

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

RECEIVED

APR 23 2009

HOBSOCD

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

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|----------------------------|
| Name of Company COG OPERATING LLC | Contact Kanicia Carrillo |
| Address 550 W. Texas, Suite 1300 Midland, TX 79701 | Telephone No. 432-685-4332 |
| Facility Name - MC Federal #3 Battery | Facility Type- Battery |

| | | |
|-------------------|---------------|----------------------------|
| Surface Owner BLM | Mineral Owner | Lease No.API# 30-025-34773 |
|-------------------|---------------|----------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| F | 21 | 17S | 32E | 2160 | North | 2310 | West | Lea |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release- Oil & Produced water | Volume of Release-8 bbls oil, 10 bbls water | Volume Recovered- 0 bbls |
| Source of Release- 1" gas line | Date and Hour of Occurrence- 04/06/09- 1:55pm | Date and Hour of Discovery 04/06/09-1:55 pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Larry Johnson w/OCD & Trish Badbear w/BLM. | |
| By Whom? Pat Ellis | Date and Hour April 6, 2009, 6:00pm. | |
| 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.*

WATER @ 115'


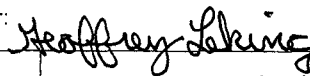

Describe Cause of Problem and Remedial Action Taken.*

We believe the 1" gas line coming into to volume pot had pulled out of the 90 right at the inlet to the pot. The threads on both the nipple and the 90 looked worn and flat. So, the 1" gas line would have been blowing almost directly into the burner of the 6' heater. Witnesses say the 6' foot heater was the first burning vessel. The fire department was there to put out the fire.

Describe Area Affected and Cleanup Action Taken.*

The area affected was the battery pad 20 yards x 20 w/ an area 20 yards x 40 yards in the pasture behind the battery. We picked up the saturated soil and Tetra Tech Environmental will take soil samples to delineate the contamination. Tetra Tech will turn in soil samples and final report.

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: Kanicia Carrillo | Approved by District Supervisor:  | |
| Title: Regulatory Analyst | Approval Date: 05/01/09 | Expiration Date: 06/30/09 |
| E-mail Address: kandicarrillo@conchoresources.com | Conditions of Approval: SUBMIT FINAL C-141 BY  | |
| Date: 04/16/09 Phone: 432-685-4332 | Attached <input type="checkbox"/> IRP-09-5-2168 | |

* Attach Additional Sheets If Necessary

FGRL 0912156547