

District I  
1025 N. French Dr., Hobbs, NM 88240  
District II  
1001 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  
MAR 25 2011  
NMOCD ARTESIA DISTRICT

Form C-141  
Revised October 10, 2003  
Copies to appropriate  
Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

*17 KMW 1108 731535*

<b>OPERATOR</b>		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> 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	Skelly Unit 942	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No. (API#)	30-015- <del>43645</del> NMNM - 029419A

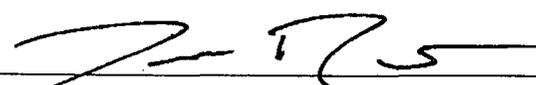
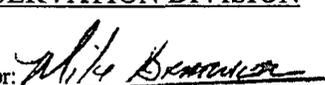
**LOCATION OF RELEASE**

Unit Letter B	Section 22	Township 17S	Range 31E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32 49.510 Longitude 103 51.384

**NATURE OF RELEASE**

Type of Release	Oil	Volume of Release	15bbls	Volume Recovered	14bbls
Source of Release	Oil Tank	Date and Hour of Occurrence	03/20/2011	Date and Hour of Discovery	03/20/2011 7:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
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 oil tank ran over at the facility due to the lease being turned on after curtailment and rapidly increased production volumes. Return wells into production at a slower rate after a lease is shut in.					
Describe Area Affected and Cleanup Action Taken.*					
Initially 15bbls of oil was released from the oil tank and we were able to recover 14bbls with a vacuum truck. The spill was completely contained inside the berm walls of the facility. The dimensions of the spill area measured 20' x 20' next to the oil tank. 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 NMOCD / BLM 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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	3/28/11
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	03/25/2011	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>
		Remediation per OCD Rules & Guidelines. <b>SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:</b>	

**4/28/11**  
*2RP-666*

\* Attach Additional Sheets If Necessary