

October 28, 2024
Devon Energy Production Company, LP
333 West Sheridan, Ave.
Oklahoma City, OK 73102

Attn: New Mexico Oil Conservation Division

1220 South St. Francis Drive Santa Fe, New Mexico, NM 87505

RE: Liner Inspection Report

Hot Potato 26 CTB 2

NMCOD Incident Number: nAPP2402543775

32.27158°, -103.950796° Eddy County, New Mexico

Terracon Project No. KH247009

To Whom It May Concern:

Terracon Consultants, Inc. (Terracon), on behalf of Devon Energy Production Company, LP (Devon), is submitting our Liner Inspection Report for the above-referenced site. Prepared in line with New Mexico Oil Conservation Division (NMOCD) regulations, this report addresses the environmental actions taken in response to a release of crude oil within the secondary containment discovered by Devon on January 24, 2024 and reported on January 25, 2024. Detailed assessment and remedial actions by Terracon are outlined in the following sections.

Action I tems

Completed Actions

- 1) Conducted a visual liner inspection on the secondary containment.
- 2) Maps and associated data for approval are provided.
- 3) A summary of the information provided in this report is included in Appendix A, as C-141 summary sheet.

Anticipated Actions

1) Approval by the NMOCD.

Site Information

On January 26, 2024, Terracon was informed by Devon to conduct a liner inspection, in association with a release of a reportable quantity of crude oil discovered on January 24, 2024, within the secondary containment at the Hot Potato 26 CTB 2 site. Notice of the Release was provided to the NMOCD District 2 Artesia Office with the submission of the initial C-141 by Devon on January 25, 2024, NMOCD Reference ID: nAPP2402543775. Devon informed Terracon of a reportable release of 10 barrels (bbls) of crude oil within the secondary containment had occurred and that a total of 10 bbls were recovered on January 25, 2024. The site is located within Unit S, Section 26, Township 23 South, Range 29 East, in Eddy



County, New Mexico. A Topographic Map and Site Location Map are included in Appendix A as Exhibit 1 and Exhibit 2, respectively.

Regulatory Criteria

Based on the New Mexico Office of the State Engineer (NMOSE) a well C-04326-POD14 is located approximately 1.14 miles northwest of the release site as indicated in the NMOSE Pod Location Map (Appendix A, Exhibit 3). The groundwater well was completed to a depth of 58 feet below ground surface (bgs) on May 11, 2019 and the depth to groundwater was recorded at 54 feet bgs. Review of the U.S. Fish and Wildlife Service, National Wetlands Inventory website indicates that there is a freshwater emergent wetland located approximately 0.70 miles southwest of the site as indicated in the designated Wetland Area Map included in Appendix A, Exhibit 4. A review of geospatial data obtained from the BLM Carlsbad Field Office website indicated that the site is within an area of medium risk for Karst formations, as indicated in the Cave Karst Public UCP Map included in Appendix A, Exhibit 5.

Remedial Activities

The 48-hour Notice for Liner Inspection NMOCD (C-141L) was submitted by Devon. Terracon conducted a visual assessment/inspection of the liner at the site on May 23, 2024. Photographs of the project site are included in Appendix B. Terracon Standard and Care, Limitation's and Reliance is included in Appendix C.

Conclusion

In accordance with NMAC 19.15.29. 11.5a, the battery containment liner at the Hot Potato 2 was visually inspected to be intact, with no signs of tearing. Given the recovery of the released fluids and the absence of any evidence indicating a release from the secondary containment, Devon is seeking approval for the closure of the incident nAPP2402543775.

We are grateful for the opportunity to offer our environmental services to Devon Energy Production Company, LP. We are committed to providing the highest level of service and support. Should you need further information or have any queries, we encourage you to reach out to our office at your earliest convenience.



