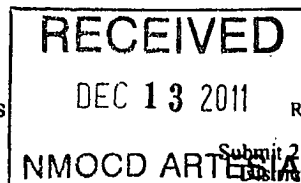


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

NMB1135353926

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|--|---------------|-------------------------------|
| Name of Company | COG OPERATING LLC 229137 | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | White Oak State Tank Battery | Facility Type | Tank Battery |
| Surface Owner | State | Mineral Owner | Lease No. (API#) 30-015-29749 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| P | 23 | 17S | 28E | | | | | Eddy |

Latitude 32.8150 Longitude 104.1392

NATURE OF RELEASE

| | | | | | |
|-----------------------------|--|---|------------|----------------------------|----------------------|
| Type of Release | Produced water | Volume of Release | 15bbls | Volume Recovered | 5bbls |
| Source of Release | Water tank | Date and Hour of Occurrence | 12/01/2011 | Date and Hour of Discovery | 12/01/2011 7:00 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.*

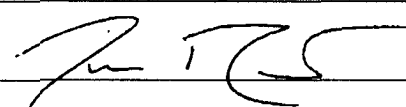
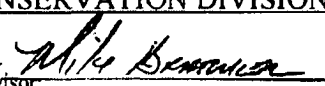
Describe Cause of Problem and Remedial Action Taken.*

The transfer pump could not discharge fluid through new SWD line. The water tank filled up quickly and ran over. The discharge line from the transfer pump has been changed.

Describe Area Affected and Cleanup Action Taken.*

Initially 15bbls of produced water was released from the water tank and we were able to recover 5bbls with a vacuum truck. All free fluid remained on the location. All free fluid has been recovered and contaminated soil will be removed and hauled to disposal. 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 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 | |
| Printed Name: | Josh Russo | Signed By:  Approved by District Supervisor. | |
| Title: | HSE Coordinator | Approval Date: | DEC 19 2011 |
| E-mail Address: | jrusso@conchoresources.com | Expiration Date: | |
| Date: | 12/13/2011 | Phone: | 432-212-2399 |
| Conditions of Approval: | | Attached <input type="checkbox"/> | |
| Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: | | | |

* Attach Additional Sheets If Necessary

1/19/2012

2RP-978