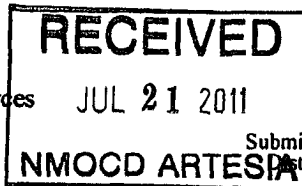


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb 1122449475

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	Kool Aid State	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-36484

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	24	17S	28E					Eddy

Latitude 32.8258 Longitude 104.1216

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	23bbls	Volume Recovered	21bbls
Source of Release	Water tank	Date and Hour of Occurrence	07/06/2011	Date and Hour of Discovery	07/06/2011 7:10 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.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A sudden rush of produced water overflowed the water tank. Wells have been shut in to allow for normal tank levels.

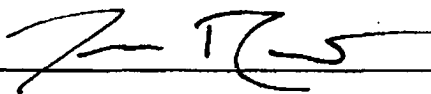
Describe Area Affected and Cleanup Action Taken.*

Initially 23bbls of produced water was released from the water tank and we were able to recover 21bbls with a vacuum truck. The entire release was completely contained inside the lined facility. All free fluid has been picked up and all contaminated gravel has been removed. In addition, clean gravel has been added to the facility as necessary. The facility has been returned to its prior condition.

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.

OIL CONSERVATION DIVISION

Signature:



Printed Name: Josh Russo

Signed By 
Approved by District Supervisor:

Title: HSE Coordinator

Approval Date: AUG 12 2011 Expiration Date: NA

E-mail Address: jrusso@conchoresources.com

Conditions of Approval: NA

Attached ☐

Date: 07/20/2011 Phone: 432-212-2399

Final

* Attach Additional Sheets If Necessary

2 RP-841