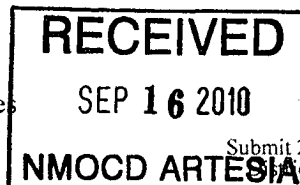


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 10, 2003  
Submit 2 Copies to appropriate  
Office in accordance  
with Rule 116 on back  
side of form

30-015-34538

**Release Notification and Corrective Action**

11/14/1030835699

**OPERATOR**

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Mesilla State #3 Tank Battery	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner		Lease No.	B-2103
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	16	17S	30E					Eddy

Latitude 32 50.233 Longitude 103 58.155

**NATURE OF RELEASE**

Type of Release	BS & W	Volume of Release	60bbls	Volume Recovered	50bbls
Source of Release	PVC water leg	Date and Hour of Occurrence	09/03/2010	Date and Hour of Discovery	09/03/2010 8:30 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher—OCD		
By Whom?	Josh Russo	Date and Hour	09/03/2010 8:30 a.m.		
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.\*

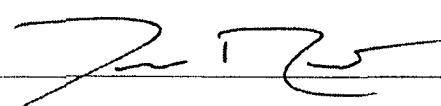
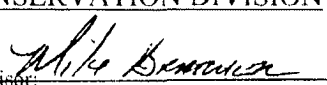
Describe Cause of Problem and Remedial Action Taken.\*

High wind speed moved the supports bracing the PVC water leg and broke it in half causing the release. The PVC water leg has been replaced with a new steel water leg.

Describe Area Affected and Cleanup Action Taken.\*

Initially we released 60bbls of BS&W from the broken water leg and we were able to recover 50bbls with a vacuum truck. The spill area covered a portion of the well pad measuring approximately 200' x 200' from the battery towards the pumping unit. All standing fluid has been recovered. The well pad has been scraped and the contaminated pad material has been hauled to the appropriate disposal facility. (The closest well location to the release is the Mesilla State #3, this well is located on the same pad as the tank battery, (API#) 30-015-34538). Tetra Tech will sample the spill site are 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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Approved by District Supervisor:	
Title:	HSE Coordinator	Approval Date:	NOV 04 2010
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	09/15/2010	Phone:	432-212-2399
* Attach Additional Sheets If Necessary		Conditions of Approval:	Attached <input type="checkbox"/>

REMEDIALTION per OCD Rules and  
Guidelines. SUBMIT REMEDIALTION  
PROPOSAL BY: 12/4/2010

2RP-459