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

Date: 9/18/2014 Phone: 575-748-1844

* Attach Additional Sheets If Necessary

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

Attached

Release Notification and Corrective Action **OPERATOR** Initial Report Final Report Name of Company Devon Energy Contact Tracy Kidd, Production Foreman Address P.O. Box 250 Telephone No. 575-513-0628 Artesia, NM 88211 Facility Name Cotton Draw 65 SWD Facility Type Salt Water Disposal API No. 30-015-10843 Surface Owner Mineral Owner 2RP-2300 LOCATION OF RELEASE North/South Line Feet from the Unit Letter Section Township Range Feet from the East/West Line County 1980 G 258 31E 1980 North East Eddy NATURE OF RELEASE Volume of Release 255 bbls PW Type of Release: Produced Water Volume Recovered: 250 bbls Date and Hour of Occurrence Source of Release Date and Hour of Discovery 5/5/22/14, Produced Water Line May 5, 2014 7:00 am PM SIS 7:00 am If YES, To Whom? Joah Weidemann/Devon Was Immediate Notice Given? By Whom? David Medlock with RW Trucking Date and Hour 7:00 am Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* At the Cotton Draw Unit No. 65 SWD, the check valve on the produced water header malfunctioned causing a release of 255 barrels of produced water. A vac truck was immediately called to the location and it recovered 250 barrels of fluid. The wells were shut-in and the valve was repaired. The fluids were contained within the earthen berms surrounding the location. The area was scraped and back dragged. Describe Area Affected and Cleanup Action Taken.* Talon/LPE completed the remediation activities per NMOCD approved work plan, Test pits were excavated at sample locations S-1 and S-2 for further vertical delineation purposes. The backhoe hit refusal at a depth of 4-feet deep. The samples were sent to lab for analysis. Upon receipt of the lab results, they were submitted to the NMOCD. Per NMOCD's stipulations the impacted soil in the vicinity of S-1 and S-2 was excavated to a depth of 4-feet deep and a 20 mil liner was installed. The impacted area in the area of S-3 was excavated to a depth of 0.5-feet deep. The impacted soil in the vicinity of S-4 was excavated to a depth of 1.5-feet deep. All contaminated soil was transported to Lea Land, LLC for disposal. The excavated areas were backfilled with new caliche and the location was re-contoured. No further actions are required. A complete closure report is attached. 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. OIL CONSERVATION DIVISION Approved by District Supervisor: Approval Date: **Expiration Date:**

Conditions of Approval:

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

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Form C-141

Revised March 17, 1999

Release Notification and Corrective Action **OPERATOR** Initial Report Final Report Tracy Kidd, Production Foreman Name of Company Devon Energy Contact Address P. O. Box 250 Telephone No. 575-513-0628 Artesia, NM 88211 Facility Name Cotton Draw 65 SWD Facility Type Salt Water Disposal Surface Owner Mineral Owner API No. 30-015-10843 2RP-1169 LOCATION OF RELEASE Unit Letter Section Township Feet from the North/South Line Feet from the East/West Line County Range North 1980 Eddy East NATURE OF RELEASE Type of Release: Oil Volume of Release 35 bbls Volume Recovered 35 bbls Source of Release: Gun barrel malfunctioned Date and Hour of Occurrence Date and Hour of Discovery 6/8/12, 6/8/12, 8:48 am 8:48 am Was Immediate Notice Given? If YES, To Whom? Jim Amos / BLM & Mike Bratcher / OCD By Whom? Tracy Kidd & Dan Suniga Date and Hour 6/8/12, 9:33 AM Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* At the Cotton Draw 65 SWD, the gun barrel malfunctioned causing 35 barrels of oil to be released into the lined containment. All fluids were recovered. Describe Area Affected and Cleanup Action Taken.* The area affected was inside the lined containment. A vac truck was immediately called to location and recovered 35 barrels of oil. No further action is required. 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. OIL CONSERVATION DIVISION Signature Approved by District Supervisor: Printed Name: Approval Date: **Expiration Date:**

Conditions of Approval:

Date: 9/18/2014 Phone: 575-748-1846

^{*} Attach Additional Sheets If Necessary



September 18, 2014

AMARILLO 921 North Bivins Amarillo, Texas 79107 Phone 806.467.0607 Fax 806.467.0622 Mr. Mike Bratcher **NMOCD District 2** 811 S. 1st Street Artesia, NM 88210

