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

FEB 16 2011

RECEIVED

Form C-141 tevised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 NMOCD ARTE District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

| | | | ILCI | rase I totilit | allu | ii anu C | MICCEIVE /A | CUOI | • | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------|----------------------------------|----------------|-----------------------------------------------|-----------------------------------------|------------------|--------------------|---------------|-----------|------------|
| nMLBIL | 027952 | 2232 | | | OPERA' | FOR | | ☐ Initial Report | | | | |
| Name of Co | ompany (| COG Opera | | Contact Pat Ellis | | | | | | | | |
| | | as, Suite 13 | 1 | Telephone No. (432) 685-4332 | | | | | | | | |
| Facility Na | me Tex M | | Facility Type Well | | | | | | | | | |
| Surface Owner: Federal Mineral Owner | | | | | | Lease No. API 30-015-37667 | | | | | | |
| | | | | - | | N OF RE | LEASE | | | | | |
| Unit Letter | Section | Township | Range | Feet from the | | | | | West Line County | | | |
| М | | | | | South | 1024 | West | | Eddy | | у | |
| Latitude N 32 50.659° Longitude W 103 50.721° | | | | | | | | | | | | |
| NATURE OF RELEASE | | | | | | | | | | | | |
| Type of Rele | ase: Produc | Volume of Release 70 bbls Volume Recovered 145 bbls | | | | | | | | | | |
| Source of Re | lease: Wellb | Date and Hour of Occurrence Date and Hour of Discovery | | | | | | | | | | |
| Was Immedia | ate Notice C | 7/27/10 7/27/10 1:00 p.m. If YES, To Whom? | | | | | | | | | | |
| | | Mike Bratcher - OCD | | | | | | | | | | |
| By Whom? Josh Russo | | | | | | Date and Hour 7/28/10 10:52 a.m. | | | | | | |
| Was a Watercourse Reached? ☐ Yes ☑ No | | | | | | If YES, Volume Impacting the Watercourse. N/A | | | | | | |
| If a Watercou | rse was Imr | | | · · · · | | | | | | | | |
| If a Watercourse was Impacted, Describe Fully.* | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Describe Cause of Problem and Remedial Action Taken.* | | | | | | | | | | | | |
| The well was flowing up the backside and a shallow halo is the \$14 cooling allowed Suid to second line the \$5/0 cooling The Suid in the \$5/0 cooling the | | | | | | | | | | | | |
| The well was flowing up the backside and a shallow hole in the 5 ½ casing allowed fluid to escape into the 8 5/8 casing. The fluid in the 8 5/8 casing then escaped into the wellbore due to an improper seal. The well is in the process of being repaired and put back into service. | | | | | | | | | | | | |
| · | | | - | | • | | - | | | | | |
| Describe Area Affected and Cleanup Action Taken.* | | | | | | | | | | | | |
| | | • | | | | | | | | | | |
| | | | | | | | d RRAL was rem losure report and | | | | | osal. Site |
| was uich blou | giit up to su | mace grade w | iui cicali o | ackim matemai. I | cua it | sen prepareu e | iosure report and | Suomma | ed to NMC | CD for fevio | ₽W. | 1 |
| | | | | | | | nowledge and un | | | | | |
| regulations all | operators a | re required to | report and | of a C-141 repor | lease no | otifications and | d perform correcti rked as "Final Re | ive actio | ons for rele | ases which n | nay end | langer |
| should their op | perations ha | ve failed to ad | lequately i | nvestigate and rer | mediate | contaminatio | n that pose a three | at to gro | und water, | surface water | er, hum | nan health |
| or the environs | ment. In add | dition, NMOC | CD accepta | ince of a C-141 re | port do | es not relieve | the operator of re | sponsib | ility for co | mpliance wit | h any | other |
| federal, state, o | or local laws | s and/or regula | ations. | | - 1 | | OIL COME | EDV | ATION | MINICION | | |
| 0.4 | t (a) d | | | _ | | | OIL CONS | <u>ek v /</u> | TION | 71 V 13101 | <u> 4</u> | |
| Signature: | ng Kundley | for The Tow | ning and | gent for COC | | | | | AI | | | |
| Printed Name: | √ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ | A | Approved by D | District Supervisor Signed By | M | 14 K | ATTURA | | | | | |
| | | | | | | | / / | T | 1 202 | moules. | = | |
| Title: Project N | /lanager | | | | A | Approval Date: | 2/12/2011 | E | xpiration D | ate: MA | | |
| E-mail Address: Ike.Tavarez@TetraTech.com | | | | | | onditions of A | Approval: N/A | 1 | | | _ | |
| _ | | Themone of F | | // | | Attached | | | | | | |
| Date: Felin | un ile : | 2011 | Phone: (4 | 132) 682-4559 | I | | -Mal | | | | | |

* Attach Additional Sheets If Necessary

2RP-443