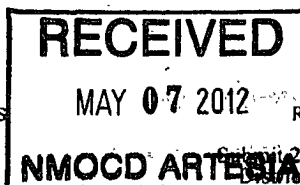


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb 121534/006

NOTE:

OPERATOR

☒ Initial Report

☒ Final Report

Name of Company	COG OPERATING LLC 217955	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Challenger State Tank Battery	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner		Lease No. (API#)	30-015-36535
				Closest well	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	1	25S	29E					Eddy

Latitude 32.16446 Longitude 103.94461

NATURE OF RELEASE

Type of Release	Produced fluid	Volume of Release	3bbls	Volume Recovered	0bbls
Source of Release	Heater/flowline	Date and Hour of Occurrence	04/25/2012	Date and Hour of Discovery	04/25/2012 2:45 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	04/26/2012 4:42 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.*

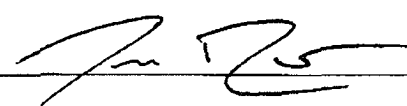
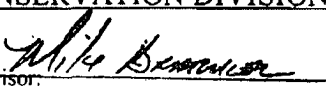
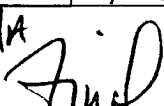
Describe Cause of Problem and Remedial Action Taken.*

On 04/25/2012, a heater treater at our Challenger State Tank Battery caught on fire. A fire tube gasket failed at one heater treater and caused the second heater treater in close proximity to ignite. We are working to replace the two 4' x 20' heater treaters with one 6' x 20' heater treater.

Describe Area Affected and Cleanup Action Taken.*

During the fire at the facility, a mist of produced fluid was sprayed from the heater treaters onto the tank battery location. The area affected by the spray measured 25' x 50' inside the facility. There were also three flowlines that melted directly outside the facility from the heat of the fire. Minimal fluid was released from the heater treater and the flowlines. It is estimated that 3bbls were released from the overspray and the fluid that was in the burned flowlines. There was no standing fluid to recover from any of the release points. The facility has been scraped both where the overspray occurred, and where the flowlines were burned. New gravel has been added to the facility where necessary.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 NMOC D 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, NMOC D 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:	
Title:	HSE Coordinator	Approval Date:	JUN 01 2012
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	N/A
Date:	05/07/2012	Phone:	432-212-2399
		Conditions of Approval:	N/A 
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RA-1144