

Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102

February 3, 2026

State of New Mexico
Energy, Minerals, and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Devon Energy Potato Basin Containment and Recycling Facility C-147 Extension

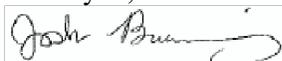
Potato Basin Containment and Recycling
OCD Permit Number: 2RF-147
Sec 2-T24S-R29E
Eddy County, NM

To Whom It May Concern:

Devon Energy respectfully submits the enclosed C-147 form and summary of monthly inspections and leak detection for the Potato Basin Containment (2RF-147). For original site plans and submittals, please refer to the facility's original registration application, OCD Registration number 2RF-147, received March 5th, 2020. In accordance with NMAC 19.15.34.10 RECYCLING CONTAINMENTS, Devon Energy wishes to seek a one-year extension to the facility.

Should you have any questions or require additional information, please do not hesitate to contact me at your convenience.

Thank you,



Josh Bruening
Devon Energy Production Company, LP
Supervisor
(405) 501-3236

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: Recycling Facility Recycling Containment*
Type of action Permit Registration
 Modification Extension
 Closure Other (explain) _____

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Devon Energy Corp. (For multiple operators attach page with information) OGRID #: 6137
Address: 333 West Sheridan, Oklahoma City, Oklahoma 73102-8260
Facility or well name (include API# if associated with a well): Potato Basin Containment and Recycling Facility
OCD Permit Number: 2RF-147 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr _____ Section 2 Township 24 South Range 29 East County: Eddy
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Recycling Facility:
Location of recycling facility (if applicable): Latitude 32.245851 Longitude -103.952913 NAD83
Proposed Use: Drilling* Completion* Production Plugging
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
 Other, requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.
 Fluid Storage
 Above ground tanks Recycling containment Activity permitted under 19.15.17 NMAC explain type _____
 Activity permitted under 19.15.36 NMAC explain type: _____ Other explain _____
 For multiple or additional recycling containments, attach design and location information of each containment
 Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: _____

3.
 Recycling Containment:
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32 247295 Longitude -103.951895 NAD83
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness _____ mil LLDPE HDPE PVC Other 30-mil LLDPE Secondary
60-mil HDPE Primary
 String-Reinforced
Liner Seams: Welded Factory Other Field Welds Volume: 708,200 bbl Dimensions: L 600 x W 350 x D 14
 Recycling Containment Closure Completion Date: _____

4.

Bonding:

Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)

Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ 905,095.00 (work on these facilities cannot commence until bonding amounts are approved)

Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

Four foot height, four strands of barbed wire evenly spaced between one and four feet

Alternate. Please specify Chain Link Game Fence

6.

Signs:

12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting	
<p>Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA</p>
<p>Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.</p> <ul style="list-style-type: none"> - Written confirmation or verification from the municipality; written approval obtained from the municipality 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA</p>
<p>Within the area overlying a subsurface mine.</p> <ul style="list-style-type: none"> - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within an unstable area.</p> <ul style="list-style-type: none"> - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within a 100-year floodplain. FEMA map</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).</p> <ul style="list-style-type: none"> - Topographic map; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; aerial photo; satellite image 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 500 feet of a wetland.</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

9.
Recycling Facility and/or Containment Checklist:
 Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data -
- Siting Criteria Compliance Demonstrations -
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.
Operator Application Certification:
 I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Josh Bruening Title: Supervisor
 Signature:  Date: 2-3-2026
 e-mail address: josh.bruening@dvn.com Telephone: 405-552-7882

11.
 OCD Representative Signature: Victoria Venegas Approval Date: 02/17/2026
 Title: Senior Environmental Scientist OCD Permit Number: 2RF-147

