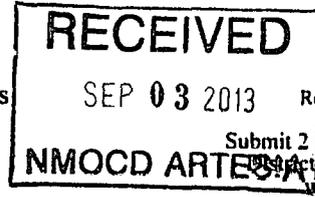


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
400 Rio Brazos Road, Aztec, NM 87410  
District IV  
20 S. St. Francis Dr., Santa Fe, NM 87505

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**

*JMW 1324847819*

**OPERATOR**  Initial Report  Final Report

Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Robert McNeill
Address	600 West Illinois Avenue, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	USP Fee #2	Facility Type	Well Pad
Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-34438

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	16	23S	29E					Eddy

Latitude 32.31158 Longitude 103.99516

**NATURE OF RELEASE**

Type of Release	Produced water	Volume of Release	20bbls	Volume Recovered	10bbls
Source of Release	3" Tee	Date and Hour of Occurrence	08-26-2013	Date and Hour of Discovery	08-26-2013 08:00am
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
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.\*

A small hole developed on the bottom of a 3" tee on the SWD due to corrosion. Replace tee with a coated 3" coated tee.

Describe Area Affected and Cleanup Action Taken.\*

Initially an estimated 20bbls were released from a corroded 3" tee. We were able to recover 10bbls of fluid with a vacuum truck. The spill area is located on the location along the front side of the lined tank battery. Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present a 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:	<i>Robert Grubbs Jr.</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Robert Grubbs Jr.	Approved by District Supervisor:	Signed By <i>Mike Benjamin</i>
Title:	Senior Environmental Coordinator	Approval Date:	SEP 04 2013
E-mail Address:	rgrubbs@concho.com	Expiration Date:	

Date: 09-03-2013 Phone: 432-661-6601  
Attach Additional Sheets If Necessary

Conditions of Approval:  
Remediation per OCD Rule & Guidelines. **SUBMIT REMEDIATION PROPOSAL NO LATER THAN: October 4, 2013**  
Attached   
*2RP-1894*