

MAR 29 2018

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
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

DISTRICT III

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

Form C-141
Revised August 8, 2011

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: Jicarilla 153 #22	Facility Type: Gas

Surface Owner Jicarilla	Mineral Owner Jicarilla	API No. 3003922986
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LOCATION OF RELEASE

Unit Letter M	Section 25	Township 26N	Range 05W	Feet from the 790'	North/South Line South	Feet from the 1120'	East/West Line West	County Rio Arriba
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Latitude 36.45251 Longitude -107.31566

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 20 bbls	Volume Recovered 20 bbls
Source of Release Pit Tank	Date and Hour of Occurrence 3/9/18	Date and Hour of Discovery 3/9/18
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jicarilla Apache Nation	
By Whom? Lisa Hunter	Date and Hour 3/9/18 5:10PM	
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

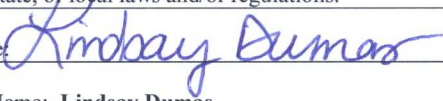

Describe Cause of Problem and Remedial Action Taken.*

Corrosion hole in pit tank caused produced water to release into pit cribbing area. Well was shut in immediately, water truck was called and recovered approximately 20 bbls.

Describe Area Affected and Cleanup Action Taken.*

Hilcorp delineated the release on 3/21/18. All laboratory samples will be run for BTEX 8021, TPH to include DRO-GRO-MRO 8015, and Chlorides. Once lab results are available, Hilcorp will determine remediation plan and submit a subsequent C-141.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Lindsay Dumas	Approved by Environmental Specialist: 	
Title: Environmental Specialist	Approval Date: 3/30/18	Expiration Date:
E-mail Address: Ldumas@hilcorp.com	Conditions of Approval: Submit	Attached <input checked="" type="checkbox"/>
Date: 3/23/2018	Phone: (281)794-9159	Delineation Results 3 work

* Attach Additional Sheets If Necessary

#NCS 1807451828 Plan By **4/30/18**
Remediation Start by **5/30/18**

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 3/29/18 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number #ICS 1807451828 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District III office in Aztec on or before N/A. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3465

jim.griswold@state.nm.us

Smith, Cory, EMNRD

From: Smith, Cory, EMNRD
Sent: Friday, March 30, 2018 11:46 AM
To: 'Lindsay Dumas'
Cc: Fields, Vanessa, EMNRD
Subject: RE: Release Notification - Jicarilla 153 #22 - 20 bbls Produced Water in to cribbling
Attachments: Jicarilla 153 #22 C-141 Conditions.pdf

Categories: Release Notification

Lindsay,

OCD has received the initial C-141 for the Jicarilla 153 #22 and has approved it with the attached and following conditions of approval

- Submit delineation results and remediation work plan no later than 4/30/18
- Remediation must commence no later than 5/30/18

OCD approval does not relieve HEC of any other requirements imposed by other regulatory agencies.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Smith, Cory, EMNRD
Sent: Monday, March 26, 2018 7:04 AM
To: 'Lindsay Dumas' <ldumas@hilcorp.com>
Cc: Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>
Subject: RE: Release Notification - Jicarilla 153 #22 - 20 bbls Produced Water in to cribbling

Lindsay,

Thanks for the update, after hitting the pit I see a white tact on the outside Is this the horizontal delineation? Also when HEC hit the liner did they continue for vertical delineation?

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115

cory.smith@state.nm.us

From: Lindsay Dumas [<mailto:ldumas@hilcorp.com>]

Sent: Thursday, March 22, 2018 7:26 AM

To: BLM Inspector Bryce Hammond (brycehammond@jicarillaoga.com) <brycehammond@jicarillaoga.com>; Guillermo DeHerrera, Director JO&GA <guillermo.deherrera@jicarillaoga.com>; Hobson Sandoval - Jicarilla EPO <hsandoval_99@yahoo.com>; Kurt Sandoval, Jicarilla BIA <kurt.sandoval@bia.gov>; Orson Harrison, Compliance Officer JOGA <orsonharrison@jicarillaoga.com>

Cc: Alfred Vigil, JOGA <alfredvigiljr@jicarillaoga.com>; Deedra Mike, BIA <Deedra.mike@bia.gov>; Marlena Reval, BIA <marlena.reval@bia.gov>; Jason Sandoval JOGA Inspector <jasonsandoval@jicarillaoga.com>; Waymore Callado, Jicarilla OGA Inspector <waymorecallado@jicarillaoga.com>; Thomas, Leigh <l1thomas@blm.gov>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>

Subject: RE: Release Notification - Jicarilla 153 #22 - 20 bbls Produced Water in to cribbling

A quick update regarding the delineation on the Jicarilla 153 #22...

The release was successfully delineated yesterday. During delineation of the release at the pit tank a former buried pit was found (immediately NW of the pit tank). The vertical extent of contamination from the pit tank release appears to be approximate 9 ft bgs (4 ft below the base of the pit). The base of contamination in the former pit area (SB 2) was 10 ft bgs.

