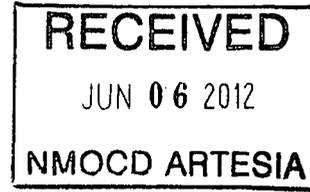




May 24, 2012



Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN
911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

Subject: **Remediation and Closure Report**
Devon Energy Corporation
Cactus State No. 3
API # 30-015-27979 2RP-1045

Dear Mr. Bratcher,

Devon Energy Corporation has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Cactus State No. 3 release. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

Incident Date

February 6, 2012

Background Information

The Cactus State No. 3 is located approximately thirty-one (31) miles southeast of Artesia, New Mexico. The legal location for the site is Section 16, Township 21 South and Range 26 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.48178 North and - 104.29588 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Upton gravelly loam with a 0 to 9 percent slopes. The local surface and shallow geology, Paleozoic Age sedimentary deposits, is comprised of the Guadeloupien Artesia Group, Tansil and Yates formations, which include gravelly loam soils underlain by weathered limestone, petrocalcic soils and hard caliche. The New Mexico State Engineer web site indicates the nearest ground water data to be in S9-T21S-R26E. The ground water in Section 9 is reported to be a depth of 165' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

| | |
|--------------------------------|--------|
| Depth to ground water | >100' |
| Wellhead Protection Area | >1000' |
| Distance to surface water body | >1000' |

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
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SPILL MANAGEMENT
GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

Incident Description

On February 6, 2012 a steel flow line was found to be leaking due to corrosion causing a release of 17 barrels of oil. No fluids from this release were recovered. The flow line was isolated, drained of all fluids, replaced and returned to service. The spill area measured approximately 122-feet long by 22-33 feet wide.

Remedial Actions

On March 5, 2011 Talon personnel mobilized to the site to begin excavation of the impacted area. The impacted soil within the area of the release was removed to an average depth of 4-feet deep and transported to a NMOCD approved solid waste disposal facility, CRI, pursuant to the work plan. The excavated area was left open until approval for backfilling was obtained from NMOCD.

On March 15, 2012 Talon personnel mobilized to the site to begin closure soil sampling activities on the bottom and sidewalls of the excavation per NMOCD requirements. Grab soil samples were collected and submitted for laboratory analysis. The excavation was expanded and then re-sampled on March 26, 2012. The excavation was again re-sampled on April 5, 2012, based upon on laboratory results.

All soils samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided glassware, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for volatile organics pursuant to EPA Method 8021B; Total Petroleum Hydrocarbons (TPH) per EPA Method 8015M; and Total Chlorides via Method SM4500Cl-B. The complete laboratory reports are attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

March 23, 2012

| <u>Sample</u> | <u>Chlorides</u> | <u>BTEX</u> | <u>TPH</u> |
|----------------------|------------------|-------------|-------------|
| S-1, Bottom exc 3.5' | 80 | <0.150 | <10 (mg/kg) |
| S-2, North side wall | 416 | <0.150 | 3310 |
| S-3, East side wall | 1170 | 1.04 | 12.5 |
| S-4, South side wall | 512 | <0.150 | 802 |
| S-5, West side wall | 1540 | <0.150 | <10 |
| S-6, West side wall | 2720 | 1.015 | 5460 |
| S-7, East side wall | <16 | 4.22 | <10 |
| S-8, Bottom exc 4' | 560 | 0.864 | 491.2 |
| S-9, Background 0' | 1760 | -- | -- |

--Analyte Not Tested

March 27, 2012

| <u>Sample</u> | <u>Chlorides</u> | <u>BTEX</u> | <u>TPH</u> |
|----------------------|------------------|-------------|--------------|
| S-10, West side wall | 1540 | -- | 28.8 (mg/kg) |

April 12, 2012

| <u>Sample</u> | <u>Chlorides</u> | <u>BTEX</u> | <u>TPH</u> |
|------------------------|------------------|-------------|------------|
| S-11, West 3' past exc | <16 | -- | -- |
| S-12, East 3' past exc | <16 | -- | -- |

--Analyte Not Tested

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 5,000 mg/kg. The chloride remediation standard is considered to be 1,000 mg/kg.