ARTESIA 408 West Texas Ave. Artesia, New Mexico 88210 Phone 575.746.8768 Fax 575.748.8905 Subject: Remediation and Closure Report

Devon Energy

Cotton Draw Unit No. 65 SWD API #: 30-015-10843 2RP-2300

Fax 575.748.8905 HOBBS 318 East Taylor Street

Hobbs, New Mexico 88241 Phone 505.393.4261

Fax 505.393.4658

Dear Mr. Bratcher:

MIDLAND 2901 State Highway 349 Midland, Texas 79706 Devon Energy has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced location. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

2901 State Highway 349 Midland, Texas 79706 Phone 432.522.2133 Fax 432.522.2180

Incident Date

OKLAHOMA CITY 7700 North Hudson Ave Suite 10 Oklahoma City, Oklahoma 73116 Phone 405.486,7030 Fax 806.467.0622 May 5, 2014

Background Information

SAN ANTONIO 13111 Lookout Way San Antonio, TX 78233 Phone 210.265.8025 Fax 210.568.2191 The Cotton Draw Unit No. 65 SWD is located approximately fifty-four (54) miles southeast of Carlsbad in Eddy County, New Mexico. The legal location for this site is Section 2, Township 25 South, and Range 31 East. More specifically the latitude and longitude for the release point are 32.16116 North and -103.74568 West. A site plan is presented in Appendix I.

According to the soil survey provided by the United States Department of Agriculture Natural Resources Conservation Service, the soil in this area is made up of Berino complex with 0 to 3 percent slopes. Per the New Mexico Bureau of Geology and Mineral Resources, the local surface and shallow geology is Quaternary in age and is comprised of eolian sands and piedmont deposits which include silty soils under lain with sandy clay loam and hard caliche. Drainage courses in this area are normally dry. According to the New Mexico Office of the State Engineer there are 5 wells in the vicinity and appears to be dry wells. See Appendix II for the referenced groundwater data.

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

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

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

Incident Description

At the Cotton Draw Unit No. 65 SWD, the check valve on the produced water header malfunctioned causing a release of 255 barrels of produced water. A vac truck was immediately called to the location and recovered 250 barrels of fluid. The wells were shut-in and the valve was repaired. The fluids were contained within the earthen berms surrounding the location. The area was scraped and back dragged. On May 12, 2014, Talon mobilized personnel to conduct soil sampling activities. The results of these sampling activities are summarized in the table below.

Remedial Actions Taken

Test pits were excavated at sample locations S-1 and S-2 for further vertical delineation purposes. The backhoe hit refusal at a depth of 4-feet deep. The samples were sent to lab for analysis. The results are presented below.

Upon receipt of the lab results the data was submitted to the NMOCD. Per NMOCD's stipulations the impacted soil in the vicinity of S-1 and S-2 was excavated to a depth of 4-feet deep and a 20 mil liner was installed. The impacted area in the area of S-3 was excavated to a depth of 0.5-feet deep. The impacted soil in the vicinity of S-4 (per work plan) was excavated to a depth of 1.5-feet deep.

All contaminated soil was transported to Lea Land, LLC for disposal. The excavated areas were backfilled with new caliche and the location was re-contoured.

Laboratory Results

See Appendix III for complete report of laboratory results.

July 28, 2014

Sample ID	Depth (feet)	BTEX (mg/kg)	Chlorides (mg/kg)	TPH (mg/kg) GRO	TPH (mg/kg) DRO
S-1	2'		2760		
	3'	##.2	4480		-
	4'		1300		
S-2	4'	429	2760		***

⁻⁻ Analyte Not Tested

Based upon the site ranking of 0, NMOCD Recommended Remedial Action Levels (RRAL's) are 50 mg/kg for BTEX, 10 mg for Benzene, and 5,000 mg/kg for TPH. The chloride remediation standard is considered to be 1,000 mg/kg based upon a water table depth greater than 100-feet deep.

