

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 **OIL CONS. DIV DIST. 3**
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Hilcorp Energy Company	Contact Lindsay Dumas
Address 1111 Travis St. Houston, TX 77002	Telephone No. (281)794-9159
Facility Name: San Juan 28-5 Unit 88	Facility Type: Gas Well

Surface Owner Private	Mineral Owner Private	API No. 3003920475
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LOCATION OF RELEASE

Unit Letter M	Section 15	Township 28N	Range 05W	Feet from the 990'	North/South Line South	Feet from the 800'	East/West Line West	County Rio Arriba
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Latitude **36.6566658** Longitude **-107.3528671**

NATURE OF RELEASE

Type of Release Condensate & Produced Water	Volume of Release 27.3bbl & 9.6bbls	Volume Recovered 0
Source of Release Production Tank	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 03/28/17 @ 10:00 a.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD (Cory Smith)	
By Whom? Lisa Hunter	Date and Hour 03/29/17 @ 1:38 p.m.	
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.*

During routine tank gauging of Production Tank it was discovered product was missing. Further examination found condensate in rain and snow soaked ground within the bermed area around the tank. Well was shut in. Remaining tank fluid was pulled.

Describe Area Affected and Cleanup Action Taken.*

ConocoPhillips will have the affected area assessed using a hallow stem auger rig with split spoon sampling; lab and field samples to identify extent of contamination horizontally and vertically, and to determine remediation path forward. Delineation assessment to be completed October 2nd and 3rd, 2017.

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>Lindsay Dumas</i>	OIL CONSERVATION DIVISION	
Printed Name: Lindsay Dumas	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Environmental Specialist	Approval Date: 10/20/17	Expiration Date:
E-mail Address: Ldumas@hilcorp.com	Conditions of Approval: Samples to Be Test For TPH (ARO-GRO-MRO)	Attached <input type="checkbox"/>
Date: 9/25/2017 Phone: (281)794-9159		

* Attach Additional Sheets If Necessary

Btex. Operator will provide Delineation Results to OCD AND PATH FORWARD. 'By' Nov 1, 2017

(5)

September 20, 2017

Lindsay Dumas
Hilcorp Energy – L48 West
5525 Highway 64
Farmington, New Mexico 87401

**RE: Revised Proposal for Subsurface Investigation
Hilcorp Energy
San Juan 28-5 #88
San Juan County, New Mexico**

Dear Ms. Dumas:

LT Environmental, Inc. (LTE) is pleased to present to Hilcorp Energy (Hilcorp) the following revised scope of work to delineate impact to soil at the San Juan 28-5 #88 natural gas well (Site). LTE will use a CME-75 drilling rig equipped with hollow stem augers to advance boreholes and collect soil samples from the borehole with a split-spoon hammer sampler. This cost estimate includes the following tasks and assumptions:

- Advance 8 holes to approximately 35 feet below ground surface (bgs). Proposed boreholes will generally be located as presented in Figure 1; however, the final location of boreholes will be determined based on field observations and findings.
- LTE will work outward from the known source area until clean soil is identified. Soil borings will be advanced until one of four criteria are met: the depth of the impacted soil is defined, groundwater is encountered, bedrock is encountered, or auger refusal.
- Collect split-spoon samples every five feet from all boreholes.
- Conduct field screening for volatile aromatic hydrocarbons. Screening will be conducted with a photo-ionization detector (PID) equipped with a 10.6 electron volt lamp in accordance with the NMOCD's *Guidelines for Remediation of Leaks, Spills and Releases*, August 13, 1993. Additionally, a PetroFlag field test kit will be used to analyze total petroleum hydrocarbons (TPH) and better quantify field screening results.
- Soil samples for laboratory analysis will be collected from the section of core containing the highest field screening results and/or from the bottom of soil borings to document lateral and vertical extent of soil impact. The final number of soil samples submitted for laboratory analysis will be determined in the field.
- The Site is in Unit M of Section 15 within Township 15 North and Range 5 West. There are no water wells within a 1-mile radius of the Site, but cathodic reports for two adjacent production wells (approximately 1,180 feet to the northeast and approximately 1,070 feet to the north) reported depth to water as 100 feet to 110 feet bgs. The nearest surface water bodies are dry arroyos that are higher-order tributaries of Gobernador Canyon. One





tributary is approximately 165 feet north-northwest of the Site. A stock pond is approximately 260 feet east of the Site. Based on the proximity of the tributary to the north, the New Mexico Oil Conservation Division (NMOCD) ranking criteria triggers the following remediation action levels: 10 milligrams per kilogram (mg/kg) for benzene, 50 mg/kg for total BTEX (benzene, toluene, ethylbenzene, and xylenes), and 100 mg/kg for (TPH).