Sincerely,



Prepared by: Reviewed by:

Charles F. Smith Senior Consultant Carlsbad, NM John Grams, P.G. (TX) Environmental Department Manager Lubbock, TX

Attachments:

Appendix A - Exhibits

Exhibit 1 - Topographic Map
Exhibit 2 - Site Location Map

Exhibit 3 - NMOSE POD Location Map
Exhibit 4 - Designated Wetland Area Map
Exhibit 5 - Cave Karst Public UCP Map

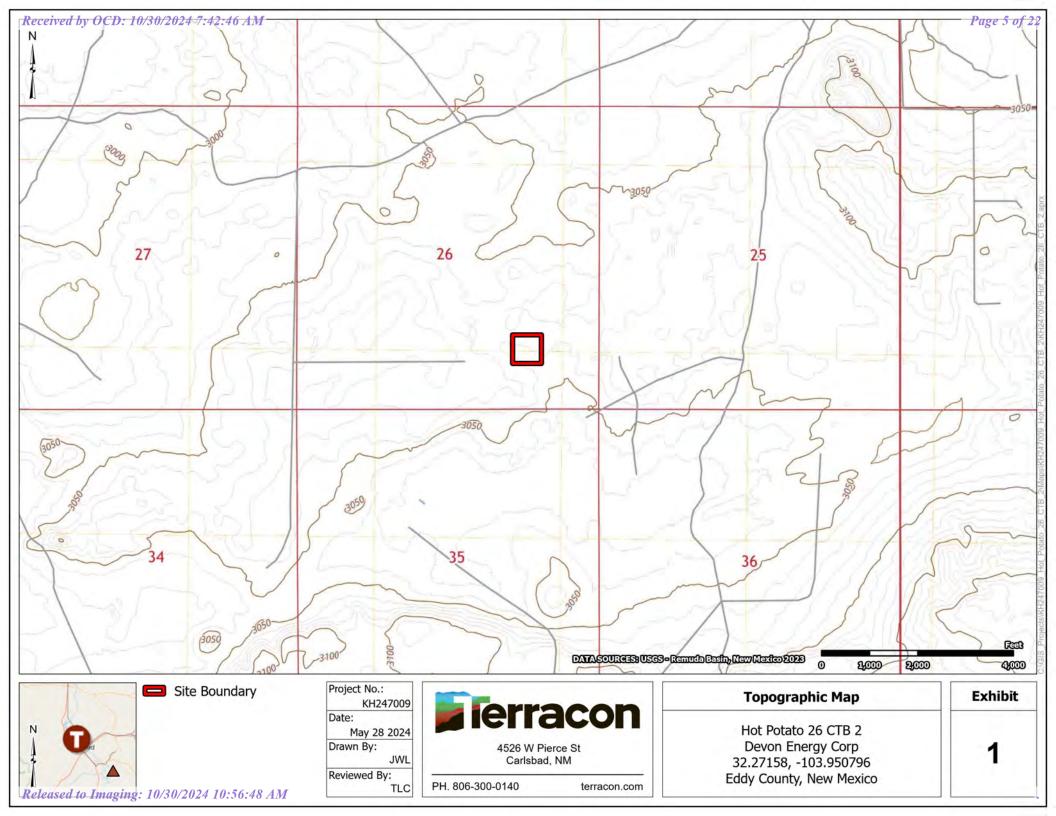
C-141 Summary Sheet

Appendix B - Photographic Log

Appendix C - Terracon Standard of Care, Limitation, & Reliance



APPENDIX A - EXHIBITS







Site Boundary

Date: May 28 2024 Drawn By: JWL Reviewed By:

KH247009

TLC



4526 W Pierce St Carlsbad, NM

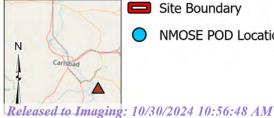
PH. 806-300-0140

terracon.com

Site Location Map

Hot Potato 26 CTB 2 **Devon Energy Corp** 32.27158, -103.950796 Eddy County, New Mexico **Exhibit**





Site Boundary

NMOSE POD Location

Drawn By: JWL Reviewed By:

Date:

KH247009

TLC

May 28 2024

ierracon

4526 W Pierce St Carlsbad, NM

PH. 806-300-0140

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NMOSE POD Location Map

Hot Potato 26 CTB 2 **Devon Energy Corp** 32.27158, -103.950796 Eddy County, New Mexico **Exhibit**





Project No.: KH247009

Date:

