

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

NMOC D 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

AKMW1035535474

#### 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 |

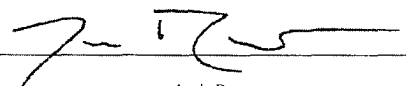
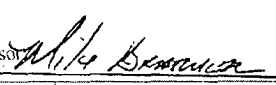
#### LOCATION OF RELEASE

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| 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 NMOC D 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 NMOC D 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, NMOC D 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:  |  |  |                  |
| Printed Name:   | Josh Russo  |  |                  |
| Title:  | HSE Coordinator   |  |                  |
| E-mail Address:   | jrusso@conchoresources.com  |  |                  |
| Date:   | 08/09/2010  | Phone:   | 432-212-2399     |
| Approved by District Supervisor:  |   | Signed By:  |                  |
| Approval Date:  |   | 3/3/11   | Expiration Date: |
| Conditions of Approval:   |   | Attached <input type="checkbox"/>  |                  |
| Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: |   |  |                  |

\* Attach Additional Sheets If Necessary

4/3/11 2RP-506

**Bratcher, Mike, EMNRD**

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**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

~~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](mailto:jrusso@conchoresources.com)



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**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 175bbbs of produced water was released into the lined dike. All 175bbbs 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