Closure

On behalf of Devon Energy, 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

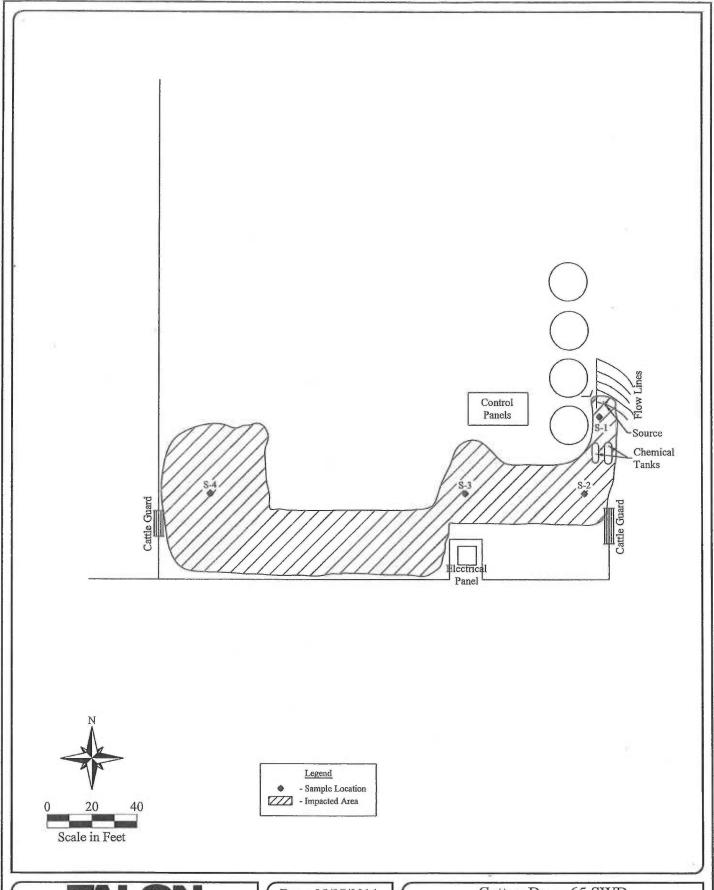
Kimberly M. Wilson

Project Manager

David J. Adkins

District Manager

APPENDIX I SITE MAP





Date: 05/27/2014

Scale: 1" = 40'

Drawn By: TJS

Cotton Draw 65 SWD Devon Energy Corporation Eddy County, New Mexico Figure 1 - Site Plan

APPENDIX II GROUNDWATER DATA NM OCD STIPULATIONS



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	_	^	0							Donth	Depth Water
POD Number	Sub- Code basin County	Q 64			Sec	Tws	Rng	х	Υ	Distance	THE RESERVE THE PERSON NAMED IN	Water Column
C 02572	ED	4					31E	618695	3559294*	200	852	
C 02571	ED	4	1	2	02	25S	31E	618292	3559294*	203	860	
C 02573	ED	1	4	2	02	25S	31E	618499	3559091*	203		
C 02574	ED	1	1	2	02	25S	31E	618092	3559494*	449		
C 02569	ED	4	4	2	02	25S	31E	618699	3558891*	451	1016	
C 02568	ED	4	3	1	01	258	31E	619103	3558892*	728	1025	
C 02570	ED	4	2	4	02	25S	31E	618704	3558489*	831	895	

Average Depth to Water:

Minimum Depth:

Maximum Depth:

Record Count: 7

UTMNAD83 Radius Search (in meters):

Easting (X): 618495

Northing (Y): 3559294

Radius: 2000

*UTM location was derived from PLSS - see Help

Kimberly M. Wilson

From:

Patterson, Heather, EMNRD [Heather.Patterson@state.nm.us]

Sent:

Wednesday, July 30, 2014 7:36 AM

To:

Kimberly M. Wilson

Cc:

Sheldon Hitchcock; Bratcher, Mike, EMNRD; David Adkins

Subject:

Cotton Draw 65

RE: Devon * Cotton Draw Unit 65 SWD * 30-015-10843 * 2RP-2300

Kimberly,

As per our conversation on 7/29/2014 concerning the above referenced site, the OCD would like to see a liner used in both the areas of S1 and S2.

In addition, we would like to ask for a final C-141 be submitted on a previous release on this site. Devon had a release on 6/18/2012 that was fully contained in the lined facility and fully recovered. The OCD reference number is 2RP-1169. If you can send a signed Final C-141 for this release, we can close it at the same time.

