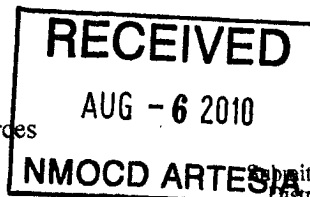


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

*NMUB1027952232*

Name of Company		COG OPERATING LLC <i>229 137</i>	OPERATOR	<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Address		550 W. Texas, Suite 100, Midland, TX 79701	Contact	Pat Ellis	
Facility Name		Tex Mack 11 Federal #35	Telephone No.	432-230-0077	
			Facility Type	Well	
Surface Owner		Federal	Mineral Owner	Lease No. (API#) 30-015-37667	

LOCATION OF RELEASE

Unit Letter M	Section 11	Township 17S	Range 31E	Feet from the 920	North/South Line SOUTH	Feet from the 1024	East/West Line WEST	County EDDY
------------------	---------------	-----------------	--------------	----------------------	---------------------------	-----------------------	------------------------	----------------

Latitude 32 50.659 Longitude 103 50.721

NATURE OF RELEASE

Type of Release	Produced Fluid	Volume of Release	70bbls	Volume Recovered	60bbls
Source of Release	Wellbore (casing)	Date and Hour of Occurrence	07/27/2010	Date and Hour of Discovery	07/27/2010 1:00 p.m.
Was Immediate Notice Given?		If YES, To Whom?			
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required		Mike Bratcher—OCD			
By Whom?		Date and Hour			
Josh Russo		07/28/2010 10:52 a.m.			
Was a Watercourse Reached?		If YES, Volume Impacting the Watercourse.			
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

If a Watercourse was Impacted, Describe Fully.\*

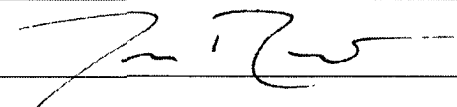
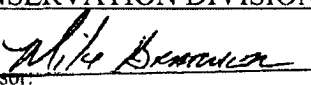
Describe Cause of Problem and Remedial Action Taken.\*

The well was flowing up the backside and a shallow hole in the 5 1/2 casing allowed fluid to escape into the 8 5/8 casing. The fluid in the 8 5/8 casing then escaped into the wellbore due to an improper seal between the 5 1/2 and 8 5/8 casing. The well is in the process of being repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.\*

Initially 70bbls of produced fluid escaped from the wellbore covering roughly 40% of the well pad in fluid. We were able to recover 60bbls of fluid with a vacuum truck. All released fluid remained on the well pad location. 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/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	
		Signed By: 	
Printed Name: Josh Russo		Approved by District Supervisor:	
Title: HSE Coordinator		Approval Date: <b>OCT 06 2010</b> Expiration Date:	
E-mail Address: jrusso@conchoresources.com		Conditions of Approval:	
Date: 08/03/2010 Phone: 432-212-2399		Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary

REMEDATION per OCD Rules and  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL BY: *Proposal Rec'd*  
*10/4/10*

*2RP-443*

*NMUB1027954858*