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

AUG **3 1** 2010

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015 - 33100

nMLB 103144 8887

Release Notification and Corrective Action

OPERATOR   ☒ Initial Report   ☐ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Red Lake Sand Unit South Tank Battery	Facility Type	Tank Battery

Surface Owner State	Mineral Owner	Lease No. 647

Red Lake Sand Ut #38

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	29	17S	28E					Eddy

Latitude 32 48.663   **Longitude** 104 12.165

NATURE OF RELEASE

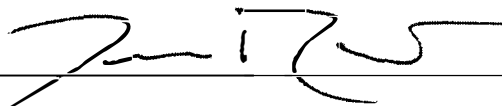| Type of Release Produced water	Volume of Release 50bbls	Volume Recovered 0bbls
Source of Release 2" high pressure hose on water pump	Date and Hour of Occurrence 08/30/2010	Date and Hour of Discovery 08/30/2010 12:30 p.m.
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mike Bratcher—OCD	
By Whom? Josh Russo	Date and Hour 08/30/2010 4:49 p.m.	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The 2" high pressure hose on the discharge of the water pump failed causing the release. The defective hose has been replaced with a plastic coated steel line. The pump is back into working order.

Describe Area Affected and Cleanup Action Taken.*

Initially 50bbls of produced water was released from the discharge hose of the water pump and we were unable to recover any fluid from the spill. The fluid flowed north across the location to a nearby lease road, then west for 30 yards. The fluid then ran 100 yards north down a pipeline ROW, the width of the path the fluid traveled stayed under 3' wide. (The closest well location to the release is the Red Lake Sand Unit #38 injection well, Unit D, Sec.29-T17S-R28E, 330' FNL 330' FWL, 32.81138 – 104.20546, API# 30-015-33100). 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 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 Signed By_____
Title: HSE Coordinator	Approval Date: **NOV 1 0 2010** Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval Attached ☐
Date: 08/31/2010 Phone: 432-212-2399	REMEDIATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/10/2010

* Attach Additional Sheets If Necessary

2RP-475