

RECEIVED

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
HOBBS, NM
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	GC FEDERAL #27	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No.	NMLC-029405B
				(API#)	30-025-39264

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	20	17S	32E	990	South	2200	West	Lea

Latitude 32 48.988 Longitude 103 47.443

WTR 150'

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	60bbls	Volume Recovered	47bbls
Source of Release	Produced water flowline	Date and Hour of Occurrence	05/04/2010	Date and Hour of Discovery	05/04/2010 4:00 p.m.

Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Larry Johnson - OCD Geoffrey Leking - OCD Trishia Bad Bear - BLM
-----------------------------	---	------------------	--

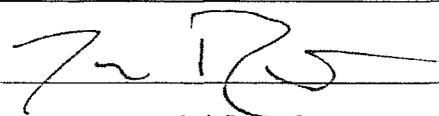
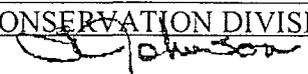
By Whom?	Josh Russo	Date and Hour	05/05/2010 10:29 a.m.
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The produced water line had a release at a fuse in the line. The line has been re-fused and put back into service.

Describe Area Affected and Cleanup Action Taken.*
60bbls of produced water was initially released and we able to recover 47bbls of free fluid. The fluid was localized in a 40' x 60' area off of the lease road in the pasture. The spill site area is located 100 yards west of the GC FEDERAL #27. The estimated chloride content of the produced water is 135548 mg/l. A sundry will be submitted and we will wait for archeological / wildlife sensitivity clearance from the BLM before having Tetra Tech sample the spill site area to delineate any possible contamination from the release. 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:		<u>OIL CONSERVATION DIVISION</u> 	
Printed Name:	Josh Russo	Approved by District <u>ENVIRONMENTAL ENGINEER</u>	
Title:	HSE Coordinator	Approval Date:	5.18.10
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	7.19.10
Date:	05/05/2010	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>
		Submit Final C-141 w/ Docs BY	10.5.2530

* Attach Additional Sheets If Necessary

NLWJ 1013834596