Summary and Conclusions

- Ground water in the project vicinity is 165-feet below land surface per the New Mexico State Engineer Database.
- The impacted soil from this release was excavated to a depth of 4-feet deep. The excavated soil was transported to a NMOCD approved solid waste disposal facility.
- On April 17, 2012 the NMOCD granted approval for backfilling. The excavated area was subsequently backfilled to grade using new material transported from a local borrow pit and contoured to match existing terrain.
- Based on the depth to groundwater and the remedial actions implemented, it is unlikely that the impacts identified from this release will pose a threat to groundwater.

Closure

On behalf of Devon Energy Corporation, we respectfully request that no further actions be required and that closure with respect to this release be granted.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE



Mike Stubblefield
Project Manager



David J. Adkins
District Manager

SITE MAP



AMARILLO • AUSTIN • MIDLAND • SAN ANTONIO • ARTESIA, NM • HOBBS, NM • TULSA, OK

Project Correspondence Sheet

- Field Office Reimbursement Proposal
- OK NM TX Other

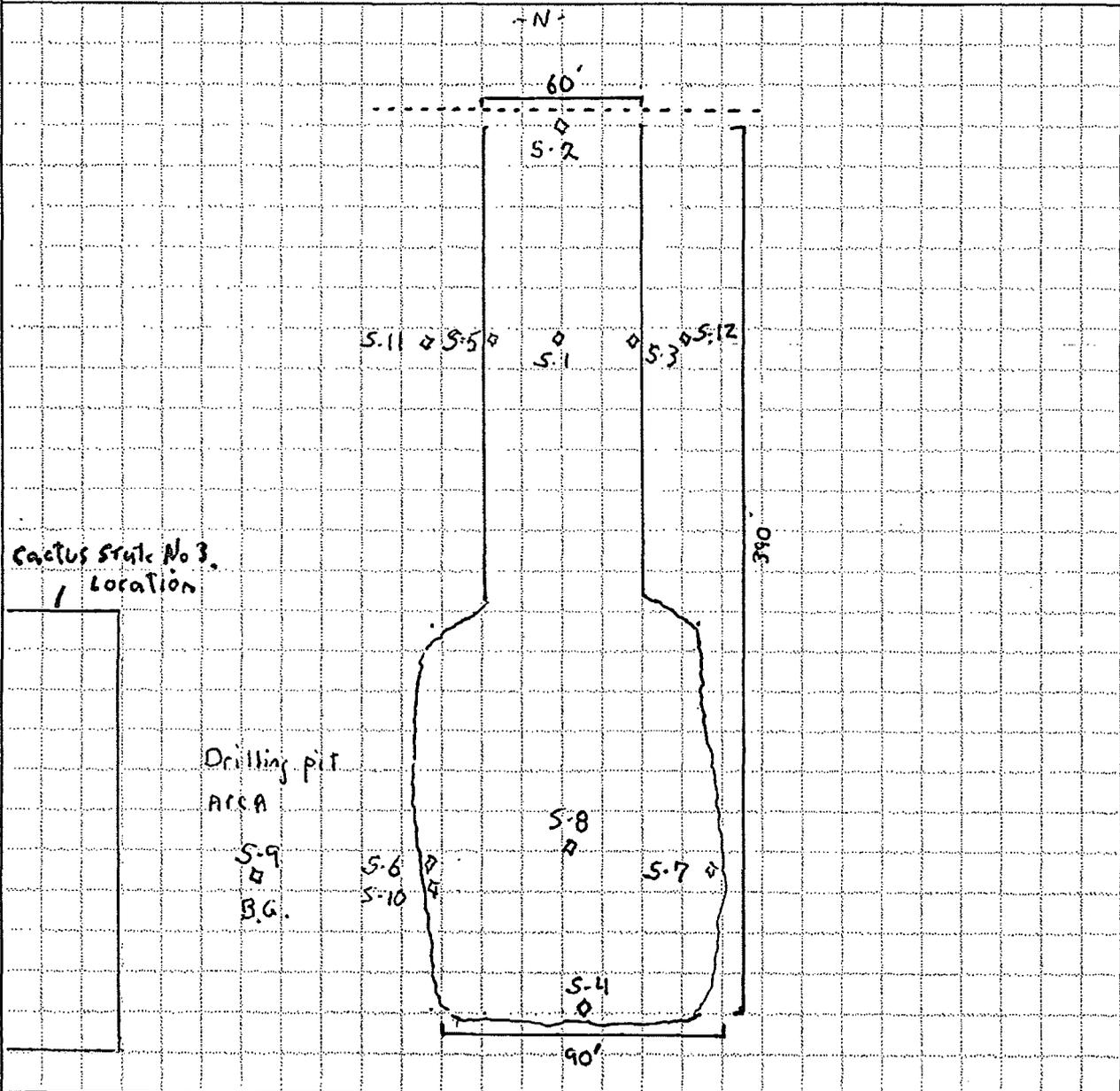
Date: 3/15/2012 Time: Project Manager: M. Strublefiell

