

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
10 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

nkmlw 1110148125

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	USP Fee #3	Facility Type	Well
Surface Owner	Private	Mineral Owner	
		Lease No. (API#) 30-015-37948	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	9	23S	29E					Eddy

Latitude 32 18.765 Longitude 103 59.854

NATURE OF RELEASE

Type of Release	Produced Fluid	Volume of Release	70bbls	Volume Recovered	0bbls
Source of Release	Frac Tank	Date and Hour of Occurrence	03/27/2011	Date and Hour of Discovery	03/27/2011 10:00 p.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The cause of the release was due to a valve malfunction off of the frac tank. The valve has been repaired and the frac tank has been returned to service.

Describe Area Affected and Cleanup Action Taken.*

Initially 70bbls of produced fluid was released from the frac tank and we were unable to recover any fluid. The fluid spread around the location heading south 200' and then to the east 150'. All released fluid was completely contained on the pad of the well location. The pad location was scraped and the contaminated material was appropriately hauled and disposed. Additional remediation will take place when location is free from all frac tanks and the frac job has been completed.

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>[Signature]</i>		OIL CONSERVATION DIVISION	
Printed Name: Josh Russo		Approved by District Supervisor <i>[Signature]</i>	
Title: HSE Coordinator		Approval Date: <i>4/11/11</i>	Expiration Date:
E-mail Address: jrusso@conchoresources.com		Conditions of Approval:	
Date: 04/04/2011 Phone: 432-212-2399		Attached <input type="checkbox"/>	
Attach Additional Sheets If Necessary		Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

5/11/11

2RF-730

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Tuesday, April 05, 2011 4:29 PM
To: Bratcher, Mike, EMNRD
Cc: Pat Ellis; Tavaréz, Ike; Dorey, Kim
Subject: USP FEE #3 C-141
Attachments: img-405142342-0001.pdf

Mr. Bratcher,

Please see attached the C-141 Initial Report for a release that occurred at our USP Fee #3 well location.

Thanks,

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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