

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

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 | Contact Jake Harrington, Production Foreman |
| Address 6488 Seven Rivers Hwy Artesia, NM 88220 | Telephone No. 432-214--5175 |
| Facility Name Cotton Draw Unit 65 | Facility Type Salt Water Disposal |
| Surface Owner Federal | Mineral Owner State |
| API No. 30-015-10843 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G | 2 | 25S | 31E | 1980 | North | 1980 | East | Eddy |

Latitude: 32.161085918

Longitude: -103.746039442

NATURE OF RELEASE

| | | |
|---|---|---|
| Type of Release Produced Water & Oil | Volume of Release 1196bbls produced water/6bbls oil | Volume Recovered 1179bbls produced water/1bbl oil |
| Source of Release Storage Tanks | Date and Hour of Occurrence November 27, 2015 12:00 PM | Date and Hour of Discovery November 27, 2015 12:00 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Jim Amos, BLM Mike Bratcher, OCD | |
| By Whom? Garry Michael, Production Foreman | Date and Hour Jim Amos, BLM November 27, 2015 3:00 PM Mike Bratcher, OCD November 27, 2015 3:05 PM | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse N/A | |

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.* Transfer pump went down causing the storage tanks to overflow releasing approximately 1202bbls produced water and oil into lined containment and on to location. The transfer pumps were immediately reset to start transferring water to stop the over flow.

Describe Area Affected and Cleanup Action Taken.*
 The affected area on location was caused from an overflow of approximately 22bbls from lined containment starting Northeast and running Southwest on location causing a 70'x80' area on location next to the containment. The storage tanks overflowed releasing approximately 1196bbls produced water and approximately 6bbls oil with no fluids leaving location. A vacuum truck was called and recovered approximately 1179bbls produced water and approximately 1bbl oil from lined containment and approximately 12bbls produced water and approximately 5bbls oil from location. Lined containment was checked for holes and none were found. An environmental agency will be contacted for remediation.

The hydrocarbon impacted soil within the flow path from S-1 through S-3 was excavated to a depth of 0.5-feet deep. The 2 barrel overspray on the lease road East of the location in regards to Incident number 2RP-3467 was also scraped 0.5-feet while excavating in the vicinity of S-3. The impacted area within the S-4 flow path was excavated to the depth of 1-foot deep. All contaminated soil was transported to Lea Land, LLC; an approved disposal facility. The excavated areas on location and lease road were backfilled with new caliche, machine compacted and re-contoured to match the surrounding location.

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>Sheila Fisher</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Sheila Fisher | Approved by Environmental Specialist: | |
| Title: Field Admin Support | Approval Date: 10/21/2016 | Expiration Date: N/A |
| E-mail Address: Sheila.Fisher@dvn.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 10/20/16 | Phone: 575.748.1829 | FINAL |

* Attach Additional Sheets If Necessary