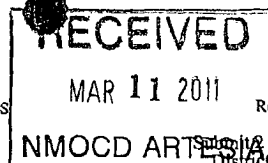


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



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

nkmmw 1107440401

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC <i>224137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Folk Federal	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No. (API#)	30-015-20198 NMNM-0397623

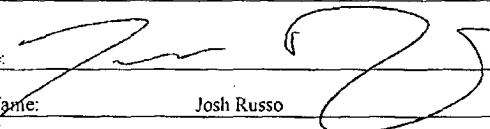
LOCATION OF RELEASE

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

Latitude 32 50.154 Longitude 104 05.447

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	180bbbls	Volume Recovered	160bbbls
Source of Release	Water tank	Date and Hour of Occurrence	03/05/2011	Date and Hour of Discovery	03/05/2011 8:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher—OCD Terry Gregston—BLM			
By Whom?	Josh Russo	Date and Hour 03/07/2011 9:20 a.m.			
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.*					
Due to a new well being turned on, there was an unexpected influx of water that neither the water trucks nor the transfer pumps were able to keep up with. This caused the water tank to overflow.					
Describe Area Affected and Cleanup Action Taken.*					
Initially 180bbbls of produced water was released from the water tanks at the Folk Federal Tank Battery. We were able to recover 160bbbls with vacuum trucks. The water ran onto the location 60' x 60' and traveled down the lease road 20' x 90'; It then went off into the pasture 3' x 150'. The location and lease road were immediately scraped of contaminants and returned to their prior condition. Tetra Tech will sample the spill site area in the pasture 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:				OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo			Approved by District Supervisor	Signed By <i>Mike Bratcher</i>
Title:	HSE Coordinator			Approval Date:	3/15/11
E-mail Address:	jrusso@conchoresources.com			Expiration Date:	
Date:	03/09/2011			Phone:	432-212-2399

* Attach Additional Sheets If Necessary

Conditions of Approval:
REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY:

Attached ☐

4/15/11

2RP-639