

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

RECEIVED

MAR 07 2011

NMOCD ARTESIA

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

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|--|------------------|--------------|
| Name of Company | COG OPERATING LLC | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | Moose Federal 23 | Facility Type | Tank Battery |
| Surface Owner | Federal | Mineral Owner | |
| | | Lease No. (API#) | 30-015-25332 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| L | 23 | 16S | 28E | | | | | Eddy |

Latitude 32 54.350 Longitude 104 09.130

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|----------------------|----------------------------|----------------------|
| Type of Release | Oil | Volume of Release | 40bbls | Volume Recovered | 35bbls |
| Source of Release | Stock tank | Date and Hour of Occurrence | 02/26/2011 | Date and Hour of Discovery | 02/26/2011 8:30 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 | | |
| By Whom? | Josh Russo | Date and Hour | 02/28/2011 9:38 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.*

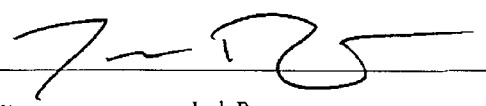
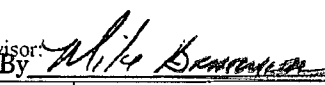
Describe Cause of Problem and Remedial Action Taken.*

A hole developed in a stock tank at the tank battery. The tank has been removed from service.

Describe Area Affected and Cleanup Action Taken.*

Initially 40bbls of oil was released from the stock tank and we were able to recover 35bbls with a vacuum truck. The entire release was contained inside the berm walls of the facility and measured an area of 20' x 50' around the tanks and toward the heaters. The contaminated soil has been removed and all free fluids have been picked up. 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: |  | OIL CONSERVATION DIVISION | |
| Printed Name: | Josh Russo | Approved by District Supervisor: |  |
| Title: | HSE Coordinator | Approval Date: | 3/8/11 |
| E-mail Address: | jrusso@conchoresources.com | Expiration Date: | |
| Date: | 03/02/2011 | Phone: | 432-212-2399 |

* Attach Additional Sheets If Necessary

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

4/8/11

2 RP 636