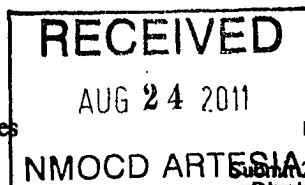


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nMLB1125230955 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	Skelly 973	Facility Type	Tank Battery

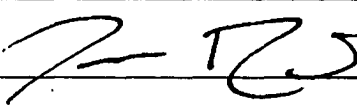
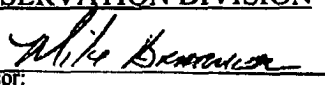
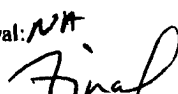
Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-36283
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	21	17S	31E					Eddy

Latitude 32 49.547 Longitude 103 52.419

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	300bbls	Volume Recovered	299bbls
Source of Release	4" nipple on filter pot	Date and Hour of Occurrence	08/12/2011	Date and Hour of Discovery	08/12/2011 6:30 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		
By Whom?	Josh Russo	Date and Hour	08/16/2011 2:33 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.*					
A 4" nipple failed on the filter pot causing the release of fluid. All nipples have been replaced.					
Describe Area Affected and Cleanup Action Taken.*					
Initially 300bbls of fluid were released and we were able to recover 299bbls of produced water. The entire release was contained inside the facility dike walls. This facility is completely lined with 40mil plastic. Contaminated gravel has been removed from the facility. Clean gravel has been added as necessary. The facility 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.					
Signature: 		OIL CONSERVATION DIVISION			
Printed Name: Josh Russo		Signed By  Approved by District Supervisor:			
Title: HSE Coordinator		Approval Date: SEP 09 2011		Expiration Date: NA	
E-mail Address: jrusso@conchoresources.com		Conditions of Approval: NA 		Attached <input type="checkbox"/>	
Date: 08/24/2011		Phone: 432-212-2399			

* Attach Additional Sheets If Necessary

2RP-880