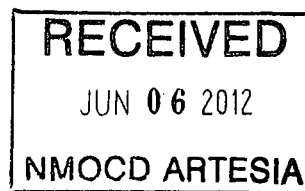




May 24, 2012



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
CONSTRUCTION
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.

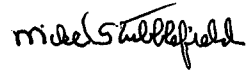
Closure

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

A handwritten signature in black ink, appearing to read "Mike Stubblefield".

Mike Stubblefield
Project Manager

A handwritten signature in black ink, appearing to read "David J. Adkins".

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

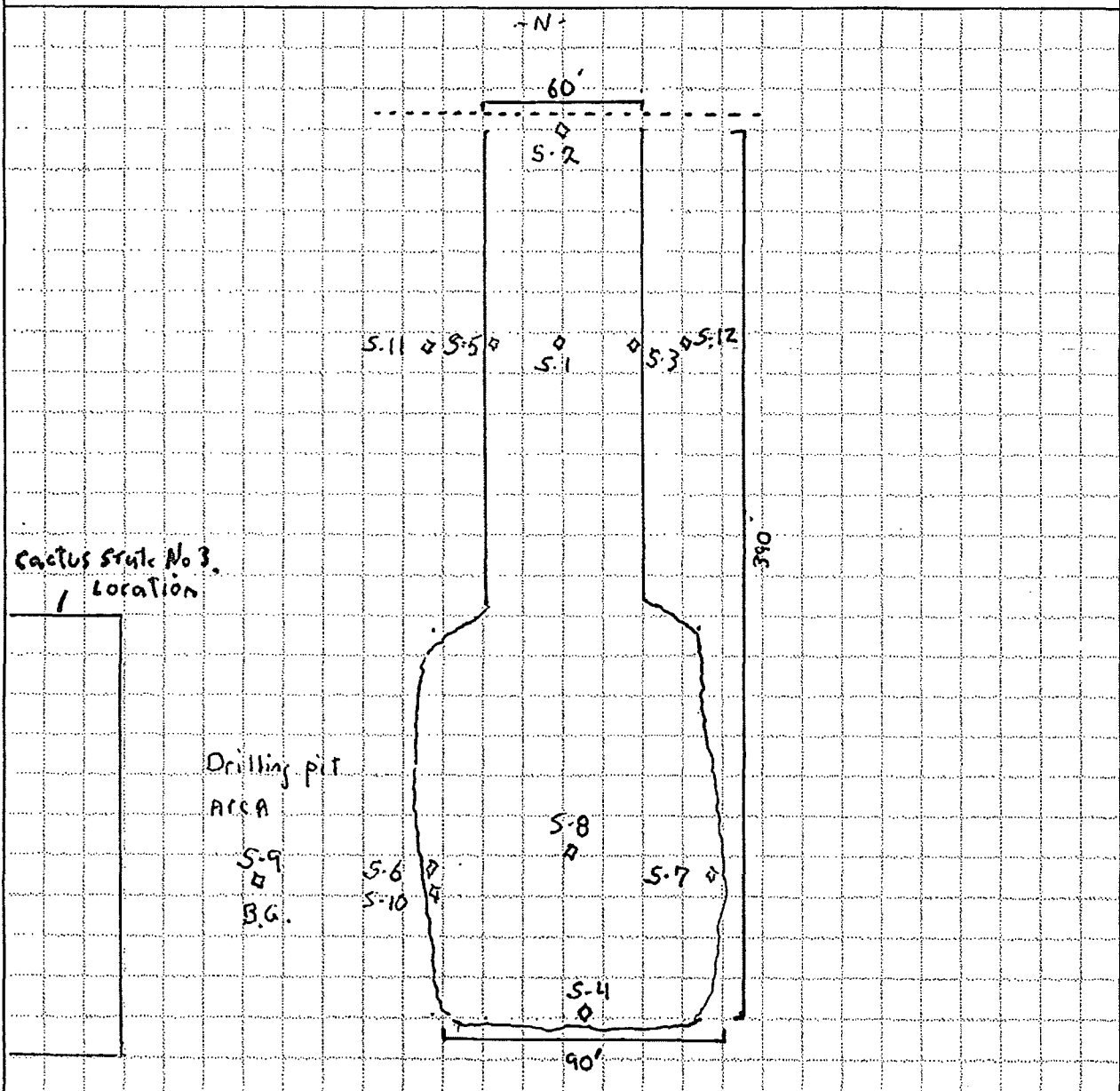
Date: 3/15/2012 Time: Project Manager: M. Strublefiell