Six soil borings were installed with a rotary rig. Boring 1 was installed adjacent to the point of release (POR) from the pit tank. Soil encountered included sands to a depth of 8.5 ft bgs, underlain by silty clay. Boring 2 was installed as a delineation point; however, a layer of plastic was encountered at 7 ft bgs. This is believed to be an old buried pit.

Boring locations are shown in the attached figure. Based on field-screening, samples expected to exceed site-specific remedial targets are denoted in yellow map pins; horizontal delineation points are denoted in white map pins. The point of release is marked with a blue pin (Note: soil samples were also collected at the POR to a depth of 8.5 ft bgs).

I will send another update when lab results are available.

Please let me know if you have any questions or concerns.

Kind regards,

Lindsay Dumas
Environmental Specialist
Hilcorp Energy – L48 West
Office: 832-839-4585
Mobile: 281-794-9159

From: Lindsay Dumas

Sent: Wednesday, March 14, 2018 2:41 PM

To: BLM Inspector Bryce Hammond (brycehammond@jicarillaoga.com) <brycehammond@jicarillaoga.com>; Guillermo DeHerrera, Director JO&GA <guillermo.deherrera@jicarillaoga.com>; Hobson Sandoval - Jicarilla EPO <hsandoval_99@yahoo.com>; Kurt Sandoval, Jicarilla BIA <kurt.sandoval@bia.gov>; Orson Harrison, Compliance Officer JOGA <orsonharrison@jicarillaoga.com>

Cc: Alfred Vigil, JOGA <alfredvigiljr@jicarillaoga.com>; Deedra Mike, BIA <Deedra.mike@bia.gov>; Marlana Reval, BIA <marlena.reval@bia.gov>; Jason Sandoval JOGA Inspector <jasonsandoval@jicarillaoga.com>; Waymore Callado, Jicarilla OGA Inspector <waymorecallado@jicarillaoga.com>; Thomas, Leigh <l1thomas@blm.gov>; 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>
Subject: RE: Release Notification - Jicarilla 153 #22 - 20 bbls Produced Water in to cribbling

Hilcorp plans to delineate the release on Wednesday, March 21, 2018. An initial C-141 will be sent out soon.

Please let me know if you have any questions or concerns.

Kind regards,

Lindsay Dumas
Environmental Specialist
Hilcorp Energy – L48 West
Office: 832-839-4585
Mobile: 281-794-9159

From: Lisa Hunter
Sent: Friday, March 9, 2018 5:10 PM
To: BLM Inspector Bryce Hammond (brycehammond@jicarillaoga.com) <brycehammond@jicarillaoga.com>; Guillermo DeHerrera, Director JO&GA <guillermo.deherrera@jicarillaoga.com>; Hobson Sandoval - Jicarilla EPO <hsandoval_99@yahoo.com>; Kurt Sandoval, Jicarilla BIA <kurt.sandoval@bia.gov>; Orson Harrison, Compliance Officer JOGA <orsonharrison@jicarillaoga.com>
Cc: Alfred Vigil, JOGA <alfredvigiljr@jicarillaoga.com>; Deedra Mike, BIA <Deedra.mike@bia.gov>; Marlana Reval, BIA <marlena.reval@bia.gov>; Jason Sandoval JOGA Inspector <jasonsandoval@jicarillaoga.com>; Waymore Callado, Jicarilla OGA Inspector <waymorecallado@jicarillaoga.com>; Thomas, Leigh <l1thomas@blm.gov>; 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; Lindsay Dumas <ldumas@hilcorp.com>
Subject: Release Notification - Jicarilla 153 #22 - 20 bbls Produced Water in to cribbling

Name of Company: Hilcorp Energy
Address: 9A Road 5793, Farmington, NM 87401
Contact: Lisa Hunter, EH&S Specialist (Safety)
Telephone No.: 505-599-3428

Facility Name: Jicarilla 153 #22

Facility Type: Oil/Condensate Well

Contract No./Lease Designation: #153

Unit: M

Section: 25

Township: 26N

Range: 05W

Feet from the: 790' - South Line

Feet from the: 1120' - West Line

County: Rio Arriba

Latitude: 36.45248

Longitude: -107.31496

Type of Release: Produced Water

Source of Release: Pit Tank

Volume of Release: 20 bbls

Volume Recovered: 20 bbls

Date & Time of Occurrence: March 9, 2018 – Time unknown

Date & Time of Discovery: March 9, 2018 @ 12:30 p.m.

Date & Time of Notification: March 9, 2018 @ 4:10 p.m.

Cause of Problem, Remedial Action, Area Affected, & Clean-up Action: Corrosion hole in pit tank caused produced water to release into pit cribbing area. Well was shut in immediately, water truck was called and recovered approximately 20 bbls. Environmental Contact: Lindsay Dumas, Office: (832) 839-4585, ldumas@hilcorp.com

Lisa Hunter

Field Safety Specialist
Hilcorp Energy – L48 West
9A Road 5793
Farmington, NM 87401
Lhunter@Hilcorp.com
505.599.3428

Hilcorp Energy Company's address is 1111 Travis St, Houston, TX 77002