District I	D			St	ate of I	New Mexico		JCD Re	c'd: 08/06	/18		F C 141	
1625 N. French Dr., Hobbs, NM 88240 District II					and Natural Resources						Form C-141 d April 3, 2017		
811 S. First St., Artesia, NM 88210 District III				Oil Conservation Division			vicion	Submit 1 Copy to appropriate District Office i					
District_IV District_IV						St. Francis Dr.			accordance with 19.15.29 NMAC.				
1220 S. St. Fran	cis Dr., Sant	a Fe, NM 87505		Santa Fe, NM 87505									
			Rele	ease Notific				Action	· · · · ·				
nARIO	21112	48773	11011			OPERA		ICHOL		al Domo <i>s</i> t		Final Danast	
Name of Co	ompany D	evon Energy	1370	OPERATOR Initial Report Final Report Contact: Wes Ryan, Production Foreman									
Address 6488 Seven Rivers Hwy Artesia, NM 88210 Telephone No. 575-748-3371													
Facility Nar	ne Cotton	Draw Unit 2	5 CTB		1	Facility Type Oil							
Surface Ow	ner: Feder	al	_	Mineral C	wner: F	Federal	deral API N				io. 30-015-42849		
LOCATION OF RELEASE													
Unit Letter						South Line	Feet from the	East/West Line		County			
К	25	24S 31E								Eddy			
Latitude Longitude NAD83													
NATURE OF RELEASE													
Type of Release Produced Water (pw)						Volume of Release 19.07BBLS			Volume Recovered 15BBLS				
Source of Release						Date and Hour of Occurrence Date and Hour of Discover							
Poly Line Was Immediate Notice Given?						July 19, 2018 @ 2:00 PM MST July 19, 2018 @ 2:00 PM MST If YES, To Whom? If YES, To Whom?						<u>ST</u>	
Yes No X Not Require													
By Whom?						Date and Hour							
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse. N/A							
If a Watercourse was Impacted, Describe Fully.* N/A													
Describe Cause of Problem and Remedial Action Taken.*													
A leak was discovered on the weld of the poly transfer line towards the containment causing a release on location. The pumps were isolated to prevent any further release.													
Describe Are	a Affected	and Cleanup A	otion Tak	· · · · · · · · · · · · · · · · · · ·									
Describe Area Affected and Cleanup Action Taken.* Approximately 19.07 bbls of produced water was released on the location. 15.127 bbls were recovered from lined containment. An environmental contractor will be called in to assist with delineation and remediation efforts.													
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.													
lederal, state	, or local la	OIL CONSERVATION DIVISION											
Signature: Dana DeLaRosa									111011	011101			
Signature: L	iana De	Lakosa						a					
Printed Name: Dana DeLaRosa						Approved by Environmental Specialist: Maria Pruell							
Title: Field Admin Support						Approval Date: 8/8/18 Expiration Date: N/A							
E-mail Address: dana.delarosa@dvn.com						Conditions of Approval:							
_				Real Attached Attached									
Date:		Phone: 575.	/48.33/1					VI IAC	MILLI	1 6	<u>// [</u>	. 7900-	

OCD Rec'd: 08/06/18

* Attach Additional Sheets If Necessary

Operator/Responsible Party,

The OCD has received the form C-141 you provided on ____08/06/18______ regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number ARP______ has been assigned. Please refer to this case number in all future correspondence.

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete <u>division-approved corrective action</u> for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District _2__ office in Artesia_ on or before _09/06/18______. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

• Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.

• Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.

• Nominal detection limits for field and laboratory analyses must be provided.

• Composite sampling is not generally allowed.

• Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

•Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

• If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

• Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold OCD Environmental Bureau Chief 1220 South St. Francis Drive Santa Fe, New Mexico 87505 505-476-3465 jim.griswold@state.nm.us