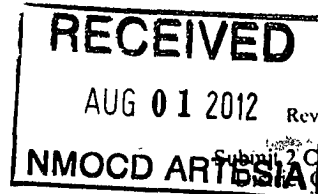


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

JMW 1222229678

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	Dryland Shiner Federal Tank Battery	Facility Type	Tank Battery
Surface Owner	Federal	Mineral Owner	
		Lease No. (API#)	30-015-32815

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	3	21S	25E					Eddy

Latitude 32.51975 Longitude 104.37667

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	500bbls	Volume Recovered	480bbls
Source of Release	Oil tanks	Date and Hour of Occurrence	07/18/2012	Date and Hour of Discovery	07/18/2012 12:30 p.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?	Michelle Mullins	Date and Hour	07/19/2012 2:55 p.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.*

The water dumps on the FWKO failed, sending the water to the oil tanks. The oil tanks overflowed causing the release of fluid. The FWKO has been removed from service while the water dumps are being repaired.

Describe Area Affected and Cleanup Action Taken.*

Initially 500bbls of produced water were released from the oil tanks and we were able to recover 480bbls with vacuum trucks. All free fluid has been recovered. The spill area was contained on the pad location of the facility. 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 NMOC D/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 NMOC D 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 NMOC D 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, NMOC D 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.			
Printed Name.	Josh Russo	Approved by District Supervisor:	Signed By
Title:	HSE Coordinator	Approval Date:	AUG 09 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	07/31/2012	Phone:	432-212-2399
		Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:

9/9/12

2RP-1246