Project Number: 200794.022.01

Project Name: Devon Energy Corp. Cactus State No. 3 release

Topic:

Notes:



Document must be filed in Project File

Prepared by: MCS

Page 1 of 1

APPENDIX I
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

| POD Number | POD Code | Subbasin | County | Q 64 | Q 16 | Q 4 | Q Sec | Tws | Rng | X | Y | Distance | Depth Well | Depth Water | Water Column |
|--------------|----------|----------|--------|------|------|-----|--------|----------|----------|----------|------|----------|------------|-------------|--------------|
| C 03069 | C | ED | 3 | 4 | 2 | 09 | 21S | 26E | 566452 | 3595583* | 1208 | 250 | 165 | 85 | |
| C 02615 | C | ED | 2 | 3 | 10 | 21S | 26E | 567367 | 3595290* | 1289 | 404 | 115 | 289 | | |
| C 02562 | C | ED | 4 | 2 | 3 | 15 | 21S | 26E | 567485 | 3593575* | 1301 | 160 | 65 | 95 | |
| C 01543 | C | ED | 4 | 4 | 1 | 09 | 21S | 26E | 565837 | 3595576* | 1352 | 225 | 150 | 75 | |
| C 01821 | C | ED | 2 | 2 | 17 | 21S | 26E | 564938 | 3594460* | 1523 | 207 | | | | |
| C 01821 POD2 | C | ED | 2 | 2 | 17 | 21S | 26E | 564938 | 3594460* | 1523 | 305 | 190 | 115 | | |
| C 01817 | C | ED | 4 | 2 | 17 | 21S | 26E | 564942 | 3594056* | 1550 | 215 | 195 | 20 | | |
| C 01940 | C | ED | 4 | 2 | 17 | 21S | 26E | 564942 | 3594056* | 1550 | 212 | 182 | 30 | | |
| C 02137 | C | ED | 4 | 2 | 17 | 21S | 26E | 564942 | 3594056* | 1550 | 217 | 178 | 39 | | |
| C 01958 | C | ED | 4 | 4 | 08 | 21S | 26E | 564934 | 3594865* | 1601 | 180 | 155 | 25 | | |
| C 02162 | C | ED | 4 | 4 | 08 | 21S | 26E | 564934 | 3594865* | 1601 | 202 | 150 | 52 | | |
| C 02172 | C | ED | 4 | 4 | 08 | 21S | 26E | 564934 | 3594865* | 1601 | 200 | 150 | 50 | | |
| C 01840 | C | ED | 1 | 4 | 2 | 17 | 21S | 26E | 564841 | 3594155* | 1632 | 360 | 201 | 159 | |
| C 01726 | C | ED | 2 | 17 | 21S | 26E | 564739 | 3594255* | 1724 | 211 | 180 | 31 | | | |
| C 00524 | C | ED | 1 | 4 | 4 | 08 | 21S | 26E | 564833 | 3594964* | 1729 | 175 | | | |
| C 02427 | C | ED | 2 | 2 | 4 | 08 | 21S | 26E | 565031 | 3595367* | 1738 | 250 | 200 | 50 | |
| C 02427 POD2 | C | ED | 2 | 2 | 4 | 08 | 21S | 26E | 565031 | 3595367* | 1738 | 252 | 225 | 27 | |
| C 02427 POD3 | C | ED | 2 | 2 | 4 | 08 | 21S | 26E | 565031 | 3595367* | 1738 | 200 | 160 | 40 | |
| C 02577 | C | ED | 3 | 2 | 4 | 08 | 21S | 26E | 564831 | 3595167* | 1810 | 196 | 160 | 36 | |
| C 03408 POD1 | C | ED | 4 | 3 | 4 | 08 | 21S | 26E | 564684 | 3594765 | 1817 | 253 | 242 | 11 | |
| C 01529 | C | ED | 2 | 4 | 2 | 21 | 21S | 26E | 566689 | 3592556* | 1833 | 130 | 70 | 60 | |
| C 01643 | C | ED | 2 | 3 | 2 | 17 | 21S | 26E | 564637 | 3594153* | 1835 | 330 | 310 | 20 | |
| C 01734 | C | ED | 2 | 3 | 2 | 17 | 21S | 26E | 564637 | 3594153* | 1835 | 216 | 182 | 34 | |
| C 01937 | C | ED | 4 | 08 | 21S | 26E | 564732 | 3595063* | 1858 | 256 | 190 | 66 | | | |
| C 02046 | C | ED | 4 | 08 | 21S | 26E | 564732 | 3595063* | 1858 | 220 | 160 | 60 | | | |
| C 02157 | C | ED | 4 | 08 | 21S | 26E | 564732 | 3595063* | 1858 | 218 | 150 | 68 | | | |
| C 02237 | C | ED | 4 | 08 | 21S | 26E | 564732 | 3595063* | 1858 | 232 | | | | | |