- Samples will be hand delivered in a cooler on ice to Hall Environmental Analysis Laboratory for analysis of BTEX by EPA Method 8021B and TPH using EPA Method 8015M.
- For the purposes of this cost estimate, LTE anticipates no more than 10 soil borings.
- A Trimble® GeoExplorer® 3000 series GPS will be used to determine the latitude and longitude location of each soil boring and pertinent site features.
- LTE will provide a short summary report documenting sampling and analysis activities and a discussion of the subsurface lithology and lateral and vertical extent of potential impact. The report will include site layout maps, analytical results, and recommendations.
- LTE will contact New Mexico One Call at least 48 hours prior to any subsurface activities to have all subsurface utilities identified and clearly marked.
- LTE will prepare a site-specific health and safety plan (HASP) in accordance with the Occupational Health and Safety Administration (OSHA) regulations specified in 29 CFR 1910.120.

COSTS

The estimated cost for the Scope of Services described above is \$13,150.90 and detailed on Table 1. If you have questions or comments regarding the content of this cost estimate, please telephone me at (970) 385-1096.

Sincerely,

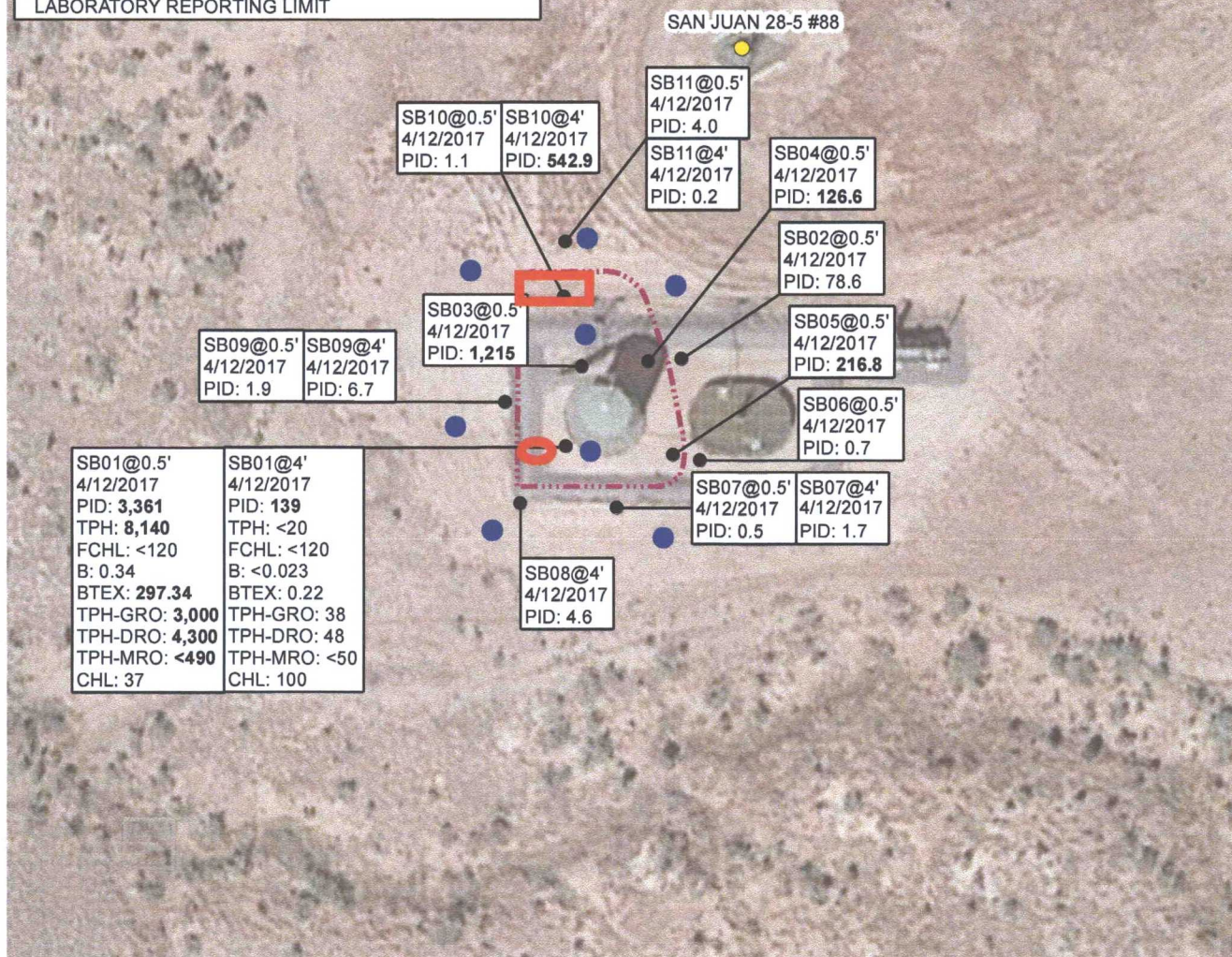
LT ENVIRONMENTAL, INC.

