

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

RECEIVED

SEP 27 2012

NMOCD ARTESIA

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

JMW 1228948228

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   | Way South State Com #1H Tank Battery       | Facility Type | Tank Battery |

|               |       |               |  |                       |                     |
|---------------|-------|---------------|--|-----------------------|---------------------|
| Surface Owner | State | Mineral Owner |  | Lease No.             | (API#) 30-015-37234 |
|               |       |               |  | Closest Well Location |                     |

LOCATION OF RELEASE

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| A           | 30      | 26S      | 28E   |               |                  |               |                | Eddy   |

Latitude 32 01.152 Longitude 104 07.165

NATURE OF RELEASE

|                             |   |   |                         |                            |                         |
|-----------------------------|---|---|-------------------------|----------------------------|-------------------------|
| Type of Release             | Produced Water / Oil  | Volume of Release                         | 75bbls pw<br>10bbls oil | Volume Recovered           | 71bbls pw<br>10bbls oil |
| Source of Release           | Burned lines at FWKO and heater   | Date and Hour of Occurrence               | 09/16/2012              | Date and Hour of Discovery | 09/16/2012 2:15 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?                    | Michelle Mullins  | Date and Hour                             | 09/17/2012 8:19 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 fire caused several lines to be burned; this caused the release of fluid. The equipment in the facility is being repaired in order to be returned to service.

Describe Area Affected and Cleanup Action Taken.\*

Initially 85bbls of produced fluid was released and we were able to recover 81bbls with a vacuum truck. Majority of the release was around the production equipment where the lines were burned. 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 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  |                                 |                                   |
| Printed Name:   | Josh Russo                 | Approved by District Supervisor | Signed By Mike Bratcher           |
| Title:          | HSE Coordinator            | Approval Date:                  | 15 2012                           |
| E-mail Address: | jrusso@conchoresources.com | Expiration Date:                |                                   |
| Date:           | 09/27/2012                 | Phone:                          | 432-212-2399                      |
|                 |                            | Conditions of Approval:         | Attached <input type="checkbox"/> |

\* Attach Additional Sheets If Necessary

Remediation per OCD Rules &  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL NOT LATER THAN:  
November 15, 2012

2RP-1321