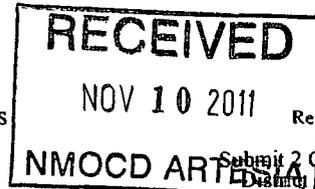


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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/11/314/40213 OPERATOR Initial Report Final Report

| | | | |
|-----------------|--|---------------|-------------------------------|
| Name of Company | COG OPERATING LLC <i>229/37</i> | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | Nervous Horz Tank Battery | Facility Type | Tank Battery |
| Surface Owner | State | Mineral Owner | Lease No. (API#) 30-015-37145 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| B | 36 | 18S | 31E | | | | | Eddy |

Latitude 32 42.602 Longitude 103 49.795

NATURE OF RELEASE

| | | | | | |
|--|---|---|----------------------|----------------------------|----------------------|
| Type of Release | Produced water | Volume of Release | 200bbls | Volume Recovered | 199bbls |
| Source of Release | Filter pot | Date and Hour of Occurrence | 11/01/2011 | Date and Hour of Discovery | 11/01/2011 1:00 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 | 11/02/2011 5:46 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 bottom of the filter pot was rotted causing the release of fluid. The filter pot has been replaced. | | | | | |
| Describe Area Affected and Cleanup Action Taken.* | | | | | |
| Initially 200bbls were released from the bottom of the filter pot and we were able to recover 199bbls with a vacuum truck. The entire release was completely contained inside the facility berm walls. The facility is lined with a 40mil plastic liner. All contaminated gravel has been removed and we have replaced spill area with clean gravel as necessary. The tank battery 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: | NOV 10 2011 |
| Date: | 11/08/2011 | Expiration Date: | N/A |
| Phone: | 432-212-2399 | Conditions of Approval: | N/A <i>Final</i> |
| | | | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

2PP-954

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Thursday, November 10, 2011 10:09 AM
To: Bratcher, Mike, EMNRD
Subject: C-141 Initial/ Final Report - Nervous Horz Tank Battery
Attachments: img-Y10112151-0001.pdf

Mr. Bratcher,

Please see attached the C-141 Initial/Final Report for a release that occurred at the Nervous Horz Tank Battery on 11/01/2011. This facility is lined with a 40mil liner.

Thank you,

Joshua Russo

HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
jrusso@conchoresources.com



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Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@concho.com]
Sent: Wednesday, November 02, 2011 4:46 PM
To: Bratcher, Mike, EMNRD
Subject: Nervous Horz #3 TB- Immediate notification

Mr. Bratcher,

Please see below the detailed description of a release that occurred on 11-1-11.

On 11-1-11 at 8:00am a spill of produced water was found at the Nervous Horz #3 battery. The spill originated from the bottom of the filter pot which rotted out. 200bbbls of produced water was released into the lined dike. 199bbbls were recovered. A vacuum truck picked up all standing fluid and contaminated gravel will be hauled to CRI. The 40 mil battery liner will be steamed and refilled with new gravel.

We will follow up with a C-141 initial report.

GPS coordinates, legal description, and driving directions below.

N 32* 42.602 W 103* 49.795

Nervous Horz Com #3H

330'FNL & 1980'FEL

Sec.36-T18S-R31E

Eddy County,

API #30-015-37145

Thank you,

Joshua Russo
HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
Jrusso@conchoresources.com

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