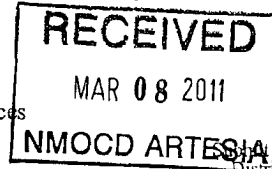


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

7KMW 1106830638

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	Houma State #1	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	
		Lease No. (API#)	30-015-31491

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	16	17S	30E					Eddy

Latitude 32 50.130 Longitude 103 58.671

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	70bbbls	Volume Recovered	68bbbls
Source of Release	Water tank	Date and Hour of Occurrence	03/01/2011	Date and Hour of Discovery	03/01/2011 10:50 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		
By Whom?	Josh Russo	Date and Hour	03/02/2011	9:21 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.*

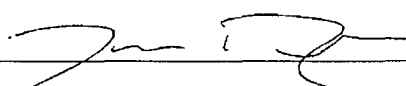
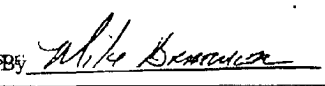
Describe Cause of Problem and Remedial Action Taken.*

The transfer pump malfunctioned at the battery and the high level alarm was never set off. The transfer pump has been fixed and returned to service, the alarm system has been repaired.

Describe Area Affected and Cleanup Action Taken.*

Initially 70bbbls of produced water was released from the water tank and we were able to recover 68bbbls with a vacuum truck. The entire release was contained inside the berm walls of the facility. The spill area measured 5' x 140' within the facility. 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 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: 3/9/11	Expiration Date:
E-mail Address: jrusso@conchoresources.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>
Date: 03/07/2011 Phone: 432-212-2399	4/9/11	

* Attach Additional Sheets If Necessary

2RP.637