

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

NM OIL CONSERVATION
ARTESIA DISTRICT

JUN 09 2016

Form C-141
Revised August 8, 2011

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

RECEIVED

Release Notification and Corrective Action

NAB 11/11/237940

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. | 432-683-7443 |
| Facility Name: | CLUSTER STATE COM #001H | Facility Type: | Tank Battery |
| Surface Owner: | State | Mineral Owner: | API No. 30-015-37547 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| D | 16 | 26S | 27E | 380 | North | 330 | West | Eddy |

Latitude 32.0486679

Longitude 104.2026672

NATURE OF RELEASE

| | | |
|---|--|---|
| Type of Release: Produced Water | Volume of Release: 10bbls Produced Water | Volume Recovered: 9bbls of Produced Water |
| Source of Release: High Pressure Hose | Date and Hour of Occurrence: 06-02-2016 09:00am | Date and Hour of Discovery: 06-02-2016 09:00am |
| 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 high-pressure hose between the produced water tank and the transfer pump split due to age. The hose has been replaced with a new high-pressure hose.

Describe Area Affected and Cleanup Action Taken.*

The release was contained within a lined facility. A vacuum truck was dispatched to remove all freestanding fluids. The containment will be cleaned and the facility will be put back into operation. Concho will have the spill site inspected for 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 Environmental Specialist: <i>[Signature]</i> | |
| Title: Senior Environmental Coordinator | Approval Date: <i>11/11/16</i> | Expiration Date: <i>N/A</i> |
| E-mail Address: rgrubbs@concho.com | Conditions of Approval: Remediation per O.C.D. Rules & Guidelines Attached <input type="checkbox"/> | |
| Date: 06-09-2016 Phone: 432-683-7443 | SUBMIT REMEDIATION PROPOSAL NO | |

* Attach Additional Sheets If Necessary

LATER THAN: *11/11/16*

229-3731