District I 1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, Artesia, NM 88210
District III 200 Rio Brazos Road, Aztec, NM 87410 rict IV 20 S. St. Francis Dr., Santa Fe, NM 87505 State of New Mexico | RECEIVED
Energy Minerals and Natural Resources

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NMOCD ARTESIA

MAR 2 7 2014 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

| Release Notification and Corrective Action   |   |                               |
|--|---|-------------------------------|
| nHW 1409041462   | OPERATOR                                  |                               |
| Name of Company COG OPERATING LLC 225137 Contact Pat Ellis  Address 600 West Illinois Avenue, Midland, TX 79701 Telephone No. 432-230-0077   |   |                               |
|  |   |                               |
| Facility Name Myox 32 State #001H Facility Type Flowline   |   |                               |
| Surface Owner State Mineral Owner  |   | Lease No. (API#) 30-015-41641 |
| LOCATION OF RELEASE  |   |                               |
| Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County Eddy   |   |                               |
| 32 255 Latitude 32 04.729 Longitude 104 06.475  NATURE OF RELEASE  |   |                               |
| Type of Release  | Volume of Release                         | Volume Recovered              |
| Produced water   | 22bbls                                    | Obbls .                       |
| Source of Release  | Date and Hour of Occurrence               | Date and Hour of Discovery    |
| Polyline   | 03-12-2014                                | 03-12-2014 4:00pm             |
| Was Immediate Notice Given?  Yes No Not Required  If YES, To Whom?   |   |                               |
| By Whom?   | Date and Hour                             |                               |
| Was a Watercourse Reached? ☐ Yes ☑ No  | If YES, Volume Impacting the Watercourse. |                               |
| a Watercourse was Impacted, Describe Fully.*   |   |                               |
| Describe Cause of Problem and Remedial Action Taken.*  |   |                               |
| A valve was left open at the SWD 101 to an open-ended line. Closed the valve the SWD and placed a transition valves on all open-ended lines.   |   |                               |
| Describe Area Affected and Cleanup Action Taken.*  |   |                               |
| Initially 30bbls of produced water were released. We were unable to recover any of produced water. All free fluids have been recovered. Concho will have the spill site sampled 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. |   |                               |
|  | OIL CONSERY                               | <u>VATION DIVISION</u>        |
| Signature:   |   |                               |
| Printed Name: Robert Grubbs Jr.  | Approved by District Supervisor:          | Hab mi                        |
| Title: Senior Environmental Coordinator  | Approval Date: 5-31-14                    | Expiration Date: NA           |
| E-mail Address: rgrubbs@concho.com   | Conditions of Approval:                   | Attached                      |
| Date: 03-27-2014 Phone: 432-661-6601   | Pamadiation                               |                               |
| Guidelines. SUBMIT REMEDIATION 220 - 2236  PROPOSAL NO LATER THAN:   |   |                               |
|  | 5-1-14                                    |                               |