



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COG Operating LLC
550 W. Texas
Suite 1300
Midland TX 79701

September 16, 2005

Re: Hanson Federal 003 G-33-20s-27e 30-015-21586 Incident # nMLB0525954359

The New Mexico Oil Conservation Division District II Office is in receipt of an Initial Report C-141 reporting a produced fluids release that occurred on 8/26/2005 at or near the above referenced well site.

Please submit a Corrective Action Work Plan to this office for correction/remediation of this release. Please use the "Guidelines For Remediation of Leaks, Spills, and Releases" as your guide.

This document may be found on the NMOCD web site: www.emnrd.state.nm.us/ocd, under Publications/Environmental Handbook/Miscellaneous Guidelines/Spill Prevention Clean up.

The work plan presented to the NMOCD must include general site characteristics, site ranking score, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX, Chlorides or any other CoCs as applicable.

A final Form C-141 is required for closure of the release incident and must include a report of remediation actions taken with final analytical results attached.

BLM approval required if applicable.

Please have the requested work plan in the Artesia office on or before September 30, 2005. The NMOCD District II Office must be notified 24 hours prior to any remediation actions and/or subsequent soil samples taken for analysis.

In the event that a satisfactory response is not received to this letter further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of **CIVIL PENALTIES** for your violation of NMOCD rules.

If I can be of assistance in this matter, my contact information is listed below.

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mbratcher@state.nm.com

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

30-015-21586

Release Notification and Corrective Action

nMLB0525954359

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC	Contact	Diane Kuykendall
Address	550 W. Texas, Suite 1300 Midland, TX 79701	Telephone No.	432-683-7443
Facility Name	Hanson Federal #3	Facility Type	Gas Well - Tank Battery

Surface Owner	Federal Land	Mineral Owner		Lease No.	301046
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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
G	33	20S	27E	1980	North	1980	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Oil	Volume of Release	200 bbls	Volume Recovered	140 bbls
Source of Release	Nipple at back of tank collapsed	Date and Hour of Occurrence	8/26/05 1:30 MDT	Date and Hour of Discovery	8/26/05 1:30 MDT
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher		
By Whom?	Boyd Chesser	Date and Hour	8/26/05 3:00 MDT		
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.*

Nipple at the back of tank collapsed when tightening. Lay plastic on location. Dig up contaminated dirt and place on plastic. Contacted Highlander for remediation plan.

Describe Area Affected and Cleanup Action Taken.*

The spill was contained within the Berm and the tank was repaired.

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:

Printed Name: Diane Kuykendall

OIL CONSERVATION DIVISION

Approved by District Supervisor:

TIM GUM

MB

Title: Regulatory Analyst

Approval Date: 8/16/05

Expiration Date: N/A

E-mail Address: dkuykendall@conchoresources.com

Conditions of Approval:

Attached ☒

Date: 8/26/05

Phone: 432-685-4372

* Attach Additional Sheets If Necessary