*UTM location was derived from PLSS - see Help

(A CLW##### in the
 POD suffix indicates the
 POD has been replaced
 & no longer serves a
 water right file.)

(R=POD has
 been replaced,
 O=orphaned,
 C=the file is
 closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

| POD Number | POD | | Q Q Q | | | | | | | X | Y | Distance | Depth | Depth | Water |
|----------------|------|----------|--------|----|----|----|-----|-----|--------|----------|------|----------|-------|-------|--------|
| | Code | Subbasin | County | 64 | 16 | 4 | Sec | Tws | Rng | | | | Well | Water | Column |
| <u>C 02650</u> | C | ED | 4 | 3 | 4 | 08 | 21S | 26E | 564630 | 3594761* | 1869 | 260 | 190 | 70 | |
| <u>C 02659</u> | C | ED | 1 | 2 | 4 | 08 | 21S | 26E | 564831 | 3595367* | 1906 | 250 | 170 | 80 | |
| <u>C 03042</u> | C | ED | 1 | 2 | 4 | 08 | 21S | 26E | 564831 | 3595367* | 1906 | 215 | 170 | 45 | |
| <u>C 01859</u> | C | ED | | 3 | 4 | 08 | 21S | 26E | 564531 | 3594862* | 1988 | 201 | 165 | 36 | |

Average Depth to Water: **172 feet**

Minimum Depth: **65 feet**

Maximum Depth: **310 feet**

Record Count: 31

UTM NAD83 Radius Search (in meters):

Easting (X): 566459

Northing (Y): 3594375

Radius: 2000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX II
LABORATORY RESULTS



March 23, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: CACTUS STATE NO. 3 RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 03/16/12 11:22.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-1 BOTTOM 3.5' (H200664-01)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.00 | 99.8 | 2.00 | 2.45 | | |
| Toluene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.12 | 106 | 2.00 | 2.52 | | |
| Ethylbenzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.16 | 108 | 2.00 | 2.77 | | |
| Total Xylenes* | <0.150 | 0.150 | 03/20/2012 | ND | 6.77 | 113 | 6.00 | 2.69 | | |

