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 **OPERATOR** Initial Report COG OPERATING LLC 229137 Contact Robert McNeill 600 West Illinois Avenue, Midland, TX 79701 Address Telephone No. 432-230-0077 Facility Name: Kudu Fee #1H Facility Type: Battery Mineral Owner: Fee Surface Owner: Fee Lease No. (API#) 30-015-42029 LOCATION OF RELEASE North/South Line Range Unit Letter Section Township Feet from the East/West Line Feet from the County 13 **24S** 27Ē 200 0 South 2350 East Eddy Latitude N32' 12.600' Longitude W104' 08.571 **NATURE OF RELEASE** Type of Release Volume of Release Volume Recovered Oil and Produced Water Oil: 25 bbls; PW: 150 bbls Oil: 24 bbls; PW: 150 bbls Source of Release Date and Hour of Occurrence Date and Hour of Discovery Gasket failure on water knock out 8-12-2014 6:00 am 8-12-2014 8:00 am Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☒ No ☐ Not Required Mike Bratcher - OCD By Whom? Amanda Truiillo Date and Hour 8-15-2014 5:00 PM Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully, Describe Cause of Problem and Remedial Action Taken.* A gasket on the water knockout failed causing the release of fluid. The gasket was replaced, Describe Area Affected and Cleanup Action Taken.* This release occurred within a lined containment. Vacuum trucks were dispatched and recovered all standing fluid. This location has been returned to its prior condition. 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: Amanda Trujillo Title: Senior Environmental Coordinator Approval Date: **Expiration Date:** E-mail Address: atrujillo@concho.com Conditions of Approval Attached Date August 15, 2014 Phone: 575-748-6940 Attach Additional Sheets If Necessary

NM OIL CONSERVATION

ARTESIA DISTRICT

AUG 1 5 2014

RECEIVED