New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

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CERTIFIED MAIL—Return Receipt Requested 7007 2680 0001 6451 2674

July 15, 2008

Devon Energy Attn: Tracy Kidd PO Box 250 Artesia, NM 88211

RE: Initial/Final Report C-141 Received by NMOCD District 2 July 7, 2008 Todd 13 Battery 30 015 27860 13-23S-31E Eddy County, New Mexico

Operator;

The New Mexico Oil Conservation Division District 2 office (OCD) is in receipt of an Initial/Final Report C-141 (report) regarding a produced fluids release incident occurring on June 21, 2008.

The report states that a produced water tank was struck by lightening causing the tank to ignite and the adjacent tank to explode. 300 barrels of produced water were released and a vacuum truck recovered 200 barrels of produced water. The location was backdragged and contaminated soil was hauled to CRI.

As presented, the C-141 cannot be approved. In addition to excavation and hauling to disposal the contaminated soils, the operator must proceed to evaluate the soils within and beneath the area of the spill to determine the type and extent of the contamination. Based on site characteristics and the delineation analytical report, a remediation work plan may be required.

Rule 19.15.3.116.D Corrective Action in part states, "The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division..."



The following actions are **required** to be addressed:

- Determine the horizontal and vertical delineation of the spill by sampling.
- Notify OCD 48 hours prior to obtaining samples where analyses of such samples are to be submitted to the OCD.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling as well as the proposed remediation with the plan.

Remediation requirements may be subject to other federal, state and local laws or regulations.

As warranted, within 30 days, **on or before August 18, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill, or release for approval.

Information and tools for proper corrective action may be found on OCD's website at the following link:

http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

Remediation actions are to be completed and a final C-141 submitted with confirmation analyses and documentation on or before September 26, 2008.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,

Sherry Bonham NMOCD District II, Artesia

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