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 80.0 | 16.0 | 03/19/2012 | ND | 416 | 104 | 400 | 0.00 | | |

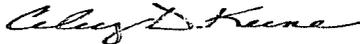
| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

Surrogate: 1-Chlorooctane 114 % 55.5-154
Surrogate: 1-Chlorooctadecane 121 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-2 NORTH WALL (H200664-02)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.00 | 99.8 | 2.00 | 2.45 | | |
| Toluene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.12 | 106 | 2.00 | 2.52 | | |
| Ethylbenzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.16 | 108 | 2.00 | 2.77 | | |
| Total Xylenes* | <0.150 | 0.150 | 03/20/2012 | ND | 6.77 | 113 | 6.00 | 2.69 | | |

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 416 | 16.0 | 03/19/2012 | ND | 416 | 104 | 400 | 0.00 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <100 | 100 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | 3310 | 100 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

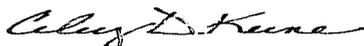
Surrogate: 1-Chlorooctane 92.4 % 55.5-154

Surrogate: 1-Chlorooctadecane 135 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-3 EAST WALL (H200664-03)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | | |
|-----------------|-------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.00 | 99.8 | 2.00 | 2.45 | | |
| Toluene* | 1.04 | 0.050 | 03/20/2012 | ND | 2.12 | 106 | 2.00 | 2.52 | | |
| Ethylbenzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.16 | 108 | 2.00 | 2.77 | | |
| Total Xylenes* | <0.150 | 0.150 | 03/20/2012 | ND | 6.77 | 113 | 6.00 | 2.69 | | |

Surrogate: 4-Bromofluorobenzene (PIL) 112 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1170 | 16.0 | 03/19/2012 | ND | 416 | 104 | 400 | 0.00 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | 12.5 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

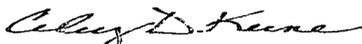
Surrogate: 1-Chlorooctane 90.0 % 55.5-154

Surrogate: 1-Chlorooctadecane 100 % 57.6-158

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-4 SOUTH WALL (H200664-04)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.00 | 99.8 | 2.00 | 2.45 | |
| Toluene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.12 | 106 | 2.00 | 2.52 | |
| Ethylbenzene* | <0.050 | 0.050 | 03/20/2012 | ND | 2.16 | 108 | 2.00 | 2.77 | |
| Total Xylenes* | <0.150 | 0.150 | 03/20/2012 | ND | 6.77 | 113 | 6.00 | 2.69 | |

Surrogate: 4-Bromofluorobenzene (PIL) 119 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 512 | 16.0 | 03/19/2012 | ND | 416 | 104 | 400 | 0.00 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|------------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | |
| DRO >C10-C28 | 802 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | |

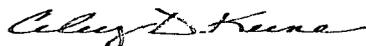
Surrogate: 1-Chlorooctane 94.2 % 55.5-154

Surrogate: 1-Chlorooctadecane 100 % 57.6-158

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-5 WEST WALL (H200664-05)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|-------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/21/2012 | ND | 2.12 | 106 | 2.00 | 0.665 | | |
| Toluene* | <0.050 | 0.050 | 03/21/2012 | ND | 2.25 | 113 | 2.00 | 0.391 | | |
| Ethylbenzene* | <0.050 | 0.050 | 03/21/2012 | ND | 2.29 | 114 | 2.00 | 0.509 | | |
| Total Xylenes* | <0.150 | 0.150 | 03/21/2012 | ND | 7.22 | 120 | 6.00 | 0.156 | | |

Surrogate: 4-Bromofluorobenzene (PIL) 106 % 64.4-134

| Chloride, SM4500C1-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1540 | 16.0 | 03/19/2012 | ND | 416 | 104 | 400 | 0.00 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

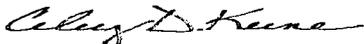
Surrogate: 1-Chlorooctane 93.9 % 55.5-154