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Thank you, and if you have any questions or concerns, and for notification, please contact me.

Heather Patterson **Environmental Specialist** NMOCD District II (575)748-1283 ext.101

This email was processed through Xeams to filter junk messages. If you feel this message has been tagged incorrectly, you can change its category by clicking the link below. Click here to mark email as junk. OR

here to mark email as good.

APPENDIX III LABORATORY RESULTS



July 28, 2014

KIMBERLY WILSON

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: COTTON DRAW #65 SWD

Enclosed are the results of analyses for samples received by the laboratory on 07/25/14 11:27.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. 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 accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab accredited certif.html.

Cardinal Laboratories is accreditated 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.

Lope S. Moreno

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,

Hope S. Moreno For Celey D. Keene

Lab Director/Quality Manager



Analytical Results For:

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

Received: Reported: 07/25/2014

07/28/2014

Project Name:

COTTON DRAW #65 SWD

16.0

Reporting Limit

16.0

Reporting Limit

16.0

Reporting Limit

16.0

Project Number: Project Location:

Analyte

Analyte

Analyte

NONE GIVEN 6-2-25-31

Sampling Date:

07/22/2014

Sampling Type:

Soil

Sampling Condition: Sample Received By: ** (See Notes)

Celey D. Keene

Sample ID: S-1 2' (H402283-01)

Chloride, SM4500Cl-B

Chloride

Chloride

Chloride

Chloride

mg/kg

2760

Result

4480

Result

1300

Result

2760

Analyzed By: AP

Result Reporting Limit

Analyzed 07/28/2014

Analyzed

07/28/2014

Analyzed

07/28/2014

Method Blank ND

Method Blank

ND

ND

% Recovery

True Value OC

True Value QC

400

400

Qualifier

0.00

RPD

RPD

0.00

Sample ID: S-1 3' (H402283-02)

Chloride, SM4500CI-B

mg/kg

Analyzed By: AP

BS

400

BS

400

400

100

400

Qualifier

Sample ID: S-1 4' REFUSAL (H402283-03) Chloride, SM4500CI-B

Analyzed By: AP

Method Blank BS % Recovery True Value QC

100

100

% Recovery

100

RPD

0.00

Qualifier

Sample ID: S-2 4' REFUSAL (H402283-04)

Chloride, SM4500Cl-B Analyte

mg/kg

Analyzed By: AP

Analyzed

07/28/2014

Method Blank ND

BS 400 % Recovery True Value QC 400

RPD 0.00 Qualifier

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Curdinal's liability and client's exclusive remody for any dalm arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatbeever shall be deemed walved unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be fiable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such clim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This reported except in fall with written approval of Cardinal Laboratories.

Lope S. Moreno

Hope S. Moreno For 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

Cardinal Laboratories

*=Accredited Analyte

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Abpe S. Moreno



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 902-90 (575) 393-2476	ANALYSIS REQUEST	_
Company Name: Talon/LPE Project Manager: Hintholik Willon Address: 408 W. Texas Ave.	P.o. #: Company: Talon/LPE	
city: Artesia	Address: City: State: Zip:	
15 3-35-31 1-2-35-31	Phone #: Fax #: MATRIX PRESERV: SAMPLING	
у Ватемьте Ватемь Сооиты Волиров Сооиты Волиров Волир	ы дет	
M D #		
PLEASE NOTE: Latality and Demograc. Cardinal's labelity and clearts exclusive terresty for any clean arming whether branch places. And cleans including those for respigning any other cause whatevower what be destined washed understuding without largest much a service. In no owner challe cardinal be labele for incleanal or consequented demogracy, including without largested. The adding without largested to the analysis of services branched by Cardinal and Salesson causes of an analysis of the consequence of services branched by Cardinal Residual Control of the property of the property of the control	for any claim straing whether bread in contract of the strained to the amount peed by the class (or the best of the special by the class of the special by the class of the special by Cardinal What and despite the claim to the special by Cardinal What and the special by Cardinal What and the special by Cardinal What and the special by Cardinal What are claim to the special by Cardinal What are cardinal by Cardinal What are cardin	
Received	Sample Condition CHECKED BY: (Initials)	
25.6	Without the Mo No	