May 28 2024

Drawn By: JWL

Reviewed By: TLC



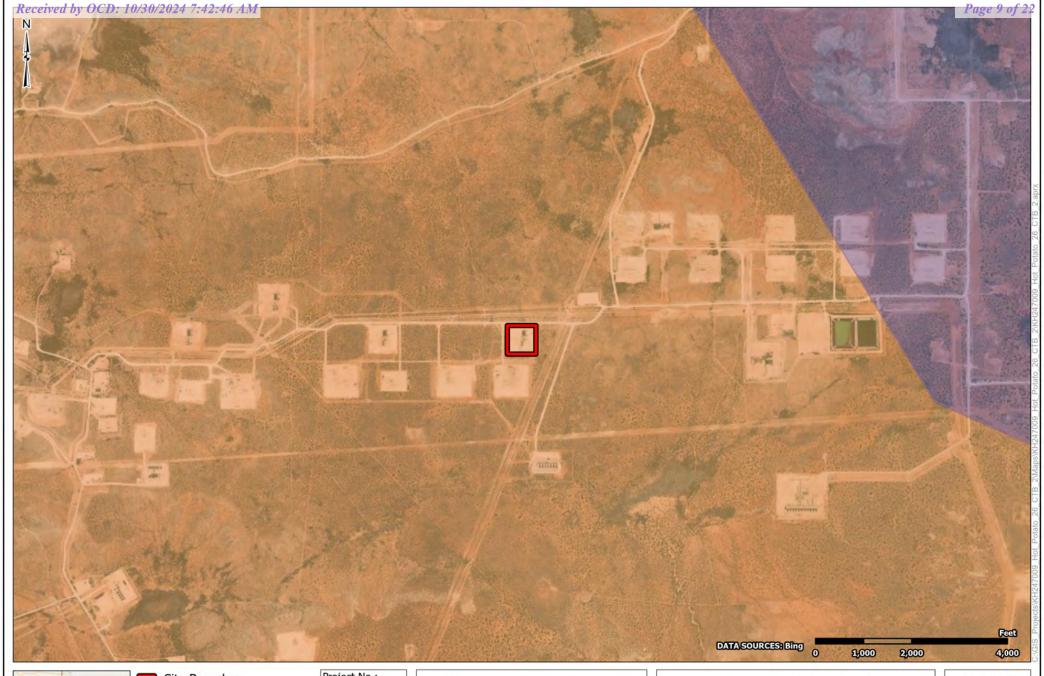
4526 W Pierce St Carlsbad, NM

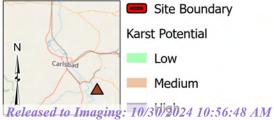
PH. 806-300-0140

terracon.com

Designated Wetland Area Map

Hot Potato 26 CTB 2 **Devon Energy Corp** 32.27158, -103.950796 Eddy County, New Mexico **Exhibit**





Project No.: KH247009

Date:

May 28 2024

Drawn By: JWL

Reviewed By:



4526 W Pierce St Carlsbad, NM

PH. 806-300-0140

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Cave Karst Public UCP Map

Hot Potato 26 CTB 2 Devon Energy Corp 32.27158, -103.950796 Eddy County, New Mexico **Exhibit**

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APPENDIX B - PHOTOGRAPHIC LOG





