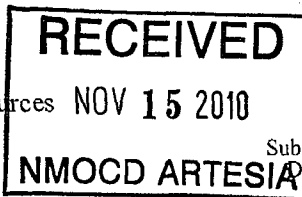


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb1032036643

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	Electra Federal #5	Facility Type	4" Water Line

Surface Owner	Federal	Mineral Owner		Lease No.	NMNM-074935 (API#) 30-015-34211
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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
A	21	17S	30E					Eddy

Latitude 32 49.413 Longitude 103 58.116

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	30bbls	Volume Recovered	25bbls
Source of Release	4" Electra Federal #5 water line	Date and Hour of Occurrence	11/03/2010	Date and Hour of Discovery	11/03/2010 1:40 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	11/04/2010 6:25 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.*

As Ferguson was moving our 4" poly line so they could trench for the installation of a buried line, they broke our 4" poly line. The 4" poly line has been refused and put back into service.

Describe Area Affected and Cleanup Action Taken.*

Initially 30bbls of produced water was released from the line and we were able to recover 25bbls with a vacuum truck. The spill area measured 75' x 100' directly on and adjacent to the ROW. All free fluid was recovered and disposed of accordingly. (The closest well location to the release is the Apache Corp., E L Federal #10, A-21-17S-30E, 32.8245 -- 103.9695, 990' FNL 330' FEL). 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 NMOC D/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 NMOC D 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 NMOC D 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, NMOC D 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	Approved by:	
Title:	HSE Coordinator	Approval Date:	NOV 16 2010
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	11/15/2010	Phone:	432-212-2399
Conditions of Approval:		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: 12/16/2010

2RP-478

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Monday, November 15, 2010 4:05 PM
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 - Electra Federal #5 water line
Attachments: ELECTRA FEDERAL #5 WATER LINE (FERGUSON) -- DATE OF RELEASE -- 11-03-2010.PDF

Please see attached the C-141 Initial Report for the Electra Federal #5 water line release that occurred on 11-03-2010.

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



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Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Thursday, November 04, 2010 5:25 PM
To: Bratcher, Mike, EMNRD
Cc: Pat Ellis; 'ike.tavarez@tetrattech.com'
Subject: Electra Fed 5 tank battery water line release immediate notification

Mr. Bratcher,

Please see below the details to a release that occurred on 11-03-2010. We will follow up with a C-141 Initial Report.

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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From: Rick Wright
To: Pat Ellis; Joshua Russo
Cc: Ron Beasley; Kent Greenway; Ronnie Tice
Sent: Thu Nov 04 12:49:32 2010
Subject: Electra Fed 5 bty water line spill

On 11-3-10 at 1:40pm, Ferguson hit our 4", un-buried produced water line from the Electra Fed #5 battery. Ferguson is in the area working on a pipeline for Holley Energy Corp. 30 bbls of produced water was released in the pasture, primarily on Holley's ROW. We recovered about 25 bbls of this fluid. The line was refused and returned to service. Ferguson has accepted full financial responsibility for this cleanup. GPS coordinates, legal description of closest well, and driving directions to spill site are listed below.

N 32* 49.413' W 103* 58.116'

Apache Oil and Gas
EL Fed. #10
990' FNL & 330' FEL
Sec.21-T17S-R30E
Eddy Co., NM

North of Loco Hills on Goat Roper Rd .44 mi, T/E .36 mi, T/S and follow main road South and East .2 mi to spill site in pasture on East side of road.

Thanks,

Rick Wright

9

Production Foreman
COG Operating, LLC
2407 Pecos Ave.
Artesia, NM 88210
575.746.2010 office
432.528.5363 cell
575.746.2096 fax
rwright@conchoresources.com



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