

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

RECEIVED

DEC 14 2010

HOBBSOCD

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	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	MC Federal #14	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-025-38738
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	21	17S	32E					Lea

Latitude 32 49.585 Longitude 103 46.147

NATURE OF RELEASE

Type of Release Oil		Volume of Release 50bbls	Volume Recovered 49bbls
Source of Release Production tank		Date and Hour of Occurrence 12/01/2010	Date and Hour of Discovery 12/01/2010 8:00 a.m.
Was Immediate Notice Given? <div><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required</div>		If YES, To Whom? <div>Larry Johnson—OCD Geoffrey Leking—OCD</div>	
By Whom? Josh Russo		Date and Hour 12/02/2010 7:34 a.m.	
Was a Watercourse Reached? <div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div>		If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

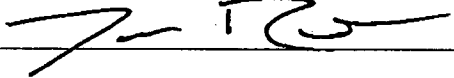
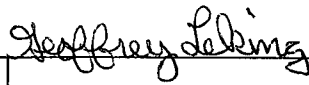
The production tank at the facility failed to equalize. The production has been switched to an empty tank to ensure that no more fluid is released.

Describe Area Affected and Cleanup Action Taken.*

Initially 50bbls was released and we were able to recover 49bbls with a vacuum truck. All released fluid was contained inside the facility dike walls; which is lined with a 40 mil liner. Contaminated gravel has been removed and replaced with clean gravel where necessary. The facility has been cleaned up to its prior condition.

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.

OIL CONSERVATION DIVISION

Signature:		ENV. ENGINEER:	
Printed Name:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	12/14/10
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	12/14/2010	Phone:	432-212-2399
Conditions of Approval:			Attached <input type="checkbox"/> IRP-12-10-2668

* Attach Additional Sheets If Necessary