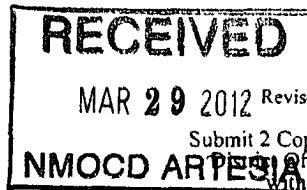


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nmlb/210247392

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	SRO State Unit Com #2	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner		Lease No. (API#)	30-015-37141
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LOCATION OF RELEASE

Unit Letter P	Section 32	Township 25S	Range 28E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.0802 Longitude 104.1021

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	50bbls oil 80bbls pw	Volume Recovered	10bbls oil 30bbls pw
Source of Release	Heater treater	Date and Hour of Occurrence	03/15/2012	Date and Hour of Discovery	03/15/2012 9:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher-OCD		
By Whom?	Josh Russo	Date and Hour	03/19/2012 10:18 a.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.*


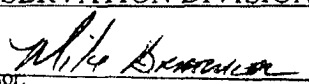
Describe Cause of Problem and Remedial Action Taken.*

The heater treater over-pressured and ruptured at the SRO State Unit Com #2 Tank Battery. A new heater treater will be installed.

Describe Area Affected and Cleanup Action Taken.*

Initially roughly 130bbls of produced fluid was release from the heater treater and we were able to recover 40bbls with a vacuum truck. The release occurred inside the unlined dike walls of the facility. The spill also reached the pasture adjacent to the tank battery and measures an area of 30' x 50'. 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 NMOC D 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 NMOC D 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 NMOC D 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, NMOC D 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:	
Title:	HSE Coordinator	Approval Date:	APR 11 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	03/29/2012	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>
		Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

* Attach Additional Sheets If Necessary

5/11/2012

2RA-1090