

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

| | | | |
|-----------------|--|---------------|--------------|
| Name of Company | COG OPERATING, LLC | Contact | Pat Ellis |
| Address | 550 W. Texas, Suite 100, Midland, TX 79701 | Telephone No. | 432-230-0077 |
| Facility Name | G.C. Federal 27 Tank Battery | Facility Type | Tank Battery |

| | | | | | |
|---------------|---------|---------------|--|------------------|--------------|
| Surface Owner | Federal | Mineral Owner | | Lease No. (API#) | 30-025-39515 |
|---------------|---------|---------------|--|------------------|--------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| I | 20 | 17S | 32E | 2410 | SOUTH | 265 | EAST | LEA |

Latitude 32.815433 Longitude 103.774917

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|------------------------------|----------------------------|----------------------|
| Type of Release | Produced water | Volume of Release | 205 bbls | Volume Recovered | 200 bbls |
| Source of Release | 4 inch poly line | Date and Hour of Occurrence | 02/12/2010 10:00 a.m. | Date and Hour of Discovery | 02/12/2010 10:00a.m. |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Mark - OCD Jim Amos - BLM | | |
| By Whom? | Rick Wright | Date and Hour | 02/12/2010 | | |
| 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.*

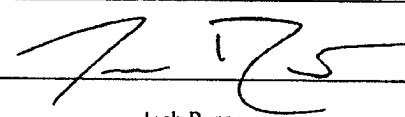

Describe Cause of Problem and Remedial Action Taken.*

A backhoe hit and ruptured an above ground 4 inch poly line while building a caliche road. The 4 inch poly line was repaired.

Describe Area Affected and Cleanup Action Taken.*

205bbls of produced fluid was contained on caliche road by a 30'x60'dike wall that the backhoe operator built immediately after the poly line ruptured. A vacuum truck was called and recovered 200bbls of fluid. The area affected was scraped and the contaminated soils were hauled off. (Covered under one-call from building road). (The nearest location to the spill is the G.C. FEDERAL #39) Tetra Tech will then 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 District Supervisor: |  |
| Title: | HSE Coordinator | Approval Date: | 2.19.10 |
| E-mail Address: | jrusso@conchoresources.com | Expiration Date: | 4.19.10 |
| Date: | 02/12/2010 | Phone: | 432-212-2399 |
| | | Conditions of Approval: | Attached <input type="checkbox"/> |

IRP# 10.2.2430

* Attach Additional Sheets If Necessary