Surrogate: 1-Chlorooctadecane 102 % 57.6-158

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-6 WEST WALL (H200664-06)

| BTEX 8021B | mg/kg | | Analyzed By: AP | | | | S-04 | | | |
|-----------------------|--------------|-----------------|-----------------|--------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.33 | 116 | 2.00 | 11.5 | | |
| Toluene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.37 | 119 | 2.00 | 12.2 | | |
| Ethylbenzene* | 0.229 | 0.050 | 03/23/2012 | ND | 2.33 | 117 | 2.00 | 10.8 | | |
| Total Xylenes* | 0.786 | 0.150 | 03/23/2012 | ND | 7.15 | 119 | 6.00 | 11.3 | | |

Surrogate: 4-Bromofluorobenzene (PII) 173 % 64.4-134

| Chloride, SM4500Cl-B | mg/kg | | Analyzed By: AP | | | | | | | |
|----------------------|-------------|-----------------|-----------------|--------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 2720 | 16.0 | 03/19/2012 | ND | 400 | 100 | 400 | 7.69 | | |

| TPH 8015M | mg/kg | | Analyzed By: MS | | | | | | | |
|------------------------|-------------|-----------------|-----------------|--------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | 110 | 100 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | 5350 | 100 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

Surrogate: 1-Chlorooctane 99.3 % 55.5-154

Surrogate: 1-Chlorooctadecane 82.7 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-7 EAST WALL (H200664-07)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | |
|-----------------|-------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.33 | 116 | 2.00 | 11.5 | |
| Toluene* | 4.22 | 0.050 | 03/23/2012 | ND | 2.37 | 119 | 2.00 | 12.2 | |
| Ethylbenzene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.33 | 117 | 2.00 | 10.8 | |
| Total Xylenes* | <0.150 | 0.150 | 03/23/2012 | ND | 7.15 | 119 | 6.00 | 11.3 | |

Surrogate: 4-Bromofluorobenzene (PIL) 110 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | <16.0 | 16.0 | 03/19/2012 | ND | 400 | 100 | 400 | 7.69 | |

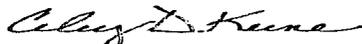
| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|--------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | |
| DRO >C10-C28 | <10.0 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | |

Surrogate: 1-Chlorooctane 94.9 % 55.5-154
Surrogate: 1-Chlorooctadecane 104 % 57.6-158

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|----------------|
| Received: | 03/16/2012 | Sampling Date: | 03/15/2012 |
| Reported: | 03/23/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | ** (See Notes) |
| Project Number: | 700794.022.01 | Sample Received By: | Celey D. Keene |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-8 BOTTOM 4' (H200664-08)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | S-04 | |
|-----------------------|--------------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.33 | 116 | 2.00 | 11.5 | | |
| Toluene* | <0.050 | 0.050 | 03/23/2012 | ND | 2.37 | 119 | 2.00 | 12.2 | | |
| Ethylbenzene* | 0.241 | 0.050 | 03/23/2012 | ND | 2.33 | 117 | 2.00 | 10.8 | | |
| Total Xylenes* | 0.623 | 0.150 | 03/23/2012 | ND | 7.15 | 119 | 6.00 | 11.3 | | |

Surrogate: 4-Bromofluorobenzene (PIL) 169 % 64.4-134

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 560 | 16.0 | 03/19/2012 | ND | 400 | 100 | 400 | 7.69 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | 37.2 | 10.0 | 03/17/2012 | ND | 201 | 100 | 200 | 10.1 | | |
| DRO >C10-C28 | 454 | 10.0 | 03/17/2012 | ND | 175 | 87.4 | 200 | 12.7 | | |

Surrogate: 1-Chlorooctane 92.9 % 55.5-154

Surrogate: 1-Chlorooctadecane 99.6 % 57.6-158

Sample ID: S-9 B. G. 0' (H200664-09)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 1760 | 16.0 | 03/19/2012 | ND | 400 | 100 | 400 | 7.69 | | |

