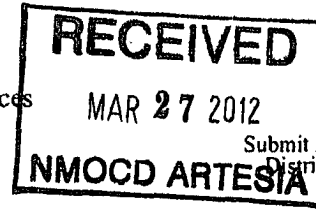


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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**

*nmlb1209756587* OPERATOR  Initial Report  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	Mesilla State #2	Facility Type	Flowline
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-31366

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	16	17S	30E					Eddy

Latitude 32 50.104 Longitude 103 58.159

**NATURE OF RELEASE**

Type of Release	Oil and Produced water	Volume of Release	14bbls PW 8bbls Oil	Volume Recovered	13bbls PW 6bbls Oil
Source of Release	Steel flowline	Date and Hour of Occurrence	03/21/2012	Date and Hour of Discovery	03/21/2012 7:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" 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.			

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

The Mesilla State #2 steel flowline developed a hole in it releasing produced fluids. The defective joint has been replaced with a new one and the flowline has been returned to service.

Describe Area Affected and Cleanup Action Taken.\*

Initially 22bbls of produced fluids were released from the ruptured steel flowline and we were able to recover 19bbls of fluid with a vacuum truck. The spill area runs parallel to a lease road and measured an area of roughly 5' x 50' directly off the road in the pasture. Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present a work plan to the NMOCD 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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Approved by	Signed By <i>M/L B...</i>
Title:	HSE Coordinator	Approval Date	APR 06 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	03/27/2012	Phone:	432-212-2399

Conditions of Approval:  
Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**  
5/6/2012

Attached

*212-1088*

\* Attach Additional Sheets If Necessary