Photo 1 Facility Info



Photo 2 Site hazards





Photo 5

Southern Area of Pad



Photo 6

Center of Pad Facing East

Eddy County NMOCD ID: nAPP2402543775





Photo 7

North West Corner Facing East



Photo 8

North West Corner Facing South

10/28/2024

Eddy County NMOCD ID: nAPP2402543775





Photo 9

North East Corner Facing South West

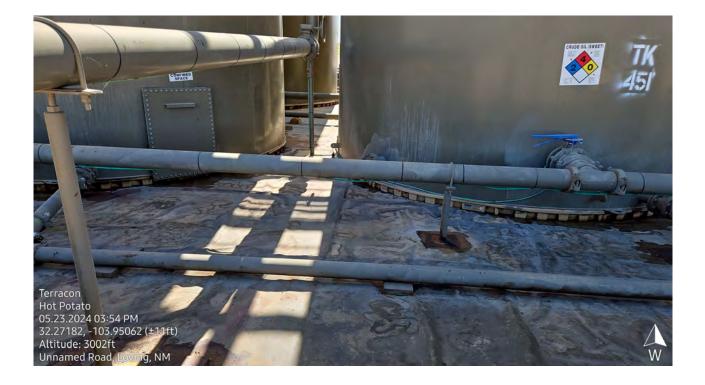


Photo 10

Center of Pad Facing West



Photo 11

South East Corner Facing North West

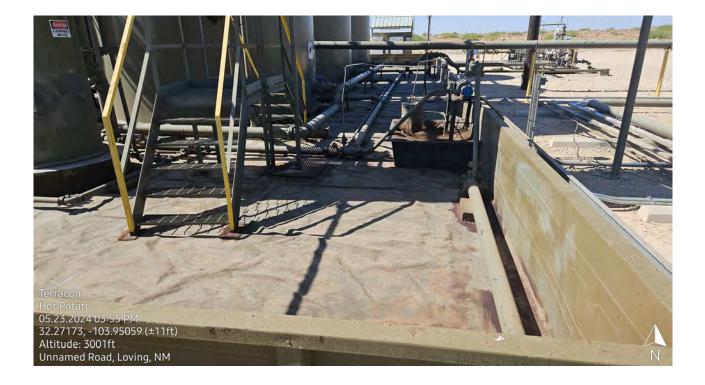


Photo 12

South East Corner Facing North



APPENDIX C - TERRACON STANDARD OF CARE, LIMITATION, AND RELIANCE

Standard of Care

Terracon's services were performed in a manner consistent with generally accepted practices of the profession undertaken in similar studies in the same geographical area during the same time. Terracon makes no warranties, either express or implied, regarding the findings, conclusions, or recommendations. Please note that Terracon does not warrant the work of laboratories, regulatory agencies, or other third parties supplying information used in the preparation of the report. These services were performed in accordance with the scope of work agreed with you, Devon Energy Production Company, LP, as reflected in our project # (KH247009).

Additional Scope Limitations

The development of this Closure Report is based on information provided by Devon Energy Production Company, LP, and Terracon's remediation and construction services line. Such information is subject to change over time. Certain indicators of the presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, nondetectable, or not present during these services. We cannot represent that the site contains no hazardous substances, toxic materials, petroleum products, or other latent conditions beyond those by information provided by Devon Energy Production Company, LP. The data, interpretations, findings, and recommendations are based solely upon reformation executed within the scope of these services.

Reliance

This report has been prepared for the exclusive use of Devon Energy Production Company, LP, and any authorization for use or reliance by any other party (except a governmental entity having jurisdiction over the site) is prohibited without the express written authorization of Devon Energy Production Company, LP and Terracon. Any unauthorized distribution or reuse is at Devon Energy Production Company, LP sole risk. Notwithstanding the foregoing, reliance by authorized parties will be subject to the terms, conditions, and limitations stated in Devon Energy Production Company, LP and Terracon's Master Services Agreement. The limitation of liability defined in the terms and conditions is the aggregate limit of Terracon's liability to Devon Energy Production Company, LP and all relying parties unless otherwise agreed in writing.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 396327

QUESTIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	396327
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2402543775
Incident Name	NAPP2402543775 HOT POTATO 26 CTB 2 @ 0
Incident Type	Oil Release
Incident Status	Remediation Closure Report Received
Incident Facility	[fAPP2123647922] HOT POTATO 26 CTB 2

Location of Release Source	
Please answer all the questions in this group.	
Site Name	HOT POTATO 26 CTB 2
Date Release Discovered	01/24/2024
Surface Owner	Federal

Incident Details	
Please answer all the questions in this group.	
Incident Type	Oil Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.	
Crude Oil Released (bbls) Details	Cause: Equipment Failure Pump Crude Oil Released: 10 BBL Recovered: 10 BBL Lost: 0 BBL.
Produced Water Released (bbls) Details	Not answered.
Is the concentration of chloride in the produced water >10,000 mg/l	Yes
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	The recirculating pump started leaking. it had spilled in the containment turn pump off to stop leak. 10.2 bbls oil released. 10 bbls recovered

