

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 March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-31381

Release Notification and Corrective Action

nMLB 1128636288

OPERATOR

Initial Report Final Report

| | | |
|--|------|----------------------------|
| Name of Company Devon Energy | 6137 | Contact Roger Hernandez |
| Address P. O. Box 250 Artesia, NM 88211 | | Telephone No. 575-748-5238 |
| Facility Name Cotton Draw #89 | | Facility Type Gas Well |

| | | |
|---------------|---------------|-----------|
| Surface Owner | Mineral Owner | Lease No. |
|---------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|-----------|--------------|-----------|-------------------|------------------------|--------------------|---------------------|--------------------|
| Unit Letter | Section 3 | Township 25S | Range 31E | Feet from the 250 | North/South Line South | Feet from the 1980 | East/West Line East | County Eddy County |
|-------------|-----------|--------------|-----------|-------------------|------------------------|--------------------|---------------------|--------------------|

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Condensate | Volume of Release 28 BBLs | Volume Recovered 6 BBLs |
| Source of Release Lightening Struck Produced Water Tank | Date and Hour of Occurrence 9-20-11 11:30 PM | Date and Hour of Discovery 9-20-11 11:30 PM |
| 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) Kent Cassell (BLM) | |
| By Whom? Merle Lewis | Date and Hour 9-21-11 11:47 AM | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

RECEIVED
SEP 28 2011
NMOCD ARTESIA

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Lightening struck the battery destroying the fiberglass produced water tank and associated piping. It resulted in a release of 28 bbls of condensate on location. We were able to recover 6 bbls of condensate. The rest was burned in the explosion.

Describe Area Affected and Cleanup Action Taken.*
The well was immediately shut in, the spill was contained in the dike area 20'x 40' the area was stained but nothing standing. Will remove burned equipment and will now convert this location to a SWD well.

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: <i>Adrienne Verkler</i> | | OIL CONSERVATION DIVISION | |
| Printed Name: Adrienne Verkler | | Approved by <i>Mike Bratcher</i> | Signed By <i>Mike Bratcher</i> |
| Title: Field Tech II | | Approval Date: OCT 13 2011 | Expiration Date: |
| Date: Sept. 26, 2011 Phone: (575) 748-0174 | | Conditions of Approval: | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:
11/13/2011**

2RA-912