

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

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

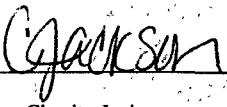
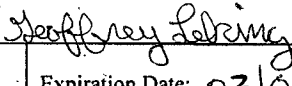
|                 |  |               |                  |
|-----------------|--|---------------|------------------|
| Name of Company | COG OPERATING LLC                          | Contact       | Kanicia Carrillo |
| Address         | 550 W. Texas, Suite 1300 Midland, TX 79701 | Telephone No. | 432-685-4332     |
| Facility Name   | Pearsall AX #5                             | Facility Type | Tank Battery     |
| Surface Owner   | Federal                                    | Mineral Owner |                  |
|                 |  | Lease No.     | 30-025-36361     |

LOCATION OF RELEASE

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| K           | 33      | 17S      | 32E   | 1650          | South            | 1650          | West           | Lea    |

Latitude N32.47.311 Longitude W103.46.466

NATURE OF RELEASE

|  |   |  |                    |                                   |                    |
|--|---|--|--------------------|-----------------------------------|--------------------|
| Type of Release  | Oil   | Volume of Release  | 260bbls            | Volume Recovered                  | 0                  |
| Source of Release  | Pump  | Date and Hour of Occurrence  | 12/08/09 Afternoon | Date and Hour of Discovery        | 12/08/09 Afternoon |
| Was Immediate Notice Given?  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Jeff Leaking, NMOCD<br>Paul Evans, BLM   |                    |                                   |                    |
| By Whom?   | Pat Ellis   | Date and Hour 12/08/09 @ 3:00pm  |                    |                                   |                    |
| 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.*  |   |  |                    |                                   |                    |
| Describe Cause of Problem and Remedial Action Taken.*<br>The spill was caused by a broken swedge on the circulating pump. The swedge was replaced.   |   |  |                    |                                   |                    |
| Describe Area Affected and Cleanup Action Taken.*<br>The spill area affected is approximately 10'x 900'. Picked up all free fluid, waiting on BLM approval to remove 2' of the saturated soil. 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 your 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: Chasity Jackson  |   | Approved by ENV. ENGINEER: <br>District Supervisor: |                    |                                   |                    |
| Title: Agent for COG   |   | Approval Date: 12/31/09  |                    | Expiration Date: 03/04/10         |                    |
| E-mail Address: cjackson@conchoresources.com   |   | Conditions of Approval: DELINEATE TO CLEAN + 1. SUBMIT FINAL C-141 BY 02/04/10   |                    | Attached <input type="checkbox"/> |                    |
| Date: 12/10/09 Phone: 432-686-3087   |   | IRP-09-12-2373   |                    |                                   |                    |

\* Attach Additional Sheets If Necessary

FQRL 09 36540213