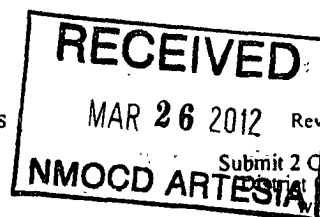


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

Operator ☒ Initial Report ☒ Final Report

Name of Company	COG OPERATING LLC 229137	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Loco Hills 34-3 SWD	Facility Type	SWD

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-37270
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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
J	34	17S	30E					Eddy

Latitude 32 52.423 Longitude 104 23.206

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	40bbls	Volume Recovered	40bbls
Source of Release	H-pump	Date and Hour of Occurrence	03/16/2012	Date and Hour of Discovery	03/16/2012 11:00 a.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 10:04 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.*

A bad check valve on the discharge side of the H-pump allowed wellhead pressure to backup and blew off the suction hose causing the release. Bolted clamps have been put on both ends of the hose instead of bands.

Describe Area Affected and Cleanup Action Taken.*

Initially 40bbls were released and we were able to recover all 40bbls with a vacuum truck. The entire release was completely contained inside the lined facility walls of the SWD. Contaminated gravel has been removed from the facility and we have replaced with fresh gravel as needed. This 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.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo	Signed By Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	APR 06 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	N/A
Date:	03/26/2012	Phone:	432-212-2399
		Conditions of Approval:	N/A
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1085