



Devon Energy Production Company, L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

October 10, 2011

Mr. Mike Bratcher
NMOCD District 2
1301 West Grand Avenue
Artesia, NM 88210

Subject: Remediation Work Plan
Goodnight 1 Fee No. 1H
API# 30-005-64132 – 2RP-564

Dear Mr. Bratcher,

Devon Energy Production Company, L. P. (Devon) is committed to complying with all reporting requirements of the State of New Mexico Energy Minerals and Natural Resources Oil Conservation Division (NMOCD). In addition, Devon is committed to take a remedial action that will ensure protection of the state's groundwater. Please consider this letter to be an official remedial action plan to address both the drilling fluids and water spill and later an acid/water spill associated with the Goodnight 1 Fee No. 1H.

The drilling fluids and produced water spill occurred on January 5, 2011 and is located approximately 34 miles east of Roswell, New Mexico. The legal location for the site is Section 1, T12S, R28E, Chaves County, New Mexico. The Latitude/Longitude for the release is 32.30707 and -104.08448. A Form C-141 (attached) was approved on January 11, 2011.

A total of 2,300 barrels of drilling fluids and produced water resulted from the spill. Sixty-five barrels were immediately recovered and the impacted areas were scraped. These areas are located south and west of the location and down a two track ranch road approximately 0.25 mile where it pooled. Devon excavated 0.25 miles of the two track road from the location to the pooling area to a depth of three feet. Devon then refilled the road with new caliche. The pooling area south of location is estimated to be 345' long x 155' wide. The flow path to the west of location is estimated to be 96' long x 207' wide, where it then narrowed to 27' wide by 670' long. The pooling area off the two track road is estimated to be one 165' long x 87' wide. A site plan illustrating the impacted areas is attached.

The acid/water spill occurred on June 8, 2011 and is much smaller in volume and extent of the first spill and was primarily contained within the well pad and on top of the original drilling fluids/produced water spill. A total of 220 barrels of the 300 barrel acid/water mix was immediately recovered. The affected areas were 145' x 81' on the pad and 135' by 20' just off the pad behind the tanks. A Form C-141 (attached) was approved on August 9, 2011.

Soil Assessment and Remediation Work Plan – Goodnight

On May 4-5, 2011, Talon LPE conducted a site assessment and soil sampling. Grab soil samples were collected utilizing a split spoon auger rig. Bore holes were drilled into the impacted areas on the location and into the impacted areas located along the flow path. Soil samples were collected from the impacted areas and were tested on site using field titration method for chlorides to determine the vertical impacts of the release. The soil samples locations were labeled S-1 through S-1 and a map of these individual locations is attached.

Soil samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided glassware and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for Total Chlorides via Method SM4500CL-B. The complete laboratory reports dated May 13, 2011 and May 18, 2011 in addition to the resulting data sorted by sample locations are attached.

A third set of samples were collected by Talon personnel the week of August 21, 2011 during their initial site assessment. The samples were comprised from two separate stockpiles on the northern impacted area. The field titrations yielded concentrations of 4,679 mg/kg and 2,268 mg/kg.

Only one soil sample was collected for the acid/water spill. The pH was first tested with a pH level indicator strip and it tested nearly neutral. However, a sample was collected on August 30, 2011 and sent to the laboratory where the result was 2.19.

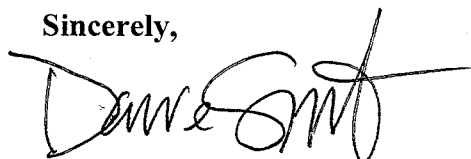
The site lies on undulating plains and low hills consisting of wind worked sandy deposits. Drainage courses in this area are normally dry. The local surface and shallow geology includes silty and clay-based soils underlain by dense caliche layers and sandstone. The New Mexico State Engineer web site indicates that nearest ground water data to be in Section 2, T12S, R28E. The groundwater in Section 2 reported to be at an average depth of 145' below ground surface (bgs). The NMOCD site assessment criteria based on depth to groundwater greater than 100', Wellhead Protection Area greater than 1000', and distance to surface water body greater than 1000' results in a 0 ranking.

A remedial action plan based on the NMOCD site assessment criteria and developed in collaboration with the landowner has been identified below:

- 1.) Repack the excavated areas within the existing two impacted soil piles
- 2.) Excavate, pile and blend the remaining impacted soils
- 3.) Excavate soil from nearby proposed stock tank locations
- 4.) Carefully transport the soil to the remediation areas to keep the caliche and top soil separate for re-application
- 5.) Maintain a minimum 18" lift of clean soils
- 6.) Contour the lift to match the surrounding terrain and seed using landowner's recommended seed mixture

Devon appreciates your review and feedback at your convenience. Please contact Nathan Kuhnert at (405) 228-7594 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Darren Smith", with a long horizontal stroke extending to the right.

Darren Smith
Corporate EHS Manager
Devon Energy Production Company, L.P.

Attachments:

- Site Map**
- Soil Boring Locations**
- C-141 (drilling fluids/produced water)**
- C-141 (acid/water)**
- NMOCD groundwater database query result**
- Soil analytical data (drilling fluids/produced water)**
- Soil analytical data (acid/water)**
- Soil samples results by location**