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

SEP 07 2010

RECEIVED

Form C-141 Revised October 10, 2003

NMOCD ARTESIA: 2 Copies to appropriate District Office in accordance with Rule 116 on back gide of form side of form

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

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Release Notification and Corrective Action

MCB1031439617	OPERATOR Initial Report Final Report					
Name of Company COG OPERATING LLC 229/37						
Address 550 W. Texas, Suite 100, Midland, TX 79701	Telephone No. 432-230-0077					
Facility Name Southwest Central Tank Battery	Facility Type Tank Battery					
Surface Owner Federal Mineral Own	Lease No. NMNM-0467932					
LOCATION OF RELEASE						
	orth/South Line Feet from the East/West Line County Eddy					
0 20 173 302	Eddy					
Latitude 32.815578 Longitude 103.99519						
NATURE OF RELEASE						
Type of Release Produced water Source of Release 6" steel water line	Volume of Release 100bbis Volume Recovered 98bbis					
	Date and Hour of Occurrence 08/31/2010 Date and Hour of Discovery 08/31/2010 8:00a.m.					
Was Immediate Notice Given? If YES, To Whom?						
Yes No Not Requi	Terry Gregston—BLM Jim Amos—BLM					
	Mike Bratcher—OCD					
By Whom? Josh Russo	Date and Hour 08/31/2010 5:24 p.m.					
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.					
If a Watercourse was Impacted, Describe Fully.*						
Describe Cause of Problem and Remedial Action Taken.*						
Due to corrosion, a 6" steel water line developed a hole in it. A ½ inch plug was installed to repair the line and a new, plastic coated line is being built to replace the existing line.						
Describe Area Affected and Cleanup Action Taken.*						
Initially 100bbls of produced water was released from the 6" steel line at the Southwest Central Tank Battery. We were able to recover 98bbls with a vacuum truck. The fluid flowed from the steel line, to behind the tank battery into the pasture with the dimensions of the spill area measuring 35' x 35'. (The closest well location to the release is the WD McIntyre E #4, 990' FSL 2310' FWL, Sec.20-T17S-R30E, API#30-015-29561, NMNM-0467932). 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.						
	OIL CONSERVATION DIVISION					
Signature:	- Alla Kanaa					
Printed Name: Josh Russo	Approved by DistRepSupervisor:					
Title: HSE Coordinator	Approval Date: NOV 1 0 2010 Expiration Date:					
E-mail Address: jrusso@conchoresources.com	Conditions of Approval:					
Date: 09/07/2010 Phone: 432-212-2399	PENALDIATION per OCD Rules and					
Attach Additional Sheets If Necessary	Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/10/2010 ARP-473					