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

State of New Mexico Energy Minerals and Natural Resources JUN 3 0 2010

RECEIVED

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr.

NMOCD ARTESIA: 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

| 1220 S. St. Franc                                  |               |                 | ,            | Santa Fe, NM 87505 |             |                   |               |              | 1             | Side of form |
|--|---------------|-----------------|--------------|--------------------|-------------|-------------------|---------------|--------------|---------------|--------------|
| 30.0   | _             | •               | Rele         | ease Notific       | ation an    | d Co              | rrective A    | ction        |               |              |
| KMW 1035   | 64/3          | 56              |              |                    | OPI         | ERAT              | OR            | ⊠ I          | nitial Report | Final Repor  |
| Name of Company COG OPERATING LLC 229/37           |               |                 |              |                    |             | Contact Pat Ellis |               |              |               |              |
| Address 550 W. Texas, Suite 100, Midland, TX 79701 |               |                 |              |                    | 1 Telep     | Telephone No.     |               | -230-0077    |               |              |
| Facility Name East High Lonesome Tank Battery      |               |                 |              |                    | Facili      | Facility Type     |               | k Battery    |               |              |
| Surface Owr  |               | deral           |              | Mineral C          | )wner       |                   |               | Lea          | se No. 91-0   | 08663-A      |
| ·  |               |                 | thail Mi     | LOCA               | ATION OF    | REL               | EASE.         |              |               |              |
| Unit Letter<br>H                                   | Section<br>14 | Township<br>16S | Range<br>39E | Feet from the      | North/South | Line              | Feet from the | East/West Li | ne County     | Eddy         |

| <b>Latitude</b> 32 55.377 <b>Longitude</b> 104 02.391   |  |                                      |  |  |  |  |  |  |  |
|---|--|--------------------------------------|--|--|--|--|--|--|--|
| NATURE OF RELEASE   |  |                                      |  |  |  |  |  |  |  |
| Type of Release Produced Water  | Volume of Release 200bbls                                | Volume Recovered 195bbls             |  |  |  |  |  |  |  |
| Source of Release Water Tank  | Date and Hour of Occurrence                              | Date and Hour of Discovery           |  |  |  |  |  |  |  |
|   | 06/21/2010   | 06/21/2010 12:00 p.m.                |  |  |  |  |  |  |  |
| Was Immediate Notice Given?   | If YES, To Whom?   |                                      |  |  |  |  |  |  |  |
| ☐ Yes ☐ No ☐ Not Required   | Mike I   | Bratcher—OCD                         |  |  |  |  |  |  |  |
| By Whom? Josh Russo   | Date and Hour 06/22/2010                                 | 5:23 p.m.                            |  |  |  |  |  |  |  |
| Was a Watercourse Reached?  ☐ Yes ☒ No  | If YES, Volume Impacting the Watercourse.                |                                      |  |  |  |  |  |  |  |
|   |  |                                      |  |  |  |  |  |  |  |
| If a Watercourse was Impacted, Describe Fully.*   |  |                                      |  |  |  |  |  |  |  |
|   |  |                                      |  |  |  |  |  |  |  |
| Describe Cause of Problem and Remedial Action Taken.*   |  |                                      |  |  |  |  |  |  |  |
| The release was caused by a hurned relay nowering the Minnhy tank leve  | d switch gaige. The problem was imp                      | nadiotaly corrected                  |  |  |  |  |  |  |  |
| The release was caused by a burned relay powering the Murphy tank level switch gauge. The problem was immediately corrected.                              |  |                                      |  |  |  |  |  |  |  |
| Describe Area Affected and Cleanup Action Taken.*   |  |                                      |  |  |  |  |  |  |  |
| Initially we released 200bbls of produced water from the water tank, inside the unlined dike of the tank battery. All of the fluid from the released was  |  |                                      |  |  |  |  |  |  |  |
| contained within the firewalls. We were able to recover 195bbls with a vacuum truck. (The closest well location to the release is the High Lonesome       |  |                                      |  |  |  |  |  |  |  |
| Federal 26 Com. #1, Unit. A, Sec. 26-T16S-R29E, 660 FNL 1150 FEL, Eddy County, NM, NMNM-118710, 'API#30-015-31899') 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 BLM / NMOCD for approval  |  |                                      |  |  |  |  |  |  |  |
| prior to any significant remediation work.  |  |                                      |  |  |  |  |  |  |  |
| I hereby certify that the information given above is true and complete to t   | he best of my knowledge and understa                     | and 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.   | OIL CONGERN  | ATION DIVIGION                       |  |  |  |  |  |  |  |
|   | OIL CONSERV  | ATION DIVISION                       |  |  |  |  |  |  |  |
| Signature:  | - 41   | Je Bennuar_                          |  |  |  |  |  |  |  |
|   | Approved by District Property of Manuel                  |                                      |  |  |  |  |  |  |  |
| Printed Name Josh Russo   |  |                                      |  |  |  |  |  |  |  |
| Title: HSE Coordinator  | Approval Date: 1/6/2011                                  | Expiration Date:                     |  |  |  |  |  |  |  |
|   | Conditions of Approval Remedian UMoca Roles & Cuidelines | tron por                             |  |  |  |  |  |  |  |
| E-mail Address: jrusso@conchoresources.com  | Conditions of Approval                                   | Attached                             |  |  |  |  |  |  |  |
| Date: 06/23/2010 Phone: 432-212-2399  | VITOR KOWS - CENTRETINES                                 |                                      |  |  |  |  |  |  |  |
| Attach Additional Sheets If Necessary   |  |                                      |  |  |  |  |  |  |  |

2RP 519