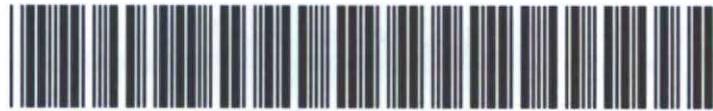




# AE Order Number Banner

## Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



**App Number: pJXK1601145949**

**1RP - 4101**

**COG OPERATING LLC**

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

AUG 03 2011

Form C-141  
Revised October 10, 2003

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

RECEIVED

**Release Notification and Corrective Action**

**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	New Mexico CR State #3	Facility Type	SWD

Surface Owner	State	Mineral Owner	Lease No. (30-025-20959)
---------------	-------	---------------	--------------------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	32	19S	32E					Lea

Latitude 32.61504 Longitude 103.79479

**NATURE OF RELEASE**

Type of Release	Produced water, Oil	Volume of Release	500bbbs	Volume Recovered	100bbbs
Source of Release	Tanks inside SWD facility	Date and Hour of Occurrence	07/30/2011	Date and Hour of Discovery	07/30/2011 6:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Geoffrey Leking-OCD		
By Whom?	Josh Russo	Date and Hour	08/01/2011 5:07 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.\*

The New Mexico CR State #3 Salt Water Disposal was ignited due to a lightning strike; which in return caused the release of fluid from the tanks.

Describe Area Affected and Cleanup Action Taken.\*

Initially roughly 500bbbs were released from the tanks inside the New Mexico CR State #3 SWD. We were able to recover 100bbbs with a vacuum truck. The majority of the fluid was either burned up in the fire or evaporated due to high temperatures. The SWD was lined with 40mil liner. The facility has had all of its tanks removed and is scheduled for tank delivery and a battery rebuild. The battery pad location has been scraped and material is being hauled to appropriate disposal.

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:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	Expiration Date:
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date:	08/03/2011	Phone:	432-212-2399

\* Attach Additional Sheets If Necessary

**Leking, Geoffrey R, EMNRD**

---

**From:** tbadbear@blm.gov  
**Sent:** Thursday, August 04, 2011 7:32 AM  
**To:** Leking, Geoffrey R, EMNRD  
**Cc:** tgregsto@blm.gov  
**Subject:** Fw: lightning struck state tank batteries

----- Forwarded by Trishia Bad Bear/HFS/NM/BLM/DOI on 08/04/2011 07:30 AM  
-----

Terry G  
Gregston/CFO/NM/B  
LM/DOI

08/03/2011 06:44  
PM

To  
Trishia Bad Bear/HFS/NM/BLM/DOI@BLM  
cc

Subject  
lightning struck state tank  
batteries

\*\*\*\*\*

Mr. Leking,

I found a lightning struck tank battery at Texaco Cities Service State Com 1 T19s, R32e, section 32 API 3002520961 state surface; no federal minerals Backhoe already on location scraping up what was left of 3 tanks. All had burned to the ground and less than 18" of any tank was left standing. *CIMAREX - STATE SURF - OIL - ACTIVE - G-32-19S-32E* Backhoe had already scraped up all the tank rubble into a pile. Difficult to say how large the spill impact was on the site; blading of the site was already extensive. Fellow on backhoe stated that he believed that there were other lightning struck batteries in the area on the same day. So I did some further scouting around but did not find any lightning struck tanks on federal lands in the area.

I found an older burnt down tank sitting on the well pad of the Magnum Pronto State Com 2 T19s, R32e, section 32 API3002538827 *COG - STATE SURF - K-32-19S-32E - GAS - ACTIVE* state surface, no federal minerals Crew on the location of the Magnum said that the Magnum burned up tank was from an "older lightning strike" than the one on the Texaco Cities Service State Com 1.

Both of these wells are in the same section and in very close proximity to each other.

Terry Gregston

Environmental Protection Specialist  
Bureau of Land Management  
620 E. Greene St.  
Carlsbad, NM 88220  
Office (575) 234-5958  
Cell (575) 361-2635  
Fax (575) 234-5927

Confidentiality Warning: This message along with any attachments are intended only for use of the individual or entity to which it is addressed and may contain information that is privileged or confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately.

