

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

DEC 27 2012

NMOCD ARTESIA

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

nJMW1301529923

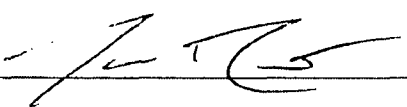
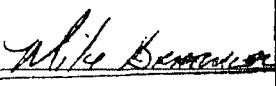
| | | | |
|-----------------------|---|--|---------------------------------------|
| OPERATOR | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company | COG OPERATING LLC 229137 | Contact | Pat Ellis |
| Address | 600 West Illinois Avenue, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | Empire Federal SWD #3 | Facility Type | SWD |
| Surface Owner Federal | | Mineral Owner | Lease No. (API#) 30-015-37831 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| K | 10 | 17S | 29E | | | | | Eddy |

Latitude 32.84736 Longitude 104.06480

NATURE OF RELEASE

| | | | | | |
|--|--|---|------------|--|----------------------|
| Type of Release | Produced water | Volume of Release | 15bbls | Volume Recovered | 12bbls |
| Source of Release | Ball valve on trucking load line | Date and Hour of Occurrence | 12/12/2012 | Date and Hour of Discovery | 12/12/2012 7:00 a.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 ball valve on the load line was partially left open causing a release of produced water. The ball valve has been closed. | | | | | |
| Describe Area Affected and Cleanup Action Taken.* | | | | | |
| Initially 15bbls of produced water were released from the ball valve at the load line and we were able to recover 12bbls with a vacuum truck. The location has been scraped and contaminated caliche has been hauled to disposal. Tetra Tech will sample the spill site area to delineate any possible contamination from the release and we will present a 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 | | | |
| Printed Name: Josh Russo | | Approved by District Supervisor: | | Signed By:  | |
| Title: Senior Environmental Coordinator | | Approval Date: JAN 15 2013 | | Expiration Date: | |
| E-mail Address: jrusso@concho.com | | Conditions of Approval: | | Attached <input type="checkbox"/> | |
| Date: 12/27/2012 Phone: 432-212-2399 | | | | | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**
February 15, 2013

2RP-1490