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

Attach Additional Sheets If Necessary

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 District Office in accordance with Rule 116 on back side of form

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Release Notification and Corrective Action OPERATOR Initial Report Final Report Name of Company COG Operating LLC Contact Robert McNeill Address 600 W. Illinois Ave, Midland, Texas 79701 Telephone No. (432) 685-4332 Facility Name Loco Hills SWD 35 #001 Facility Type Tank Battery Mineral Owner Surface Owner: State Lease No. (API#) 30-015-1535789 31635 LOCATION OF RELEASE Unit Letter Section Township Feet from the North/South Line Range Feet from the East/West Line County 178 36 30E Eddy Latitude 32.78561° N Longitude 103,91967° W NATURE OF RELEASE Type of Release: Produced Water Volume of Release 3050bbls Volume Recovered 1820bbls Source of Release: Main Water Line Rupture Date and Hour of Occurrence Date and Hour of Discovery 3/14/2014 3/14/2014 9:00 am Was Immediate Notice Given? If YES, To Whom? Mike Bratcher - NMOCD By Whom? Michelle Mullins Date and Hour 7/11/2013 8:40 am Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No N/A If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* A fused 90 failed going into the fined facility. Repaired and replaced the failed 90 Describe Area Affected and Cleanup Action Taken.* Initially 3050 bbls of produced water were released. We were able to recover 1820 bbls with vacuum trucks. All free fluids have been recovered by Concho. Tetra Tech evaluated spill area and submitted work plan to the NMOCD for review and approval. The impacted soils were excavated and hauled to proper disposal. Once completed, the areas were backfilled with clean soil to grade. Closure Report was prepared and submitted to review and approval. 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. OIL CONSERVATION Signature: Approved by District Supervisor: Printed Name: Ike Tavarez Expiration Date: Title: Project Manager Approval Date: Conditions of Approval: E-mail Address: Ike. Tavarez@TetraTech.com Attached Date: 8/18/2014 Phone: (432) 682-4559