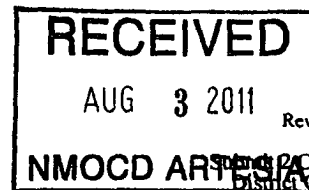


District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505

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  
Copies to appropriate  
Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

*nkmw/10355535474*

**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	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	175bbbs	Volume Recovered	175bbbs
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 175bbbs 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 has been removed and clean gravel has been added as necessary. (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). The location has been returned to its prior condition.

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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	Josh Russo	Signed By:	
Title:	HSE Coordinator	Approved by District Supervisor:	
E-mail Address:	jrusso@conchoresources.com	Approval Date:	AUG 17 2011
Date:	08/03/2011	Expiration Date:	NA
Phone:	432-212-2399	Conditions of Approval:	NA Final
		Attached	<input type="checkbox"/>

\* Attach Additional Sheets If Necessary

*JRP-506*