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe. NM 87505

QUESTIONS, Page 2

Action 396327

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462	11 5, 1111 57 555
QUESTI	IONS (continued)
Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137 Action Number: 396327 Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)
QUESTIONS	, , , , , , , , , , , , , , , , , , , ,
Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	No
Reasons why this would be considered a submission for a notification of a major release	Unavailable.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e.	e. gas only) are to be submitted on the C-129 form.
Initial Response The responsible party must undertake the following actions immediately unless they could create a s	safety hazard that would result in injury.
The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.
	I lation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of ted or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of evaluation in the follow-up C-141 submission.
to report and/or file certain release notifications and perform corrective actions for releathe OCD does not relieve the operator of liability should their operations have failed to a	knowledge and understand that pursuant to OCD rules and regulations all operators are required asses which may endanger public health or the environment. The acceptance of a C-141 report by adequately investigate and remediate contamination that pose a threat to groundwater, surface t does not relieve the operator of responsibility for compliance with any other federal, state, or
I hereby agree and sign off to the above statement	Name: James Raley Title: EHS Professional

Email: jim.raley@dvn.com Date: 10/30/2024

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QUESTIONS, Page 3

Action 396327

QUESTIONS (continued)

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	396327
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Site Characterization		
Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.		
What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Between 51 and 75 (ft.)	
What method was used to determine the depth to ground water	Attached Document	
Did this release impact groundwater or surface water	No	
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:		
A continuously flowing watercourse or any other significant watercourse	Between 1 and 5 (mi.)	
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between 1 and 5 (mi.)	
An occupied permanent residence, school, hospital, institution, or church	Between 1 and 5 (mi.)	
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between 1 and 5 (mi.)	
Any other fresh water well or spring	Between 1 and 5 (mi.)	
Incorporated municipal boundaries or a defined municipal fresh water well field	Between 1 and 5 (mi.)	
A wetland	Between 1 and 5 (mi.)	
A subsurface mine	Between 1 and 5 (mi.)	
An (non-karst) unstable area	Between 1 and 5 (mi.)	
Categorize the risk of this well / site being in a karst geology	Medium	
A 100-year floodplain	Between 1 and 5 (mi.)	
Did the release impact areas not on an exploration, development, production, or storage site	No	

Remediation Plan		
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.		
Requesting a remediation plan approval with this submission	Yes	
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.		
Have the lateral and vertical extents of contamination been fully delineated	Yes	
Was this release entirely contained within a lined containment area	Yes	
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.		
On what estimated date will the remediation commence	05/23/2024	
On what date will (or did) the final sampling or liner inspection occur	05/23/2024	
On what date will (or was) the remediation complete(d)	05/23/2024	
What is the estimated surface area (in square feet) that will be remediated	0	
What is the estimated volume (in cubic yards) that will be remediated	0	
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.		

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to

significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

Released to Imaging: 10/30/2024 10:56:48 AM

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Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS, Page 4

Action 396327

QUESTIONS (continued)

Operator:	OGRID:
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333 West Sheridan Ave.	Action Number:
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	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Remediation Plan (continued)	
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.	
This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:	
(Select all answers below that apply.)	
Is (or was) there affected material present needing to be removed	Yes
Is (or was) there a power wash of the lined containment area (to be) performed	Yes
OTHER (Non-listed remedial process)	Not answered.
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC.	

Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC which includes the anticipated timelines for beginning and completing the remediation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.

I hereby agree and sign off to the above statement

Name: James Raley Title: EHS Professional Email: jim.raley@dvn.com Date: 10/30/2024

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 6

Action 396327

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Operator:	OGRID:
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333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	396327
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Liner Inspection Information	on Information		
Last liner inspection notification (C-141L) recorded	346150		
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	05/23/2024		
Was all the impacted materials removed from the liner	Yes		
What was the liner inspection surface area in square feet	4500		

Remediation Closure Request				
Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.				
Requesting a remediation closure approval with this submission	Yes			
Have the lateral and vertical extents of contamination been fully delineated	Yes			
Was this release entirely contained within a lined containment area	Yes			
What was the total surface area (in square feet) remediated	0			
What was the total volume (cubic yards) remediated	0			
Summarize any additional remediation activities not included by answers (above)	Liner inspection			

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (in .pdf format) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

I hereby agree and sign off to the above statement

Name: James Raley Title: EHS Professional Email: jim.raley@dvn.com Date: 10/30/2024

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CONDITIONS

Action 396327

CONDITIONS

Operator:	OGRID:
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333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	396327
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	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

l	Created By	Condition	Condition Date
	rhamlet	We have received your Remediation Closure Report for Incident #NAPP2402543775 HOT POTATO 26 CTB 2, thank you. This Remediation Closure Report is approved.	10/30/2024