

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

RECEIVED

Form C-141
Revised October 10, 2003

APR 18 2011
HOBBSOCD
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

Name of Company	COG OPERATING LLC	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Falcon Federal 2 and 3H	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No.	
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LOCATION OF RELEASE FALCON FEDERAL 2 AP# - 30-025-39009

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	9	19S	32E					Lea

Latitude 32 40.857 Longitude 103 46.339

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	12bbls	Volume Recovered	10bbls
Source of Release	Heater treater	Date and Hour of Occurrence	04/11/2011	Date and Hour of Discovery	04/11/2011 12:00 p.m.
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.*

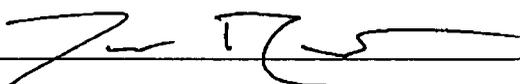
Describe Cause of Problem and Remedial Action Taken.*

A hole in the fire tube caused the release. The heater is currently out of service and is going to be replaced with a new one.

Describe Area Affected and Cleanup Action Taken.*

Initially 12bbls of fluid was released from the fire tube and we were able to recover 10bbls with a vacuum truck. The entire release was completely contained inside the berm wall around the production equipment. The spill area measured 30' x 30'. Contaminated soil has been scraped and hauled appropriately. Tetra Tech will sample the spill site area 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:		OIL CONSERVATION DIVISION <i>Stephany Jenkins</i> Environmental Specialist	
Printed Name:	Josh Russo	Approved by District Supervisor	
Title:	HSE Coordinator	Approval Date: 04/19/11	Expiration Date: 06/20/11
E-mail Address:	jrusso@conchoresources.com	Conditions of Approval: SUBMIT FINAL	
Date:	04/18/2011	Phone:	432-212-2399
		C-141 BY 06/20/11	
		Attached <input type="checkbox"/> IRP-10-12-2858	

* Attach Additional Sheets If Necessary