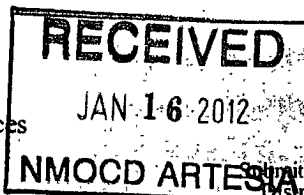


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nMLB/204149632

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 | Dogwood Federal | Facility Type | Tank Battery |

| | | | | |
|---------------|---------|---------------|--|---|
| Surface Owner | Federal | Mineral Owner | | Lease No. (API)# 30-015-32927 NMNM-94594 |
|---------------|---------|---------------|--|---|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| F | 25 | 17S | 27E | | | | | Eddy |

Latitude 32 48.245 Longitude 104 14.115

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced water | Volume of Release 105bbls | Volume Recovered 100bbls |
| Source of Release Water tank | Date and Hour of Occurrence 01/03/2012 | Date and Hour of Discovery 01/03/2012 8:00 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 Jim Amos- BLM Terry Gregston- BLM | |
| By Whom? Josh Russo | Date and Hour 01/04/2012 10:54 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.*

Wells were turned off due to problems with water haulers and when the wells were turned back on the water haulers were not notified in time.

Describe Area Affected and Cleanup Action Taken.*

Initially 105bbls were released and we were able to recover 100bbls with a vacuum truck. All of the fluid was contained inside the walls of the facility. Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present the NMOCD/BLM with a work plan 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 | Approved by District Supervisor: | |
| Title: HSE Coordinator | Approval Date: FEB 10 2012 | Expiration Date: |
| E-mail Address: jrusso@conchoresources.com | Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 3/10/12 | Attached <input type="checkbox"/> |
| Date: 01/16/2012 Phone: 432-212-2399 | | |

* Attach Additional Sheets If Necessary

2RP-1002