

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-141
Revised August 24, 2018
Submit to appropriate OCD District office

| | |
|----------------|---------------|
| Incident ID | NCS1932438454 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|--------------------------------|
| Responsible Party Hilcorp Energy Company | OGRID 372171 |
| Contact Name Jennifer Deal | Contact Telephone 505-801-6517 |
| Contact email jdeal@hilcorp.com | Incident # NCS1932438454 |
| Contact mailing address 382 Road 3100, Aztec NM 87410 | |

Location of Release Source

Latitude 36.8865738 Longitude -107.9755554
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|---|--------------------|
| Site Name Calloway 3M | Site Type Gas Well |
| Date Release Discovered 11/4/2019 at 3:00pm | API# 30-045-33090 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|----------|
| G | 22 | 31N | 11W | San Juan |

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: Paul and Mary Bandy)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

| | | |
|--|--|--|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> Condensate | Volume Released (bbls) 12 | Volume Recovered (bbls) 0 |
| <input type="checkbox"/> Natural Gas | Volume Released (Mcf) | Volume Recovered (Mcf) |
| <input type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release

A release of ~12 bbls of condensate was released due to internal corrosion on the bottom of the condensate tank. The operator removed fluids from tank and re-routed fluids from separator to the water tank. The tank will be pulled and inspected and coated. Release remained on location. 0 bbls were recovered. Environmental will provide OCD 48 hour notice of sampling.

Form C-141

State of New Mexico
Oil Conservation Division

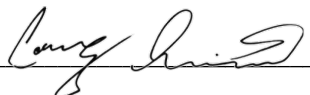
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| | |
|----------------|--|
| Incident ID | |
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| | |
|---|--|
| Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, for what reason(s) does the responsible party consider this a major release? |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? | |

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

| |
|--|
| <input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately. |
| If all the actions described above have <u>not</u> been undertaken, explain why: |
| Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation. |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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. |
| Printed Name: <u>__Jennifer Deal__</u> Title: <u>__Environmental Specialist__</u> Signature: _____ Date: <u>11/7/2019</u> email: <u>__jdeal@hilcorp.com__</u> Telephone: <u>__505-801-6517__</u> |
| <u>OCD Only</u> Received by: <u></u> Date: <u>11/20/19</u> |