

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1200 Rio Brazos Road, Aztec, NM 87410
District IV
1200 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

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NMOCD ARTESIA

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

nHMP1409245865 OPERATOR Initial Report Final Report

| | | | |
|-----------------|---|---------------|----------------|
| Name of Company | COG OPERATING LLC 229137 | Contact | Robert McNeill |
| Address | 600 West Illinois Avenue, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | SRO SWD #103 | Facility Type | Transfer Line |

| | | | |
|---------------------|---------------|------------------|--------------|
| Surface Owner State | Mineral Owner | Lease No. (API#) | 30-015-24462 |
|---------------------|---------------|------------------|--------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| M | 17 | 26S | 28E | | | | | Eddy |

Latitude 32 03.839 Longitude 104 35.655

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-----------------------|----------------------------|-------------------|
| Type of Release | Produced water | Volume of Release | 70bbls | Volume Recovered | 65bbls |
| Source of Release | Transfer line from the SRO #103 to the SRO #101 | Date and Hour of Occurrence | 01-16-2014 | Date and Hour of Discovery | 01-16-2014 3:15pm |
| 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? | Robert Grubbs Jr. | Date and Hour | 01-19-2014 7:45pm | | |
| 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.*

County road crew was blading the road, the lines were marked and underground. The blade struck the line causing the release. Removed all free standing fluid and bladed the road. The entire release was on the county road.

Describe Area Affected and Cleanup Action Taken.*

Initially 70bbls of produced water were released due to a county crew striking a transfer line. We were able to recover 65bbls of produced water with a vacuum truck. All free fluids have been recovered. Concho will have the spill site sampled to delineate any possible contamination from the release and we will present a remediation 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> | | OIL CONSERVATION DIVISION | |
| Printed Name: Robert Grubbs Jr. | | Approved by District Supervisor: <i>[Signature]</i> | |
| Title: Senior Environmental Coordinator | | Approval Date: 4-2-14 | Expiration Date: NA |
| Email Address: rgrubbs@concho.com | | Conditions of Approval: Final | Attached <input type="checkbox"/> |
| Date: 01-24-2014 | Phone: 432-661-6601 | Like approval by | |

* Attach Additional Sheets If Necessary

BLM

22P-2247