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

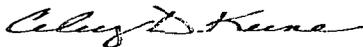
Notes and Definitions

| | |
|------|--|
| S-04 | The surrogate recovery for this sample is outside of established control limits due to a sample matrix effect. |
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



March 27, 2012

MIKE STUBBLEFIELD
TALON LPE
408 W. TEXAS AVE.
ARTESIA, NM 88210

RE: CACTUS STATE NO. 3 RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 03/26/12 16:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, prominent "C" and "K".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|---------------|
| Received: | 03/26/2012 | Sampling Date: | 03/26/2012 |
| Reported: | 03/27/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | Cool & Intact |
| Project Number: | 700794.022.01 | Sample Received By: | Jodi Henson |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-10 WEST WALL (H200722-01)

| Chloride, SM4500CI-B | | mg/kg | | Analyzed By: AP | | | | | | |
|------------------------|-------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 384 | 16.0 | 03/27/2012 | ND | 416 | 104 | 400 | 0.00 | | |
| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 03/27/2012 | ND | 195 | 97.4 | 200 | 10.9 | | |
| DRO >C10-C28 | 28.8 | 10.0 | 03/27/2012 | ND | 204 | 102 | 200 | 12.4 | | |

Surrogate: 1-Chlorooctane 110 % 55.5-154
 Surrogate: 1-Chlorooctadecane 109 % 57.6-158

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

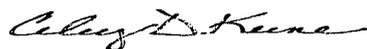
Notes and Definitions

- QM-4X The spike recovery was outside of QC acceptance limits for the MS and/or MSD due to analyte concentration at 4 times or greater the spike concentration. The QC batch was accepted based on LCS and/or LCSD recoveries within the acceptance limits.
- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



April 12, 2012

MIKE STUBBLEFIELD
TALON LPE
408 W. TEXAS AVE.
ARTESIA, NM 88210

RE: CACTUS STATE NO. 3 RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 04/09/12 16:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, flowing "C" at the beginning.

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

| | | | |
|-------------------|----------------------------|---------------------|---------------|
| Received: | 04/09/2012 | Sampling Date: | 04/05/2012 |
| Reported: | 04/12/2012 | Sampling Type: | Soil |
| Project Name: | CACTUS STATE NO. 3 RELEASE | Sampling Condition: | Cool & Intact |
| Project Number: | 700794.022.01 | Sample Received By: | Jodi Henson |
| Project Location: | SEC.16.T21S.R26E | | |

Sample ID: S-11 W 3 FT PAST EXC (H200806-01)

| Chloride, SM4500Cl-B | mg/kg | | Analyzed By: AP | | | | | | | |
|----------------------|--------|-----------------|-----------------|--------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 04/12/2012 | ND | 400 | 100 | 400 | 0.00 | | |

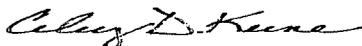
Sample ID: S-12 E 3 FT PAST EXC (H200806-02)

| Chloride, SM4500Cl-B | mg/kg | | Analyzed By: AP | | | | | | | |
|----------------------|--------|-----------------|-----------------|--------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 04/12/2012 | ND | 400 | 100 | 400 | 0.00 | | |

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

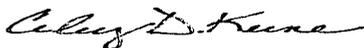
Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

| | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------------------------|--|----------------------------------|-----------------|--------------|--|--|--|--|--|--|--|---------|----------|--|--|--|--|--|--|--|--|
| Company Name: <u>Talon/LPE</u> | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | |
| Project Manager: <u>Mike Stubblefield</u> | | P.O. #: | | | | | | | | | | | | | | | | | | | | | |
| Address: <u>408 West Texas Ave.</u> | | Company: <u>Talon/LPE</u> | | | | | | | | | | | | | | | | | | | | | |
| City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u> | | Attn: | | | | | | | | | | | | | | | | | | | | | |
| Phone #: <u>575-441-2254</u> Fax #: | | Address: | | | | | | | | | | | | | | | | | | | | | |
| Project #: <u>200204.022.01</u> Project Owner: <u>Devon Energy Corp.</u> | | City: | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <u>Cactus State No. 3 release.</u> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <u>sec. 16 T21S R26E</u> | | Phone #: | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <u>Mike Stubblefield</u> | | Fax #: | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | (GRAB OR (COMP. # CONTAINERS | MATRIX | | | | | | | | | | | PRESERV | SAMPLING | | | | | | | | |
| | | | GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER: | ACID/BASE: ICE/COOL OTHER: | DATE | TIME | | | | | | | | | | | | | | | | | |
| <u>H2DD006</u> | | | | | | | | | | | | | | | | | | | | | | | |
| <u>1</u> | <u>S-11 West three feet post excavation</u> | <u>G</u> | <u>/</u> | <u>/</u> | <u>4/5/2012</u> | <u>9:31A</u> | | | | | | | | | | | | | | | | | |
| <u>2</u> | <u>S-12 East three feet post excavation</u> | <u>G</u> | <u>/</u> | <u>/</u> | <u>4/5/2012</u> | <u>9:26A</u> | | | | | | | | | | | | | | | | | |

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| | | | | |
|---|---|----------------------------------|--|----------------|
| Relinquished By: <u>Mike Stubblefield</u> | Date: <u>4/9/2012</u> | Received By: <u>Laur Mojica</u> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| Relinquished By: <u>Laur Mojica</u> | Time: <u>3:24pm</u> | Received By: <u>Yolli Henson</u> | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Delivered By: (Circle One) | Date: <u>4/9/12</u> | Time: <u>4:40pm</u> | REMARKS: | |
| Sampler - UPS - Bus - <u>Other</u> | Sample Condition | CHECKED BY: <u>[Signature]</u> | | |
| | Cool - Intact | (Initials) | | |
| | <u>3c</u> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

FINAL C-141

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 E. 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

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

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

| | |
|--|------------------------------|
| Name of Company - Devon Energy | Contact - Roy White, Foreman |
| Address - 6488 Seven Rivers Hwy - PO Box 250 | Telephone No. - 575-513-1741 |
| Facility Name - Cactus State No. 3 | Facility Type: Oil Well |

| | | |
|---------------|---------------|---------------------------------------|
| Surface Owner | Mineral Owner | Lease No. API # 30-015-27979 2RP-1045 |
|---------------|---------------|---------------------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Q | 16 | 21S | 26E | 1900' | North | 2145' | East | Eddy |

Latitude 32.48178 N Longitude -104.29588 W

NATURE OF RELEASE

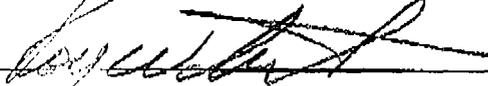
| | | |
|--|---|--|
| Type of Release - Oil | Volume of Release 17 bbls | Volume Recovered -0- bbls |
| Source of Release - Steel flow line leak due to corrosion | Date and Hour of Occurrence 2/6/12 - 7:30 am | Date and Hour of Discovery 2/6/12 - 7:30 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? NMOCD - Mike Bratcher - left voice mail message | |
| By Whom? - Roy White, Foreman | Date and Hour 2/6/12 - 8:30 am | |
| 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.*
A steel flow line was found to be leaking due to corrosion causing a release of 17 barrels of oil. No fluids from this release were recovered. The flow line was isolated, drained of all fluids, replaced and returned to service. The spill area measures approximately 122-foot long by 22-33 feet wide.

Describe Area Affected and Cleanup Action Taken.*
Talon/LPE excavated the saturated soil from the impacted area to a depth of 4-feet deep, analytical testing was completed and the impacted soil was transported to CRI, an approved disposal facility. Final lab results are below RRAL's. Talon/LPE backfilled the area with new material transported from a local borrow pit and the area was contoured to match surrounding terrain.

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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Roy White | Approved by District Supervisor: | |
| Title: Foreman | Approval Date: | Expiration Date: |
| E-mail Address: roy.white@dmn.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 5/24/2012 Phone: 575-513-1741 | | |

* Attach Additional Sheets If Necessary