



June 12, 2015

Mrs. Heather Patterson

NMOCD District 2

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

Subject: **Remediation and Closure Report**

Devon Energy
Cotton Draw Unit No. 206H
Lease #: NMNM-012121
Unit/CA Agreement #: 891005247X
API # 30-015-42072 2RP-2798

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

HOBBS Dear Heather and Mike,

318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

Devon Energy had contracted Talon/LPE (Talon) to perform soil assessment and remediation services for the Cotton Draw Unit No. 206H release. The results of our soil assessment, completed remediation activities and closure request are submitted herein. See site map attached in [Appendix I](#).

MIDLAND

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

Incident Date

The release occurred on February 4, 2015.

Background Information

OKLAHOMA CITY
7700 North Hudson Avenue
Suite 10
Oklahoma City, Oklahoma 73116
Phone 405.486.7030
Fax 806.467.0622

The Cotton Draw Unit No. 206H is located approximately forty-eight (48) miles southeast of Carlsbad, New Mexico. The legal location for the site is Section 26, Township 24 South and Range 31 East in Eddy County, New Mexico. More specifically, the Latitude and Longitude for the release are 32.1814442801983 North and -103.744606191949 West.

SAN ANTONIO

13111 Lookout Way
San Antonio, Texas 78233
Phone 210.265.8025
Fax 210.568.2191

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 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 underlain with sandy clay loam and hard caliche. Drainage courses in this area are normally dry. Ground water in the project vicinity is greater than 260-feet below ground surface (bgs), according to the New Mexico Office of the State Engineer. See [Appendix II](#) for the referenced groundwater data.

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

ENGINEERING

DRILLING Depth to ground water >100'

CONSTRUCTION Wellhead Protection Area >1000'

SPILL MANAGEMENT Distance to surface water body >1000'

GENERAL CONTRACTING

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 5000 mg/kg. The chloride standard is considered to be 1,000 mg/kg.

Incident Description

On February 4, 2015 Halliburton was performing the fracture treatment when a check valve washed out causing a spill of 12 barrels of fluid. No fluids were recovered. All fluids stayed on location to the south of the wellhead. The area impacted was a 20-foot by 40-foot area around the front of the frac tank. After the tanks were removed, Talon mobilized personnel to conduct a site assessment and performed soil sampling activities at the location. Laboratory results from the soil sampling event are summarized in the table below.

Laboratory Results

See Appendix III for complete report of laboratory results.

April 24, 2015

| Sample ID | Depth (feet) | BTEX (mg/kg) | Chlorides (mg/kg) | TPH (mg/kg) GRO | TPH (mg/kg) DRO |
|-----------|--------------|--------------|-------------------|-----------------|-----------------|
| S-1 | 0' | -- | 1960 | -- | -- |
| | 0.5' | -- | 3080 | -- | -- |
| | 1' | -- | 64 | -- | -- |
| | 1.5' | -- | <16 | -- | -- |
| | 2' | -- | <16 | -- | -- |

-Analyte Not Tested

Remedial Actions Taken

The impacted area was excavated to a depth of 1-foot deep. All of the excavated material will be hauled to Lea Land, LLC a solid waste facility.

The excavated area was backfilled with new caliche and re-contoured to match the surrounding location.

Closure

On behalf of Devon Energy, we respectfully request that no further actions be required and that closure with respect to these release be granted. A Final C-141 is also attached.

Should you have any questions or if further information is required, please do not hesitate to contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE



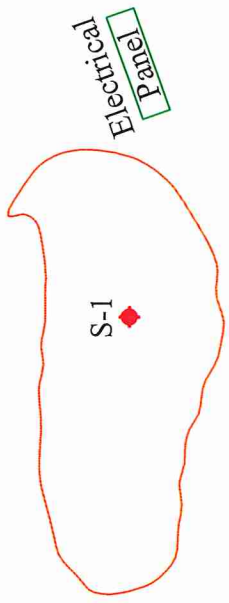
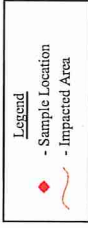
Kimberly M. Wilson
Project Manager



David J. Adkins
District Manager

APPENDIX I

SITE MAP



Date: 05/19/2015
Scale: NTS
Drawn By: TJS

Cotton Draw 206
Devon Energy Corporation
Eddy County, New Mexico
Figure 1 - Site Plan

APPENDIX II
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 Number | POD Sub-Code | basin | County | Q 64 | Q 16 | Q 4 | Sec | Tws | Rng | X | Y | Distance | Depth Well | Depth Water | Water Column |
|--------------------------|--------------|-------|--------|------|------|-----|-----|-----|-----|--------|----------|----------|------------|-------------|--------------|
| C 02401 | | | LE | 2 | 2 | 1 | 01 | 25S | 34E | 648534 | 3559896* | 2076 | 275 | 260 | 15 |
| CP 00839 | | | LE | | 4 | 3 | 30 | 24S | 35E | 650017 | 3561833* | 2521 | 175 | | |

Average Depth to Water: **260 feet**

Minimum Depth: **260 feet**

Maximum Depth: **260 feet**

Record Count: 2

UTMNAD83 Radius Search (in meters):

Easting (X): 647499

Northing (Y): 3561696

Radius: 3000

*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.

FINAL C-141

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|--|---|
| Name of Company: Devon Energy Production Co LP (6137) | Contact: Mike Palmer, Consultant |
| Address: PO Box 250 Artesia, NM 88211 | Telephone No. 575-420-2711 |
| Facility Name: Cotton Draw Unit 206H | Facility Type: Well location |

| | | |
|-------------------------------|-------------------------------|---|
| Surface Owner: Federal | Mineral Owner: Federal | API No. 30-015-42072 2RP-2798 Lease #: NMNM-012121 |
|-------------------------------|-------------------------------|---|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|-----------|------------|------------|---------------|------------------|---------------|----------------|-------------|
| O | 26 | 24S | 31E | 150 | South | 1400 | East | Eddy |

Latitude: 32.1814442801983 N Longitudes: -103.744606191949 W

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release: Produced Water | Volume of Release: 12 bbls | Volume Recovered: 0 bbl |
| Source of Release: Dart Valve | Date and Hour of Occurrence 2/4/15, 1:50 PM | Date and Hour of Discovery 2/4/15, 1:50 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? OCD-Mike Bratcher BLM-Jeff Robertson | |
| By Whom? Denise Menoud, Field Tech | Date and Hour: 2/4/2015, 2:30 PM | |
| 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.*
NA

Describe Cause of Problem and Remedial Action Taken.* **Halliburton was performing the fracture treatment when a check valve washed out causing a spill of 12 barrels of fluid. No fluids were recovered. All fluids stayed on location to the south of the wellhead. The area impacted was a 20-foot by 40-foot area around the front of the frac tank.**

Describe Area Affected and Cleanup Action Taken.*
Talon/LPE was contracted by Devon Energy for the correction of this release. Pursuant to our work plan approved by the BLM and NMOCD, The impacted area was excavated to a depth of 1-foot deep. All of the excavated material will be hauled to Lea Land, LLC a solid waste facility. The excavated area was backfilled with new caliche and re-contoured to match the surrounding location. We asked that no further actions be required for this release.

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>Denise Menoud</i> | OIL CONSERVATION DIVISION | | |
| Printed Name: DENISE MENOUD | Approved by Environmental Specialist: | | |
| Title: FIELD Admin. SUPPORT | Approval Date: | Expiration Date: | |
| E-mail Address: Denise.Menoud@dvn.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 6/17/15 Phone: 575-746-5544 | | | |

* Attach Additional Sheets If Necessary