

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	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	GC FEDERAL #10	Facility Type	Flowline
Surface Owner	Federal	Mineral Owner	Lease No. <u>API# 30-025-38993</u>

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	19	17S	32E	1615	South	1525	East	Lea

Latitude 32 49.027 Longitude 103 48.133

WTR 150'

NATURE OF RELEASE

Type of Release	Produced Fluids	Volume of Release	70bbls	Volume Recovered	50bbls
Source of Release	Flowline	Date and Hour of Occurrence	05/19/2010	Date and Hour of Discovery	05/19/2010 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		
By Whom?	Josh Russo	Date and Hour	05/20/2010	5:23 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.*
A 1/4" nipple broke on the flowline. The nipple / flowline has been repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.*
70bbls of produced fluids was initially released and we were able to recover 50bbls of produced fluids by a vacuum truck. The release flowed to the south end of the pad into the pasture covering an area of 15'x15'. It also flowed into the pasture southwest off the pad 10'x20'. The estimated chloride content of any water that is involved in this release would be 113,000 mg/l. The estimated oil gravity of any oil involved in this release would be 35.6. 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 BLM / NMOCD 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 ENVIRONMENTAL ENGINEER	
Title:	HSE Coordinator	Approval Date:	5.24.10
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	7.26.10
Date:	05/21/2010	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>
		Submit Final C-141 w/ Docs by <u>IRP# 10.5.2540</u>	

* Attach Additional Sheets If Necessary

NLWS 1014442480