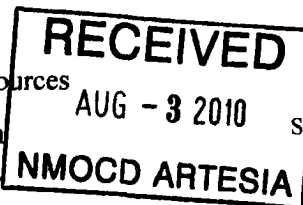


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30-015-24092

Release Notification and Corrective Action

NMLB 1023151336

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Spruce Federal Tank Battery	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No.	NMNM-96836

LOCATION OF RELEASE

Unit Letter K	Section 25	Township 17S	Range 27E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32 48.146 Longitude 104 14.010

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	60bbls	Volume Recovered	4bbls
Source of Release	Fiberglass overflow tank	Date and Hour of Occurrence	07/20/2010	Date and Hour of Discovery	07/20/2010 7:00 a.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 Terry Gregston—BLM		
By Whom?	Pat Ellis	Date and Hour	07/20/2010 5:49 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.\*

The fiberglass overflow tank at the facility developed a hole in the bottom of it. The defective tank has been removed and replaced with a new tank.

Describe Area Affected and Cleanup Action Taken.\*

Due to the hole in the bottom of the tank, we initially released 60bbls of produced water across the front of the battery and into the pasture. We were able to recover 4bbls of produced water with a vacuum truck. The fluid flowed into several different "fingers" measuring a total length of 825', none of which are greater than 3' wide. (The closest well location to the release is the Spruce Federal #1, Unit K, Sec.25T17S-R27E, 1650' FSL 2310' FWL, 32.802338-104.233276, NMNM-96836). 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:

Printed Name: Josh Russo

Title: HSE Coordinator

E-mail Address: jrusso@conchoresources.com

Date: 08/01/2010 Phone: 432-212-2399

Attach Additional Sheets If Necessary

OIL CONSERVATION DIVISION

Approved by

Approval Date: AUG 19 2010

Expiration Date:

Conditions of Approval:  
REMEDATION per OCD Rules and  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL BY: SEPT 19, 2010

Attached ☐

2RP-429