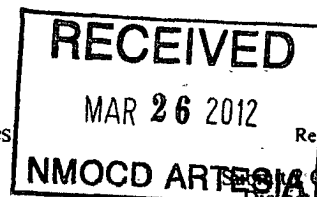


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nmlb120975344

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	COG OPERATING LLC 229/37	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Skelly Unit #605 Tank Battery	Facility Type	Tank Battery

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-36885
---------------	---------	---------------	--	------------------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	14	17S	31E					Eddy

Latitude 32 50.035 Longitude 103 50.359

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	50bbls	Volume Recovered	50bbls
Source of Release	Water pump	Date and Hour of Occurrence	03/15/2012	Date and Hour of Discovery	03/15/2012 3:00 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		
By Whom?	Josh Russo	Date and Hour	03/19/2012 9:50 a.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 transition weld parted on poly flowline on the discharge side of the water transfer pump. The flowline has been repaired and returned to service.

Describe Area Affected and Cleanup Action Taken.*

Initially roughly 50bbls were released from the faulty flowline at the discharge side of the water transfer pump. We were able to recover all 50bbls. The release was contained inside the lined facility walls of the tank battery. All contaminated gravel has been removed and replaced with fresh gravel. 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	
Title:	HSE Coordinator	Approved by District Supervisor:	
E-mail Address:	jrusso@conchoresources.com	Approval Date:	APR 06 2012
Date:	03/26/2012	Expiration Date:	N/A
Phone:	432-212-2399	Conditions of Approval:	N/A
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-1086