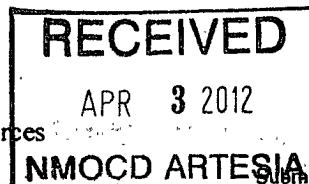


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb/1210255813

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	Loco Hills SWD 35 #1 Facility	Facility Type	SWD

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-31635
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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
P	36	17S	30E					Eddy

Latitude 32 47.100 Longitude 103 55.140

NATURE OF RELEASE

Type of Release	Produced water / Skim oil	Volume of Release	80bbls pw w/ skim oil	Volume Recovered	79bbls pw w/ skim oil
Source of Release	Transfer pump	Date and Hour of Occurrence	03/17/2012	Date and Hour of Discovery	03/17/2012 2:45 p.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		
By Whom?	Josh Russo	Date and Hour	03/19/2012 10:26 a.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.*

A check valve downstream of the Durco pump failed allowing fluid to run back towards the pump which pressured up the suction hose. The suction hose has been repaired and the check valve has been replaced.

Describe Area Affected and Cleanup Action Taken.*

Initially 80bbls of produced water and skim oil were released from the suction hose at the transfer pump. We were able to recover 79bbls with a vacuum truck. The entire release was contained inside the lined facility walls. All standing fluid has been removed and the contaminated gravel has been dug out of the facility. New gravel has been added to the facility as needed. The facility has been returned to its prior condition.

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:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Signed By	
Title:	HSE Coordinator	Approved by District Supervisor:	
E-mail Address:	jrusso@conchoresources.com	Approval Date:	APR 11 2012
Date:	04/02/2012	Expiration Date:	N/A
Phone:	432-212-2399	Conditions of Approval:	N/A
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1092