Project Number: 700794.022.01

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			Q Q Q							Depth Depth Water						
POD Number	Code	Subbasin	County	64	16	4	Sec	Tws	Rng	X	Y	Distance	Well	Water	Column	
<u>C 03069</u>		C	ED	3	4	2	09	21S	26E	566452	3595583*	1208	250	165	85	
<u>C 02615</u>		C	ED		2	3	10	21S	26E	567367	3595290*	1289	404	115	289	
<u>C 02562</u>		C	ED	4	2	3	15	21S	26E	567485	3593575*	1301	160	65	95	
<u>C 01543</u>		C	ED	4	4	1	09	21S	26E	565837	3595576*	1352	225	150	75	
<u>C 01821</u>		C	ED		2	2	17	21S	26E	564938	3594460*	1523	207			
<u>C 01821 POD2</u>		C	ED		2	2	17	21S	26E	564938	3594460*	1523	305	190	115	
<u>C 01817</u>		C	ED		4	2	17	21S	26E	564942	3594056*	1550	215	195	20	
<u>C 01940</u>		C	ED		4	2	17	21S	26E	564942	3594056*	1550	212	182	30	
<u>C 02137</u>		C	ED		4	2	17	21S	26E	564942	3594056*	1550	217	178	39	
<u>C 01958</u>		C	ED		4	4	08	21S	26E	564934	3594865*	1601	180	155	25	
<u>C 02162</u>		C	ED		4	4	08	21S	26E	564934	3594865*	1601	202	150	52	
<u>C 02172</u>		C	ED		4	4	08	21S	26E	564934	3594865*	1601	200	150	50	
<u>C 01840</u>		C	ED	1	4	2	17	21S	26E	564841	3594155*	1632	360	201	159	
<u>C 01726</u>		C	ED			2	17	21S	26E	564739	3594255*	1724	211	180	31	
<u>C 00524</u>		C	ED	1	4	4	08	21S	26E	564833	3594964*	1729	175			
<u>C 02427</u>		C	ED	2	2	4	08	21S	26E	565031	3595367*	1738	250	200	50	
<u>C 02427 POD2</u>		C	ED	2	2	4	08	21S	26E	565031	3595367*	1738	252	225	27	
<u>C 02427 POD3</u>		C	ED	2	2	4	08	21S	26E	565031	3595367*	1738	200	160	40	
<u>C 02577</u>		C	ED	3	2	4	08	21S	26E	564831	3595167*	1810	196	160	36	
<u>C 03408 POD1</u>		C	ED	4	3	4	08	21S	26E	564684	3594765	1817	253	242	11	
<u>C 01529</u>		C	ED	2	4	2	21	21S	26E	566689	3592556*	1833	130	70	60	
<u>C 01643</u>		C	ED	2	3	2	17	21S	26E	564637	3594153*	1835	330	310	20	
<u>C 01734</u>		C	ED	2	3	2	17	21S	26E	564637	3594153*	1835	216	182	34	
<u>C 01937</u>		C	ED		4	08	21S	26E	564732	3595063*	1858	256	190	66		
<u>C 02046</u>		C	ED		4	08	21S	26E	564732	3595063*	1858	220	160	60		
<u>C 02157</u>		C	ED		4	08	21S	26E	564732	3595063*	1858	218	150	68		
<u>C 02237</u>		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				Sec	Tws	Rng	X	Y	Distance	Depth	Depth	Water
	Code	Subbasin	County	64	16	4							Well	Water	Column
C 02650	C		ED	4	3	4	08	21S	26E	564630	3594761*	1869	260	190	70
C 02659	C		ED	1	2	4	08	21S	26E	564831	3595367*	1906	250	170	80
C 03042	C		ED	1	2	4	08	21S	26E	564831	3595367*	1906	215	170	45
C 01859	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



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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	

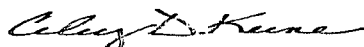
Surrogate: 1-Chlorooctane 114 % 55.5-154

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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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	

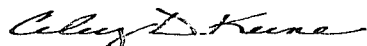
Surrogate: 1-Chlorooctane 92.4 % 55.5-154

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
 Reported: 03/23/2012
 Project Name: CACTUS STATE NO. 3 RELEASE
 Project Number: 700794.022.01
 Project Location: SEC.16.T21S.R26E

 Sampling Date: 03/15/2012
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Celey D. Keene

