

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 **APR 27 2009**
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

Release Notification and Corrective Action

nmlc0912449922
30-015-30448

OPERATOR

Initial Report Final Report

Name of Company Devon Energy <i>6137</i>	Contact <input type="checkbox"/> Roger Hernandez
Address P. O. Box 250 Artesia, NM 88211	Telephone No. <input type="checkbox"/> 575-748-5238
Facility Name Shugart 23 Fed Com #1	Facility Type <input type="checkbox"/> Oil Well

Surface Owner	Mineral Owner	Lease No. <input type="checkbox"/>
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LOCATION OF RELEASE

Unit Letter	Section 23	Township 18S	Range 31E	Feet from the 1650	North/South Line South	Feet from the 1980	East/West Line East	County Eddy County, NM
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NATURE OF RELEASE

Type of Release Oil	Volume of Release 40 bbls	Volume Recovered <input type="checkbox"/> 11 bbls
Source of Release Hole in bottom of oil tank	Date and Hour of Occurrence April 23, 2009 (? Hour)	Date and Hour of Discovery April 23, 2009 12:15 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Sherry Bonham - Artesia OCD, Doug Hogan - BLM (Carlsbad)	
By Whom? <input type="checkbox"/> David Sherrell	Date and Hour <input type="checkbox"/> April 23, 2009 -- 3:10 PM (OGD) 3:21 PM BLM	
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 *
N/A

Describe Cause of Problem and Remedial Action Taken *
Discovered hole in bottom of tank caused by internal corrosion Will air out area, rake, and fertilize.

Describe Area Affected and Cleanup Action Taken *
70'x20' air out area, rake, and fertilize Will repeat if necessary.

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>Roger Hernandez by A.J.</i>	OIL CONSERVATION DIVISION	
Printed Name Roger Hernandez	Approved by <input type="checkbox"/> District Supervisor	Signed By <i>White Bonham</i>
Title Production Foreman	Approval Date MAY 04 2009	Expiration Date
Date: April 24, 2009 Phone 575-748-5238	Conditions of Approval SEE ATTACHMENT	Attached <input checked="" type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-302



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Devon Energy Corporation
PO Box 250
Artesia, NM 88211
ATTN: Roger Hernandez

May 4, 2009

Reference: Shugart 23 Fed Com 001 API: 30-015-30448 J-23-18s-31e Eddy County, New Mexico

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an initial report Form C-141 reporting a release of produced fluids at or near the above referenced well site. The release reportedly occurred on or about April 23, 2009. Please submit a corrective action work plan proposal (plan) for remediation and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on **vertical and horizontal delineation** of contamination, site ranking, and OCD rules, regulations and guidelines.

A publication is available to you on the OCD website to aid in formulation of this plan. The publication may be found as follows:

<http://www.emnrd.state.nm.us/ocd>

Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit this plan to the OCD District 2 Office not later than June 4, 2009. Please include any remedial or clean up actions that may have been already performed as an immediate response action.

Clean up/remediation requirements may be subject to other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext.108
mike.bratcher@state.nm.us

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