Per your request below to close the BGT due to filing error and that no BGT was on this location. OCD Reviewed Inspections and Inspection photos, and Aerial images OCD agrees that with the data provided that there is/was no BGT at the below locations and the BGT registrations are herby considered closed with no further sampling etc needed.

If new information shows that there was a BGT on location HEC may be required to perform sampling etc.

Cory Smith • Environmental Specialist Environmental Bureau EMNRD - Oil Conservation Division 1000 Rio Brazos | Aztec, NM 87410 505.334.6178 x115 | Cory.Smith@state.nm.us http://www.emnrd.state.nm.us/OCD/

From: Kandis Roland < kroland@hilcorp.com>

Sent: Tuesday, January 12, 2021 2:25 PM

To: Smith, Cory, EMNRD <Cory,Smith@state.nm.us>; Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>

Cc: Kandis Roland < kroland@hilcorp.com>; Cheryl Weston < cweston@hilcorp.com: Subject: [EXT] FW: [EXTERNAL] Compliance issues in T27N R6W 1/4/2021

Cory/Jonathan,

BGT permit was filed for the wells listed below by ConocoPhillips in 2008 but no BGT is onsite currently or historically. Prior OCD inspection did not indicate the presence of a BGT as found by Jonathan Kelly,

HEC would like to request C-144 BGT permits be closed has they were submitted by clerical error

- 3003907118 San Juan 28-6 Unit 53
- · 3003925629 San Juan 28-6 Unit 104M

Kandis Roland HILCORP ENERGY San Juan South Regulatory 505.324.5149 kroland@hilcorp.com

From: Kelly, Jonathan, EMNRD [mailto:Jonathan.Kelly@state.nm.us]
Sent: Monday, January 4, 2021 3:58 PM
To: Farmington Regulatory Techs FarmingtonRegulatoryTechs@hilkorp.com

Cc: Smith Cory EMNRD <Cory Smith@state.nm.us>

Subject: [EXTERNAL] Compliance issues in T27N R6W 1/4/2021

Good afternoon.

I encountered the following compliance issues while inspecting wells today in T27N R6W. Compliance is due 4/4/2021.

cJK21456526 - [30-039-20840] SAN JUAN 28 6 UNIT #104 - Location has a steel single wall single bottom below grade tank with base not visible.
cJK21456657 - [30-039-25766] SAN JUAN 28 6 UNIT #206M - Location has a steel single wall single bottom below grade tank with base not visible.
cJK21457065 - [30-039-25766] SAN JUAN 28 6 UNIT #206M - Location has a steel single wall single bottom below grade tank with base not visible.
cJK21457065 - [30-039-07133] SAN JUAN 28 6 UNIT #075 - Hammer union disconnected on line from separator to production tank resulting in a release, some standing fluids wrapping around northeast side of metal below grade tank containment with some fluids infiltrating into containment, standing fluids appear to be less than 1 bbl, but containment with some fluids infiltrating into containment, standing fluids appear to be less than 1 bbl, but containment with some fluids infiltrating into containment, standing fluids appear to be less than 1 bbl, but containment with some fluids infiltrating into containment, standing fluids appear to be less than 1 bbl, but containment standing fluids appear to be less than 1 bbl, but containment standing fluids appear to be less than 1 bbl, but containment standing fluids appear to be less than 1 bbl, but containment standing fluids appear to be less than 1 bbl, but containment standing fluids wrapping around northeast side of metal below grade tank with base not visible. tomorrow morning as schedule allows.

cJK21457324 - [30-039-29423] SAN JUAN 28 6 UNIT #115N - Active minor leak on hammer near production tank in containment on line between separator and production tank, release appears to be around 1-5 gallons based of size of

wet patch. Called into operator while on location. Received email while returning from field indicating that the fluid controller had been shut in earlier in the morning with an estimated 0.5 gallons released, but with no indication that the leaking joint had been worked on to halt further release. Will follow up on location tomorrow morning as schedule allows.

Additionally, I found the following C-144 issues while inspecting.

	Inspection	
Location	Date	Notes
[30-039-07118] SAN JUAN 28 6 UNIT		C-144 below grade tank registration in well file, no below grade tank on location, will review and send to operator to determine path forward. Location has a steel low profile
#053	1/4/2021	above grade tank.
[30-039-25629] SAN JUAN 28 6 UNIT		C-144 below grade tank registration in well file, no below grade tank on location, will review and send to operator to determine path forward. Location has an open top steel
#104M	1/4/2021	AGT.
[30-039-07169] SAN JUAN 28 6 UNIT		C-144 below grade tank registration in well file, no below grade tank on location, will review and send to operator to determine path forward. Location has an open top steel
#115	1/4/2021	AGT.

Please email me notification with photos of the corrected items to help expedite clearing the compliance. All well related correspondence must include the API number to the referenced location, any received compliance emails that do not include the API number will not be accepted for Compliance closure. Any replacement well signs should be appropriately located on location and follow requirements of 19.15.16.8 NMAC and other applicable regulatory agency requirements with information complete and correct. If you have any questions regarding any of the above items, please do not hesitate to contact me.

For field compliance issues that may be delayed due to the public health emergency please contact your OCD field representative prior to the expiration date and request an extension. Include the reason for the delay and the estimated sion timeframe being requested

Thank you,

Jonathan D. Kelly Compliance Officer Energy, Minerals, & Natural Resources 1000 Rio Brazos, Aztec, NM 87410 (505) 320-0701 jonathan.kelly@state.nm.us

The information contained in this email message is confidential and may be legally privileged and is intended only for the use of the individual or entity named above. If you are not an intended recipient or I you have received this message in error, you are hereby notified that any dissemination, distribution, or copy of this email is strictly prohibited. If you have received this email in error, please immediately notify us by return email or elephone if the sender's phone number is listed above, then promptly and permanently delete this message.

While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the croward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.