurrence               | 11-18-2013                                    | Date and Hour of Discovery | 11-18-2013 02:00a.m.                     |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          | Geoffrey R. Leking - NMOCD / James Amos - BLM |                            |                                          |
| By Whom?                    | Michelle Mullins                                                                                          | Date and Hour                             | 11-18-2013 11:14 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.\*

Gasket failed causing leak to hit the flame arrestor and caught the heater on fire. Replaced the heater treater with other equipment.

Describe Area Affected and Cleanup Action Taken.\*

Initially 20bbls of Oil and 50bbls of produced water were released from a gasket on a heater treater that failed. We were able to recover 0bbls of Oil and 18bbls of produced water with a vacuum truck. The release was contained inside the tank battery and the location. All free fluid has been recovered. Tetra Tech will sample the spill and will present a remediation work plan to the NMOCD for approval 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:                              |                     | <b>OIL CONSERVATION DIVISION</b>                                                                              |                           |
| Printed Name: Robert Grubbs Jr.         |                     | Approved by District Supervisor:<br>                                                                          |                           |
| Title: Senior Environmental Coordinator |                     | Approval Date: 8-19-14                                                                                        | Expiration Date: 10-16-14 |
| E-mail Address: rgrubbs@concho.com      |                     | Conditions of Approval:                                                                                       |                           |
| Date: 11-27-2013                        | Phone: 432-661-6601 | Site Spill Report<br>Release & remediation area<br>upon NMOCD guidance<br>Submit final C-141 by<br>10-16-2014 |                           |
|                                         |                     | Attached <input type="checkbox"/><br>I.R.P. - 3291<br>Og id 229137<br>n 701922 632639<br>p 701422 632796      |                           |

\* Attach Additional Sheets If Necessary

**AUG 14 2014**