

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

OPERATOR

Initial Report Final Report

| | |
|---|-------------------------------------|
| Name of Company COG Operating LLC | Contact Robert McNeil |
| Address 600 West Illinois Avenue, Midland, Texas 79701 | Telephone No. (432) 230-0077 |
| Facility Name BKU Central Tank Battery | Facility Type Tank Battery |
| Surface Owner: Federal | Mineral Owner |
| Lease No. (API#) 30-015-27764 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 24 | 17S | 29E | | | | | Eddy |

Latitude N 32.819° Longitude W 104.025°

NATURE OF RELEASE

| | | |
|---|--|---|
| Type of Release: Produced Water | Volume of Release 12 bbls | Volume Recovered 10 bbls |
| Source of Release Steel Breaoded Hose | Date and Hour of Occurrence 11-30-2013 | Date and Hour of Discovery 11-30-2013 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. N/A | |

If a Watercourse was Impacted, Describe Fully.*

NM OIL CONSERVATION
ARTESIA DISTRICT

Describe Cause of Problem and Remedial Action Taken.*

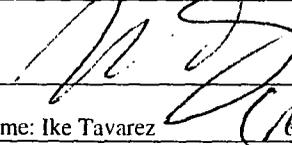
Steel breaded jose failed on discharged pressure on murphy. Replaced hose.

AUG 29 2014
RECEIVED

Describe Area Affected and Cleanup Action Taken.*

Initially 12 bbls of produced water was released due to a failed breaded hose on murphy. We were able to recover 10 bbls of produced water with a vacuum truck. All free fluids were recovered. Tetra Tech inspected site and collected samples to define spills extent. Soil that exceeded RRAL was removed and hauled away for proper disposal. Site was then brought up to surface grade with clean backfill material. Tetra Tech prepared closure report and submitted to NMOCD for review.

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: Ike Tavaraz (Agent for COG) | Approved by District Supervisor:  | |
| Title: Senior Project Manager, P.G. | Approval Date: 9/5/14 | Expiration Date: NA |
| E-mail Address: ike.tavaraz@tetrattech.com | Conditions of Approval: Final | Attached <input type="checkbox"/> |
| Date: 7-2-14 Phone: (432) 682-4559 | | |

Attach Additional Sheets If Necessary

ZRP-2112