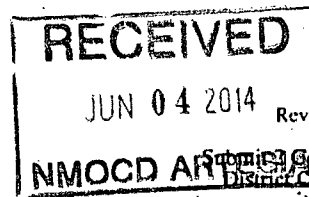


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
100 Rio Brazos Road, Aztec, NM 87410
District IV
20 S. St. Francis Dr., Santa Fe, NM 87505

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 3 copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

HM 1415-747700

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 | Burch Keely Unit #142 | Facility Type | Injection Well |

| | | | | | |
|---------------|---------|---------------|--|------------------|--------------|
| Surface Owner | Federal | Mineral Owner | | Lease No. (API#) | 30-015-04388 |
|---------------|---------|---------------|--|------------------|--------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| D | 30 | 17S | 30E | | | | | Eddy |

Latitude 32.81100

Longitude 104.01749

NATURE OF RELEASE

| | | |
|---|---|--|
| Type of Release Produced water | Volume of Release 20bbls | Volume Recovered 15bbls |
| Source of Release Steel flowline | Date and Hour of Occurrence 05-07-2014 | Date and Hour of Discovery 05-07-2014 10:00am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" 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 steel flowline failed due to corrosion, we replaced the bad section of steel pipe with a new joint.

Describe Area Affected and Cleanup Action Taken.*

Initially 20bbls of produced water were released. We were able to recover 15bbls 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/BLM 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>Hubert</i> | |
| Title: Senior Environmental Coordinator | | Approval Date: 6/6/14 | Expiration Date: NA |
| E-mail Address: rgrubbs@concho.com | | Conditions of Approval: | |
| Date: 06-03-2014 Phone: 432-661-6601 | | Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: 7/6/14 | |
| | | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

PROPOSAL NO LATER THAN:

7/6/14

2RP-2332