

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

OPERATOR

Initial Report Final Report

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|--|-------------------------------------|
| Name of Company COG Operating LLC | Contact Robert McNeill |
| Address 600 W. Illinois Ave, Midland, Texas 79701 | Telephone No. (432) 685-4332 |
| Facility Name Loco Hills SWD 35 #001 | Facility Type Tank Battery |

| | | |
|-----------------------------|---------------|--|
| Surface Owner: State | Mineral Owner | Lease No. (API#) 30-015-1535789 |
|-----------------------------|---------------|--|

LOCATION OF RELEASE

31635

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| P | 36 | 17S | 30E | | | | | Eddy |

Latitude 32.78561° N Longitude 103.91967° W

NATURE OF RELEASE

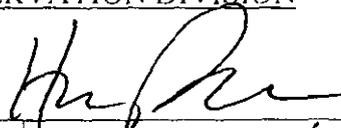
| | | |
|--|---|--|
| Type of Release: Produced Water | Volume of Release 3050bbls | Volume Recovered 1820bbls |
| Source of Release: Main Water Line Rupture | Date and Hour of Occurrence 3/14/2014 | Date and Hour of Discovery 3/14/2014 9:00 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher - NMOCD | |
| By Whom? Michelle Mullins | Date and Hour 7/11/2013 8:40 am | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
A fused 90 failed going into the lined facility. Repaired and replaced the failed 90

Describe Area Affected and Cleanup Action Taken.*
Initially 3050 bbbs of produced water were released. We were able to recover 1820 bbbs with vacuum trucks. All free fluids have been recovered by Concho. Tetra Tech evaluated spill area and submitted work plan to the NMOCD for review and approval. The impacted soils were excavated and hauled to proper disposal. Once completed, the areas were backfilled with clean soil to grade. Closure Report was prepared and submitted to review and approval.

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: Ike Tavarez | Approved by District Supervisor:  | |
| Title: Project Manager | Approval Date: 11/4/15 | Expiration Date: N/A |
| E-mail Address: Ike.Tavarez@TetraTech.com | Conditions of Approval: Final | Attached <input type="checkbox"/> |
| Date: 8/18/2014 | Phone: (432) 682-4559 | |

Attach Additional Sheets If Necessary

20P-2235