

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

AUG - 9 2010

NMOCD ARTESIA

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

17KMW1035535474

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	Firecracker State #2 Tank Battery	Facility Type	Tank Battery

Surface Owner	State	Mineral Owner	Lease No. (API#) 30-015-37506
---------------	-------	---------------	-------------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	14	17S	28E					EDDY

Latitude 32 49.862 Longitude 104 08.603

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	175bbls	Volume Recovered	175bbls
Source of Release	Water tank	Date and Hour of Occurrence	08/01/2010	Date and Hour of Discovery	08/01/2010 9:30 a.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?	Josh Russo	Date and Hour	08/02/2010 1:46 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.*

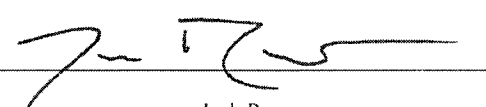
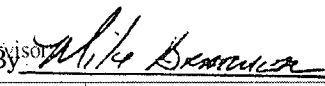
Describe Cause of Problem and Remedial Action Taken.*

The cause of the problem was due to both a generator failure and an alarm system failure. Both the generator and the alarm system have been repaired and put back into service.

Describe Area Affected and Cleanup Action Taken.*

Initially 175bbls of produced water was released from the water tank and completely contained inside the dike walls of the lined tank battery. We were able to recover all of the free fluid. All contaminated gravel will be removed and we will replace with clean gravel. (The closest well location is the Firecracker State #2, Unit O, Sec.14-T17S-R28E, 990' FSL 1650' FEL, Eddy County, NM, API# 30-015-37506). We will follow up with a C-141 Final Report.

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: 3/3/11	Expiration Date:
E-mail Address: jrusso@conchoresources.com		Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>
Date: 08/09/2010 Phone: 432-212-2399		4/3/11 2RP-506	

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Monday, August 02, 2010 12:46 PM
To: Bratcher, Mike, EMNRD
Cc: Pat Ellis
Subject: Firecracker St. #2 Battery Spill Immediate notification

Mr. Bratcher,

14-17-32
28E

Please see below the detailed description of a release that we had on 08/01/2010 at the Firecracker State #2 Tank Battery. We will follow up with a C-141 Initial Report.

Thank you,

Joshua Russo

HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
jrusso@conchoresources.com



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

From: Rick Wright
Sent: Monday, August 02, 2010 12:11 PM
To: Pat Ellis; Joshua Russo
Cc: Ron Beasley; Kent Greenway; Ryan Faulkenberry; Gail Lamb
Subject: Firecracker St. #2 Battery Spill

On 8-1-10 at 9:30am, a spill was discovered at the Firecracker St. #2 Battery. A generator malfunction, in conjunction with an alarm system failure, caused the produced water tank to run over. Approximately 175bbbls of produced water was released into the lined dike. All 175bbbls were recovered and disposed. Unsalvageable gravel will be removed and replaced. Problems with the generator and alarm system have been corrected and the battery remains in service. Legal description below.

N 32* 49.862'
W 104* 08.603'

Firecracker St. #2 Battery

Unit "O"

Sec.14-T176-R32E

Q - 286

Thanks,

Rick Wright

Production Foreman

COG Operating, LLC

2407 Pecos Ave.

Artesia, NM 88210

575.746.2010 office

432.528.5363 cell

575.746.2096 fax

rwright@conchoresources.com



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Well Selection Criteria Quick Print

(tblWellMaster.api_wellno Like '30015375060000')

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-015-37506-00-00	FIRECRACKER STATE	002	COG OPERATING LLC	O	N	Eddy	S	O	14	17 S	28 E	990 S	1650 E	

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Monday, August 09, 2010 8:13 AM
To: Bratcher, Mike, EMNRD
Cc: Pat Ellis
Subject: C-141 Initial Report - Firecracker State #2 Tank Battery
Attachments: FIRECRACKER STATE #2 TANK BATTERY -- DATE OF RELEASE -- 08-01-2010.PDF

Mr. Bratcher,

Please see attached the C-141 Initial Report for the Firecracker State #2 Tank Battery. Let me know if you have any questions or concerns.

Thanks again,

Joshua Russo

HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
jrusso@conchoresources.com



CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.