

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nAB1520254514

OPERATOR

Initial Report Final Report

| | |
|--|----------------------------|
| Name of Company: COG Operating LLC | Contact: Robert McNeill |
| Address: 600 West Illinois Avenue, Midland, TX 79701 | Telephone No. 432-230-0077 |
| Facility Name: Sly Hawk State #5 | Facility Type: Battery |

| | | |
|----------------------|----------------|----------------------|
| Surface Owner: State | Mineral Owner: | API No. 30-015-35103 |
|----------------------|----------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| A | 3 | 25S | 28E | 150 | North | 330 | East | Eddy County, NM |

Latitude N 32.82109° Longitude W 104.07641°

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release: Produced water | Volume of Release: 50 bbls | Volume Recovered: 50 bbls |
| Source of Release: Illegal Dump | Date and Hour of Occurrence: 06/26/2015 @ 12:00 pm | Date and Hour of Discovery: 06/26/2015 @ 12:00 pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher- NMOCD | |
| By Whom? Amanda Trujillo | Date and Hour: 07/01/2015 @ 5:12 pm | |
| 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.*
This release was due to an illegal dump. A lease operator from another company caught a water hauler illegally dumping water on location. He notified COG personal and it was reported to security. A vacuum truck recovered all the free-standing fluids.

Describe Area Affected and Cleanup Action Taken.*
The produced water was sprayed out from behind the water hauler across location. The site was delineated and a remediation plan was sent to NMOCD and the SLO. The remediation plan was approved by Mike Bratcher of NMOCD via email on 07/25/2016 and approved by Amber Groves of the SLO via email on 08/01/2016. Remediation was completed in accordance with the approved plan.

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: Robert Grubbs | Approved by Environmental Specialist: <i>MBratcher</i> | |
| Title: Senior Environmental Coordinator | Approval Date: 9/19/16 | Expiration Date: N/A |
| E-mail Address: rgrubbs@concho.com | Conditions of Approval: N/A | Attached <input type="checkbox"/> |
| Date: 8-25-16 | Phone: (432) 683-7443 | FINAL |

* Attach Additional Sheets If Necessary