- OCD Conditions _____
- Additional OCD Conditions on Attachment

DATE	West Fluid Level	East Fluid Level	SCADA ISSUES	BIRD DETERRENT ISSUES	FLUID IN LEAN DETECTION	FENCE ISSUES	BERM OR LINER ISSUES	SITE VISIT NOTES
1/31/2025	3.0	3.0						
2/7/2025	3.0	3.0						
2/14/2025	3.0	3.0						
2/21/2025	3.0	6.0						
2/28/2025	3.0	9.5						
3/7/2025	3.0	3.0						
3/14/2025	5.5	10.0						
3/21/2025	10.0	10.0						
3/28/2025	8.5	7.5						
4/4/2025	4.0	9.5						
4/11/2025	7.0	8.5						
4/18/2025	9.0	10.5						
4/25/2025	9.0	10.5						
5/2/2025	9.0	7.0						
5/9/2025	3.0	7.0						
5/16/2025	3.0	7.0						
5/23/2025	3.0	7.0						
5/30/2025	3.0	7.0						
6/4/2025	3.0	7.0						
6/13/2025	3.0	7.0						
6/20/2025	3.0	7.0						
6/27/2025	3.0	7.0						
7/4/2025	3.0	7.0						
7/11/2025	3.0	7.0						
7/18/2025	3.0	7.0						
7/25/2025	3.0	7.0						
8/1/2025	3.0	7.0						
8/8/2025	3.0	7.0						
8/15/2025	3.0	7.0						
8/22/2025	3.0	7.0						
8/29/2025	3.0	7.0						
9/5/2025	3.0	7.0						
9/12/2025	3.0	10.0						
9/19/2025	3.0	10.5						
9/26/2025	3.0	10.5						
10/3/2025	3.0	3.0						
10/10/2025	3.0	3.0						
10/17/2025	3.0	3.0						
10/24/2025	3.0	3.0						
10/31/2025	3.0	3.0						
11/7/2025	3.0	3.0						
11/14/2025	3.0	3.0						
11/21/2025	3.0	3.0						
11/28/2025	3.0	3.0						
12/5/2025	3.0	3.0						
12/12/2025	3.0	3.0						
12/19/2025	3.0	3.0						
12/26/2025	3.0	3.0						
1/2/2026	3.0	3.0						
1/9/2026	3.0	3.0						

1/16/2026	3.0	3.0
1/23/2026	3.0	3.0
1/30/2026	3.0	3.0

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, February 17, 2026 11:24 AM
To: Bruening, Josh
Subject: 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214]
Attachments: C-147 2RF-147 - Potato Basin Recycling Facility ID [fSL2012636214] 02.17.2026.pdf

2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214]

Good afternoon Mr. Bruening.

NMOCD has reviewed the determination of registration/permit extension request for 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214] received from [6137] DEVON ENERGY PRODUCTION COMPANY, LP on 02/03/2026, Application ID **549443**. The registration/permit extension request is approved with the following conditions of approval:

- The 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of March 5, 2026. The new registration/permit expiration date is March 5, 2027.
- [6137] DEVON ENERGY PRODUCTION COMPANY will continue to operate, maintain, and close the 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214] in compliance with 19.15.34 NMAC, to include but not limited to the performance of weekly inspections regardless of fluid levels in the containment; recording of detailed inspection reports; removal of debris, foreign objects and oil from the containment; and monthly reporting of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via from C-148.
- [6137] DEVON ENERGY PRODUCTION COMPANY will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [6137] DEVON ENERGY PRODUCTION COMPANY may maintain a higher liquid level if they choose.
- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically form to OCD Permitting. An extension to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form via OCD Permitting.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times.
- [6137] DEVON ENERGY PRODUCTION COMPANY will comply with 19.15.29 NMAC Releases in the event of any release of produced water or produced water or other oil field wastes at 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214]. [6137] DEVON ENERGY PRODUCTION COMPANY will comply with all other OCD rules.
- [6137] DEVON ENERGY PRODUCTION COMPANY must perform weekly inspections of the containment and leak detection system.
- If [6137] DEVON ENERGY PRODUCTION COMPANY, LP wishes to extend the registration/permit past March 5, 2027, a registration/permit extension request must be submitted to OCD. Extension requests are reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of one year. Additional requests must be submitted to OCD Permitting on Form C-147 as an Extension request and should include a formal extension request letter, a summary of the prior registration/permit period inspection reports, and the copies of the detailed inspection records for the prior permit period. The extension request should be submitted no later than February 5, 2027.

Please let me know if you have any further questions.

Regards,

Victoria Venegas • Senior Environmental Scientist
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
575.909.0269 | Victoria.Venegas@emnrn.nm.gov

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 549443

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 549443
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	<ul style="list-style-type: none"> The 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment [fSL2012636214] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of March 5, 2026. The new registration/permit expiration date is March 5, 2027. • If [6137] DEVON ENERGY PRODUCTION COMPANY, LP wishes to extend the registration/permit past March 5, 2027, a registration/permit extension request must be submitted to OCD no later than February 5, 2027. 	2/17/2026