Ashley L. Ager, M.S., P.G.
Senior Geologist

Attachments (2)



SAMPLE ID@DEPTH IN FEET BELOW GROUND SURFACE
 SAMPLE DATE
 PID: PHOTO-IONIZATION DETECTOR READING IN PARTS
 PER MILLION (ppm)
 TPH: TOTAL PETROLEUM HYDROCARBONS
 FCHL: FIELD CHLORIDE (mg/kg)
 B: BENZENE IN MILLIGRAMS PER KILOGRAM (mg/kg)
 BTEX: TOTAL BTEX (mg/kg)
 TPH-GRO: TOTAL PETROLEUM HYDROCARBONS -
 GASOLINE RANGE ORGANICS (mg/kg)
 TPH-DRO: TOTAL PETROLEUM HYDROCARBONS -
 DIESEL RANGE ORGANICS (mg/kg)
 TPH-MRO: TOTAL PETROLEUM HYDROCARBONS -
 MOTOR OIL RANGE ORGANICS (mg/kg)
 CHL: CHLORIDE (mg/kg)
BOLD INDICATES RESULT EXCEEDS THE
APPLICABLE STANDARD
 <: INDICATES RESULT IS LESS THAN THE
 LABORATORY REPORTING LIMIT



LEGEND

- SOIL BORING
- WELLHEAD
- ▭ AREA OF IMPACT - RECOMMENDED EXCAVATION AREA
40 FT BY 40 FT BY 3 FT DEEP
- Proposed Borehole

IMAGE COURTESY OF GOOGLE EARTH 2016

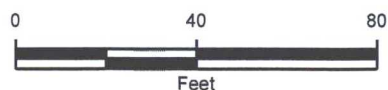


FIGURE 2
 SITE MAP, SAMPLE LOCATIONS, AND RESULTS
 SAN JUAN 28-5 #88
 SWSW SEC 15-T28N-R5W
 RIO ARRIBA COUNTY, NEW MEXICO
 CONOCOPHILLIPS



TABLE 1
ESTIMATED COSTS - REVISED

SAN JUAN 28-5 #88 SUBSURFACE INVESTIGATION
SAN JUAN COUNTY, NEW MEXICO
HILCORP ENERGY

LABOR	Principal	Project Scientist II	Staff Scientist III	GIS Figures	Admin/ Clerical
Task 1 - Preperation		1	2		0.5
Task 2 - Site Investigation	1	2	20		
Task 3 - Reporting	4	2	4	2	0.5
TOTAL HOURS	5	5	26	2	1
RATE (\$)	\$140.00	\$100.00	\$72.00	\$72.00	\$55.00
LABOR COST	\$700.00	\$500.00	\$1,872.00	\$144.00	\$55.00

SUBTOTAL **\$3,271.00**

SUBCONTRACTORS	QTY.	COST/UNIT	UNIT	UNIT TOTAL
Drilling - up to 10 boreholes with Geoprobe Advance Push Rig				
Mobe/Demobe (Rig)	1	\$400.00	EACH	\$400.00
Crew Travel, w/o rig	8	\$150.00	HOURL	\$1,200.00
Support Vehicle	2	\$110.00	EACH	\$220.00
Soil Boring and Sampling; 7.25" HSA	350	\$14.00	FEET	\$4,900.00
Crew Time	5	\$150.00	HOURL	\$750.00
Materials	1	\$228.00	EACH	\$228.00
				\$7,698.00
			Fee (5%)	\$384.90
			SUBTOTAL	\$8,082.90
Laboratory Analysis - soil samples (BTEx, TPH)	10	\$115	EACH	\$1,150.00
			Fee (10%)	\$184.00
			SUBTOTAL	\$1,334.00
			SUBTOTAL	\$9,416.90

OTHER DIRECT COSTS	QTY.	COST/UNIT	UNIT	UNIT TOTAL
GPS	2	\$60	/ DAY	\$120.00
Photo-ionization Detector	2	\$50	/ DAY	\$100.00
Vehicle	2	\$110	/ DAY	\$220.00
Misc Field Supplies	1	\$23	/ DAY	\$23.00
PetroFlag	20	\$15.75	/ SAMPLE	\$315.00
			SUBTOTAL	\$463.00

TOTAL ESTIMATED COST **\$13,150.90**

