

NM OIL CONSERVATION

ARTESIA DISTRICT

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

AUG 23 2017

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.
RECEIVED

Release Notification and Corrective Action

NAB1724033483 OPERATOR Initial Report Final Report

Name of Company: COG Operating LLC OGRID # 229137	Contact: Robert McNeill
Address: 600 West Illinois Avenue, Midland TX 79701	Telephone No. 432-683-7443
Facility Name: Owl 20504 JV-P #005 SWD	Facility Type: SWD

Surface Owner: Federal	Mineral Owner: Federal	API No. 30-015-35435
------------------------	------------------------	----------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	18	26S	27E	2,310	South	2,310	East	Eddy

Latitude 32.0414886 Longitude -104.2282181

NATURE OF RELEASE

Type of Release: Oil and Produced Water	Volume of Release: 70 bbl. Oil & 500 bbl. PW	Volume Recovered: 40 bbl. Oil & 600 bbl. Water
Source of Release: Lightning Strike	Date and Hour of Occurrence: August 21, 2017 3:30 am	Date and Hour of Discovery: August 21, 2017 5:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Ms. Weaver - NMOCD / Ms. Tucker - BLM	
By Whom? Aaron Lieb	Date and Hour: August 21, 2017 5:21 pm	
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 release occurred when lightning struck the facility. The facility and equipment were a total loss. Recovery amounts reflect produced water, rain water and water used by the fire department.

Describe Area Affected and Cleanup Action Taken.*

The release impacted the location as well as the pasture. A vacuum truck was dispatched to remove all freestanding fluids. Concho will have the spill area sampled to delineate any possible impact from the release and we will present a remediation work plan to the NMOCD for approval prior to any significant remediation activities.

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: <i>Rebecca Haskell</i>	OIL CONSERVATION DIVISION	
Printed Name: Rebecca Haskell	Approved by Environmental Specialist: <i>Crystal W...</i>	
Title: Senior HSE Coordinator	Approval Date: 8/28/17	Expiration Date: N/A
E-mail Address: rhaskell@concho.com	Conditions of Approval: see attached	Attached: <i>APP-4357</i>
Date: August 23, 2017 Phone: 432-683-7443		

* Attach Additional Sheets If Necessary

8/28/17 AB

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **8/23/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 20P-4357 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District II office in Artesia on or before 9/23/17. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3465

jim.griswold@state.nm.us

Weaver, Crystal, EMNRD

From: Rebecca Haskell <RHaskell@concho.com>
Sent: Wednesday, August 23, 2017 7:21 AM
To: Weaver, Crystal, EMNRD; stucker@blm.gov
Cc: Bratcher, Mike, EMNRD; Jim Amos (jamos@blm.gov)
Subject: (C-141 Initial) Owl 20504 JV-P #005 SWD 8/21/2017 (30-015-35435)
Attachments: Owl 20504 JV-P #005 SWD Initial C-141 8-21-17 (30-015-35435).pdf

Ms. Weaver / Ms. Tucker,

Please see the attached Initial C-141 for your consideration. If you have any questions or concerns please contact me.

Thank You,

Becky Haskell
Senior HSE Coordinator
COG Operating LLC
600 W Illinois Avenue | Midland, TX 79701
Direct: 432-818-2372 | Main: 432.683.7443
Cell: 432-556-5130
rhaskell@concho.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 herein, is prohibited. If you received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

From: Aaron Lieb
Sent: Monday, August 21, 2017 5:21 PM
To: Weaver, Crystal, EMNRD (Crystal.Weaver@state.nm.us); 'stucker@blm.gov'; Mike Bratcher (Mike.Bratcher@state.nm.us) (Mike.Bratcher@state.nm.us)
Cc: 'jamos@blm.gov'; Rebecca Haskell; Robert McNeill
Subject: (Notification) Owl 20504 JV-P #005 SWD 8/21/2017 (30-015-35435)

Ms. Weaver/Ms. Tucker,

COG Operating LLC is reporting a release at the Owl 20504 JV-P #005 SWD (30-015-35435)

Unit J Section 18 Township 26S Range 27E
OGRID# [229137]

The release occurred on 8/21/2017 at approximately 3:00 AM

Estimated Released: Approx: >25 bbls

Estimated Recovered: Approx: Unknown at this time. (Fluid recovery is ongoing)

The release occurred when lightning struck the facility. The facility and equipment were a total loss. The flow lines coming into the facility were isolated and the release

impacted the location as well as the adjacent pasture. Vacuum trucks are on site recovering fluid and an updated released and recovered amount will be provided with the C-141. If you have any additional questions please don't hesitate to contact me.

Thank you,

Aaron Lieb

Senior HSE Coordinator

COG Operating LLC

Cell: 432.557.5355

Office: 575.748.1553

alieb@concho.com

2407 Pecos Avenue

Artesia, NM 88210



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 herein, is prohibited. If you received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

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. Further, any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.

Bratcher, Mike, EMNRD

From: Aaron Lieb <ALieb@concho.com>
Sent: Monday, August 21, 2017 4:21 PM
To: Weaver, Crystal, EMNRD; 'stucker@blm.gov'; Bratcher, Mike, EMNRD
Cc: 'jamos@blm.gov'; Rebecca Haskell; Robert McNeill
Subject: (Notification) Owl 20504 JV-P #005 SWD 8/21/2017 (30-015-35435)

Ms. Weaver/Ms. Tucker,

COG Operating LLC is reporting a release at the Owl 20504 JV-P #005 SWD (30-015-35435)

Unit J Section 18 Township 26S Range 27E

OGRID# [229137]

The release occurred on 8/21/2017 at approximately 3:00 AM

Estimated Released: Approx: >25 bbls

Estimated Recovered: Approx: Unknown at this time. (Fluid recovery is ongoing)

The release occurred when lightning struck the facility. The facility and equipment were a total loss. The flow lines coming into the facility were isolated and the release impacted the location as well as the adjacent pasture. Vacuum trucks are on site recovering fluid and an updated released and recovered amount will be provided with the C-141. If you have any additional questions please don't hesitate to contact me.

Thank you,

Aaron Lieb

Senior HSE Coordinator

COG Operating LLC

Cell: 432.557.5355

Office: 575.748.1553

alieb@concho.com

2407 Pecos Avenue

Artesia, NM 88210



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 herein, is prohibited. If you received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

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. Further,

any contract terms proposed or purportedly accepted in this email are not binding and are subject to management's final approval as memorialized in a separate written instrument, excluding electronic correspondence, executed by an authorized representative of COG Operating LLC or its affiliates.