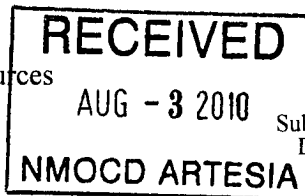


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 1030139782

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC <i>229137</i>	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Skelly Unit #611	Facility Type	Well

Surface Owner	Federal	Mineral Owner		Lease No. (API#)	30-015-36887
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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
I	22	17S	31E	2380	SOUTH	990	EAST	Eddy

Latitude 32 49.165 Longitude 103 51.129

NATURE OF RELEASE

Type of Release	Produced Fluid	Volume of Release	15bbls	Volume Recovered	13bbls
Source of Release	Wellhead	Date and Hour of Occurrence	07/20/2010	Date and Hour of Discovery	07/20/2010 5:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
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.*
There was a small hole in the 1x4 inch nipple coming off of the pumping tee. The defective nipple has been replaced with a new stainless steel nipple.

Describe Area Affected and Cleanup Action Taken.*
Initially the small pinhole in the 1x4 inch nipple released 15bbls of produced fluid around the well. All fluid stayed on the pad location and we were able to recover 13bbls with a vacuum truck. The dimensions of the spill area were 20 yards x 30 yards. 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/BLM 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	
Title:	HSE Coordinator	Approval Date:	OCT 28 2010
E-mail Address:	jrusso@conchoresources.com	Expiration Date:	
Date:	08/01/2010	Phone:	432-212-2399
		Conditions of Approval:	Remediation per NMOCD Rules & Guide lines
		Attached	<input type="checkbox"/>

* Attach Additional Sheets If Necessary

Remediation plan approved

2RP-452