

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
FEB 14 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

NMB 1030139782

OPERATOR

Initial Report Final Report

| | |
|--|-------------------------------------|
| Name of Company COG Operating LLC | Contact Pat Ellis |
| Address 550 W. Texas, Suite 1300 Midland, Texas 79701 | Telephone No. (432) 230-0077 |
| Facility Name Skelly Unit #611 | Facility Type Well |

| | | |
|-------------------------------|---------------|--------------------------------------|
| Surface Owner: Federal | Mineral Owner | Lease No. (API#) 30-015-36887 |
|-------------------------------|---------------|--------------------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| I | 22 | 17S | 31E | 2380 | SOUTH | 990 | EAST | Eddy |

Latitude N 32.853001° Longitude W 103.959150°

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: Produced Fluid | Volume of Release 15 bbls | Volume Recovered 13 bbls |
| Source of Release: Wellhead | Date and Hour of Occurrence 07/20/2010 | Date and Hour of Discovery 07/20/2010 5:00a.m. |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? Josh Russo | Date and Hour 3/15/10 4:59 p.m. | |
| 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.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
There was a small hole in the 1/4 inch nipple coming off the pumping tee. The defective nipple has been replaced with a new stainless steel nipple.

Describe Area Affected and Cleanup Action Taken.*
Majority of the spill stayed on the pad location and measured approximately 60' x 110' yards. Tetra Tech collected soil samples to delineate the spill area and submitted a work plan for approval. Tetra Tech supervised the remediation of the site and hauled the impacted soil to proper disposal. The open excavations have been backfilled with clean soil. A closure report was prepared and submitted to the NMOCD and BLM 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: <i>[Signature]</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Ike Tavarez <i>(AGENT for COG)</i> | Approved by District Supervisor <i>[Signature]</i> Signed By <i>[Signature]</i> | |
| Title: Project Manager | Approval Date: 2/14/2011 | Expiration Date: N/A |
| E-mail Address: Ike.Tavarez@TetraTech.com | Conditions of Approval: N/A <i>Final</i> | Attached <input type="checkbox"/> |
| Date: 1-25-11 | Phone: (432) 682-4559 | |

* Attach Additional Sheets If Necessary

2RP-452