

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

NMOCD
JUN 04 2018
Form C-141
Revised August 8, 2011
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 28-6 #31	Facility Type: Gas

Surface Owner BLM	Mineral Owner Federal	API No. 3003907290
--------------------------	------------------------------	---------------------------

LOCATION OF RELEASE

Unit Letter M	Section 28	Township 28N	Range 06W	Feet from the 990'	North/South Line South	Feet from the 990'	East/West Line West	County Rio Arriba
-------------------------	----------------------	------------------------	---------------------	------------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------------

Latitude **36.62773** Longitude **-107.47752**

NATURE OF RELEASE

Type of Release Condensate/Produced Water	Volume of Release 11.8/2.1 bbls	Volume Recovered 0 bbls
Source of Release Production Tank	Date and Hour of Occurrence 5/25/18 8:30AM	Date and Hour of Discovery 5/25/18 8:30AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.*

The release as a result of corrosion on the bottom of the production tank. There was no standing product to recover.

Describe Area Affected and Cleanup Action Taken.*

HEC will fully delineate the release both horizontally and vertically on 5/31/18. Within 45 days of the delineation results, HEC will determine remediation technique and path forward.

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: 6/15/2018	Expiration Date:
E-mail Address: Ldumas@hilcorp.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 5/29/2018 Phone: (281)794-9159		

* Attach Additional Sheets If Necessary

NVF 1816655680

Fields, Vanessa, EMNRD

From: Fields, Vanessa, EMNRD
Sent: Friday, June 15, 2018 3:20 PM
To: Lindsay Dumas
Cc: Smith, Cory, EMNRD
Subject: Conditions of Approval for San Juan 28-6 #031 API# 30-039-07290:

Good afternoon Lindsay ,

Conditions of Approval for San Juan 28-6 #031 API# 30-039-07290:

- Following the NMOCD Guidelines for Remediation's of Leaks, Spills and Releases the remediation's levels for the soils at San Juan 28-6 #031 are as follows: Site ranking 0 10 mg/kg Benzene, 50 mg/kg BTEX and 5000 mg/kg TPH
 - BP will fully delineate the release both horizontally and vertically. Boreholes that exceeded 100ppm OVM or exhibit heavy staining and/or apparent hydrocarbon impacts will be considered impacted until sampled.
 - Delineation must be completed by July 5, 2018.
 - Provide OCD District III office 24 hour notification prior to sampling.
 - Horizontal delineation of soil impacts 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). Soil sampling must be both within the impacted area and beyond.
 - Vertical delineation of soil impacts 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), 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 the sites closure standards must be demonstrated as existing above the water table.
 - Composite sampling will not be allowed for delineation
 - 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