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

BTX 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					

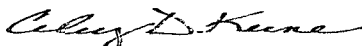
Surrogate: 1-Chlorooctane 90.0 % 55.5-154

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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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

BTX 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, SM4500Cl-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						

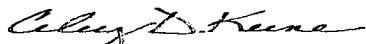
Surrogate: 1-Chlorooctane 93.9 % 55.5-154

Surrogate: 1-Chlorooctadecane 102 % 57.6-158

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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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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

BTX 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 (PIL) 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	

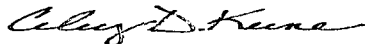
Surrogate: 1-Chlorooctane 99.3 % 55.5-154

Surrogate: 1-Chlorooctadecane 82.7 % 57.6-158

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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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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	

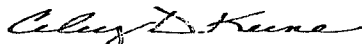
Surrogate: 1-Chlorooctane 94.9 % 55.5-154

Surrogate: 1-Chlorooctadecane 104 % 57.6-158

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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
Reported: 03/23/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/15/2012
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

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, SM4500CI-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

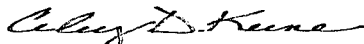
Sample ID: S-9 B. G. 0' (H200664-09)

Chloride, SM4500CI-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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Celey D. Keene, Lab Director/Quality Manager

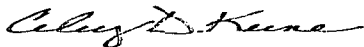
Notes and Definitions

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

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Celey D. Keene, Lab Director/Quality Manager



Company Name:						BILL TO							ANALYSIS REQUEST															
Project Manager:						P.O. #:																						
Address:						Company:																						
City:						Attn:																						
Phone #:						Address:																						
Project #:						City:																						
Project Name:						State:																						
Project Location:						Zip:																						
Sampler Name:						Phone #:																						
						Fax #:																						
FOR LAB USE ONLY																												
Lab I.D.		Sample I.D.				(GRAB OR C/COMP.)	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :	ACID/BASE:	ICE /COOL	OTHER :	DATE	TIME										
H200c64-					G				/					/			3/15/2012	10:07A										
01 S-1 Bottom 3.5'					G				/					/			3/15/2012	10:15A										
02 S-2 North wall					G				/					/			3/15/2012	10:21A										
03 S-3 East wall					G				/					/			3/15/2012	10:34A										
04 S-4 South wall					G				/					/			3/15/2012	10:45A										
05 S-5 West wall					G				/					/			3/15/2012	11:06A										
06 S-6 West wall					G				/					/			3/15/2012	11:12A										
07 S-7 East wall					G				/					/			3/15/2012	11:17A										
08 S-8 Bottom 4'					G				/					/			3/15/2012	11:39A										
09 S-9 B.G. O'																												
<p>PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise.</p>																												
Relinquished By:						Date:		Received By:												Phone Result:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Add'l Phone #:				
michael Stubblefield						Time:		[Signature]												Fax Result:		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Add'l Fax #:				
						Time:														REMARKS:								
Delivered By: (Circle One)						Sample Condition						CHECKED BY:																
Sampler - UPS - Bus - Other:						Cool Intact						(Initials)																
16°C						Yes Yes						cpu																
						No No																						



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

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,

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
Reported: 03/27/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 03/26/2012
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

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

Chloride, SM4500Cl-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							

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

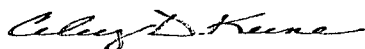
Notes and Definitions

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

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Celey D. Keene, Lab Director/Quality Manager

[illegible]



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

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, reading "Coley D. Keene". The signature is written in a cursive, flowing style.

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
Reported: 04/12/2012
Project Name: CACTUS STATE NO. 3 RELEASE
Project Number: 700794.022.01
Project Location: SEC.16.T21S.R26E

Sampling Date: 04/05/2012
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

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		

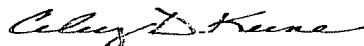
Sample ID: S-12 E 3 FT PAST EXC (H200806-02)

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

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Celey D. Keene, Lab Director/Quality Manager

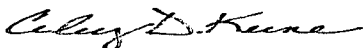
Notes and Definitions

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

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240

[illegible]

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 S. 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
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LOCATION OF RELEASE

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

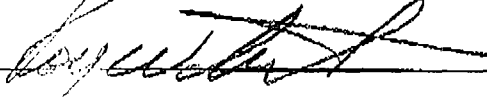
Describe Cause of Problem and Remedial Action Taken.*

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-feet 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@dmv.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 5/24/2012 Phone: 575-513-1741		

* Attach Additional Sheets If Necessary