

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

RECEIVED

NOV 16 2010

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

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

30-015-33066

Release Notification and Corrective Action

NMLB 1032050254

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	JR's Horz Federal Tank Battery	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No.	NMNM-92177
---------------	---------	---------------	--	-----------	------------

JR's Horz Fed 1

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	10	26S	29E	380	North	330	West	Eddy

Latitude 32 03.799 Longitude 103 58.756

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	328bbbls	Volume Recovered	161bbbls
Source of Release	Oil tanks	Date and Hour of Occurrence	11/10/2010	Date and Hour of Discovery	11/10/2010 8:30 a.m.
Was Immediate Notice Given?	If YES, To Whom?				
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	Mike Bratcher—OCD Terry Gregston—BLM				
By Whom?	Josh Russo	Date and Hour	11/11/2010 8:24 a.m.		
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse.				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

If a Watercourse was Impacted, Describe Fully.*

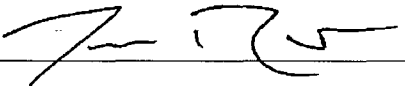

Describe Cause of Problem and Remedial Action Taken.*

Oil overflowed out of oil storage tanks due to water flow from JR's Horz #1 well backside. JR's Horz #1 well has had tubing and casing shut in until further notice.

Describe Area Affected and Cleanup Action Taken.*

Initially 328bbbls of oil was released from the tanks and we were able to recover 161bbbls of oil with vacuum trucks. All released fluid was contained inside the dike walls of the facility. The spill area had the dimensions of 30' x 120' inside the dike. (The closest well location to the release is on the same pad location, JR's Horz Federal #1 well, API# 30-015-33066). Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present a remediation work plan to the NMOCD/BLM 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: 	OIL CONSERVATION DIVISION	
Printed Name: Josh Russo	Signed By:  Approved by District Supervisor.	
Title: HSE Coordinator	Approval Date: NOV 16 2010	Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 11/16/2010 Phone: 432-212-2397	REMEDIAL per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/16/2010	

* Attach Additional Sheets If Necessary

2RP-480

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Tuesday, November 16, 2010 10:34 AM
To: Bratcher, Mike, EMNRD; terry_gregston@nm.blm.gov
Cc: Pat Ellis; james_amos@nm.blm.gov; Tavaréz, Ike; Dorey, Kim; tom.k.franklin@tetrattech.com
Subject: C-141 Initial Report - JR's Horz Federal Tank Battery
Attachments: JR'S HORZ FEDERAL TANK BATTERY -- DATE OF RELEASE -- 11-10-2010.PDF

Please see attached the C-141 Initial Report for the JR's Horz Federal Tank Battery release that occurred on 11/10/2010.

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



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Thursday, November 11, 2010 8:24 AM
To: Bratcher, Mike, EMNRD; terry_gregston@nm.blm.gov
Cc: Pat Ellis; james_amos@nm.blm.gov; Tavaréz, Ike
Subject: JR's Horz Federal #1 & 2 Tank Battery Immediate Notification

On Wednesday 11/10/2010 at 8:30 a.m. there was a release at the JR's Horz Federal Tank Battery. Initially 328bbbls of oil was released from the storage tanks and we were able to recover 161bbbls of fluid with a vacuum truck from inside the facility walls. All released fluid was contained inside the dike walls of the facility. The dimensions of the spill area was 30' x 120'. The spill area has had 1' of the contaminated soil removed from inside the battery. The JR's Horz #1 tubing and casing has been shut in until further notice. GPS coordinates, legal description of closest well, and driving directions to spill site are listed below. We will follow up with a C-141 Initial Report.

GPS of spill location:
32 03.799 – 103 58.756

Closest Well:
JR's Horz Federal #1
D-10-26-29E
380 FNL 330 FWL
Eddy County, NM
API# 30-015-33066

Directions:
South of Malaga to mi. 4, turn east approximately 3 miles, turn left approximately 2 miles, well and tank battery on left.

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



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Bratcher, Mike, EMNRD

From: Terry_Gregston@blm.gov
Sent: Friday, November 19, 2010 6:10 PM
To: Joshua Russo
Cc: Tavaréz, Ike; james_amos@nm.blm.gov; Bratcher, Mike, EMNRD; Pat Ellis
Subject: Re: JR's Horz Federal #1 spill map
Attachments: JR'S Horz Federal 1-spill map-111010.jpg

Attached is the spill map for the JR'S Horz Federal 1 spill site. This one is pretty straight forward; the spill was contained within the berm except for a small amount of spillage in proximity to the tank loading lines and a pile of contaminated soils next to those lines. The tank battery containment was not lined.

The spill report says that 328 bbls were released and 161 bbls recovered. That leaves 167 bbls lost to the soils beneath the tank battery. That's a very large volume of fluid to be lost vertically in such a small aerial extent.

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

Joshua Russo <jrusso@conchoresources.com>

11/11/2010 08:24 AM

To "Bratcher, Mike, EMNRD" <mike.bratcher@state.nm.us>, "Terry Gregston@nm.blm.gov" <terry_gregston@nm.blm.gov>
cc Pat Ellis <PEllis@conchoresources.com>, "James Amos@nm.blm.gov" <james_amos@nm.blm.gov>, "Tavaréz, Ike" <Ike.Tavaréz@tetrattech.com>
Subject JR's Horz Federal #1 & 2 Tank Battery Immediate Notification

On Wednesday 11/10/2010 at 8:30 a.m. there was a release at the JR's Horz Federal Tank Battery. Initially 328bbls of oil was released from the storage tanks and we were able to recover 161bbls of fluid with a vacuum truck from inside the facility walls. All released fluid was contained inside the dike walls of the facility. The dimensions of the spill area was 30' x 120'. The spill area has had 1' of the contaminated soil removed from inside the battery. The JR's Horz #1 tubing and casing has been shut in until further notice. GPS coordinates, legal description of closest well, and driving directions to spill site are listed below. We will follow up with a C-141 Initial Report.

GPS of spill location:
32 03.799 – 103 58.756

Closest Well:
JR's Horz Federal #1
D-10-26-29E
380 FNL 330 FWL
Eddy County, NM
API# 30-015-33066

Directions:
South of Malaga to mi. 4, turn east approximately 3 miles, turn left approximately 2 miles, well and tank battery on left.

①

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

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

11



Spill Oil 0.0087
Spill Oil 0.116
Spill Oil 0.116

JR'S HORZ FEDERAL #001