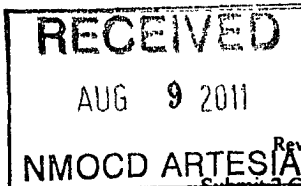


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nMLB1122937897

229137

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	Hambone #1H Fee	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-38980
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	5	26S	29E					Eddy

Latitude Longitude

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	23bbls	Volume Recovered	20bbls
Source of Release	Water tank	Date and Hour of Occurrence	07/27/2011	Date and Hour of Discovery	07/27/2011 9:00 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.*

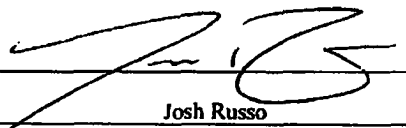

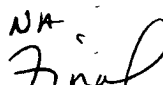
Describe Cause of Problem and Remedial Action Taken.*

The check valve malfunctioned and the water tank leaked through a new valve on a new line. The valve has been shut.

Describe Area Affected and Cleanup Action Taken.*

Initially 23bbls of produced water was release from the open valve at the water tank. We were able to recover 20bbls with a vacuum truck. All free fluid was completely contained inside the lined dike of the facility. After all free fluid was recovered we removed all contaminated gravel and replaced with fresh gravel. The location 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.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Signed By:  Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	AUG 17 2011 Expiration Date: NA
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval:	NA 
Date:	08/08/2011	Phone:	432-212-2399
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-857