

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

RECEIVED

SEP 09 2010

NMOCD ARTESIA

Form C-141  
Revised October 10, 2003

Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

*MLB1025631696* 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	Schley Federal #11	Facility Type	Flowline
Surface Owner	Federal	Mineral Owner	
		Lease No.	API#30-015-32134

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	23	17S	29E					Eddy

Latitude 32 48.296 Longitude 104 06.087

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	11bbls	Volume Recovered	10bbls
Source of Release	Flowline	Date and Hour of Occurrence	08/28/2010	Date and Hour of Discovery	08/28/2010 9:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
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.\*

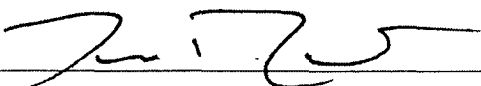

Describe Cause of Problem and Remedial Action Taken.\*

The cause of the release was due to a ruptured flowline. The section of flowline that ruptured was replaced with a new section and the flowline was put back into service.

Describe Area Affected and Cleanup Action Taken.\*

Initially 11bbls of produced fluid was released from the flowline and we were able to recover 10bbls with a vacuum truck. The dimensions of the spill site areas measured 3' x 40' along the roadway and the oversprayed area measured 20' x 50'. The lease road has been scraped and returned to previous condition. (The closest well location to the release is the Schley Federal #3, API#30-015-30450). 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 BLM / 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.

Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Josh Russo		Approved by District Supervisor: 	
Title: HSE Coordinator		Approval Date: SEP 13 2010	Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval:		Attached <input checked="" type="checkbox"/>
Date: 09/08/2010 Phone: 432-212-2399	REMEDIAL per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: OCT 13, 2010		

\* Attach Additional Sheets If Necessary

*MLB1025648687*

*2RP-431*