

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	nAPP2200560379
District RP	
Facility ID	
Application ID	

## Release Notification

### Responsible Party

Responsible Party Hilcorp Energy Company	OGRID 372171
Contact Name Mitch Killough	Contact Telephone 713-757-5247
Contact email mkillough@hilcorp.com	Incident # nAPP2200560379
Contact mailing address 1111 Travis Street, Houston, Texas 77002	

### Location of Release Source

Latitude 36.878617 Longitude -108.180276  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Sandrock North Water Line (located approx. 1,090 ft northwest of the Payne 3E wellsite)	Site Type 4-inch Produced Water Line
Date Release Discovered 12/21/2021 @ 15:30 pm (MT)	API# 30-045-25953 (nearby Payne 3E wellsite)

Unit Letter	Section	Township	Range	County
D	26	31N	13W	San Juan

Surface Owner: ☐ State ☒ Federal ☐ Tribal ☐ Private (Name: \_\_\_\_\_)

### 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 checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 1.56	Volume Recovered (bbls) 0
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<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 4-inch produced water line froze and ruptured due to cold weather in the area, which allowed for spilled fluid to migrate outside of the pipeline ROW horizontally 570 ft to the west and 160 ft to the north. The spilled fluids that flowed to the west did enter an unnamed, ephemeral water feature that was dry at the time of the incident. However, the fluids did not enter any continuous flowing water features. The fluids that flowed to the north followed an existing lease road and terminated on the west side of the road. Immediately upon discovery, Hilcorp operators isolated nearby wells. The source of the release was shut-in and the line will not be returned to service until all necessary repairs have been addressed. OCD will be notified 48 hours prior to closure sampling.

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State of New Mexico  
Oil Conservation Division


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Was this a major release as defined by 19.15.29.7(A) NMAC?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?  Per 19.15.29.7.A, a major release includes an unauthorized release of a volume that may with reasonable probability reach a watercourse. During this event, the spilled fluids migrated outside of the pipeline ROW and flowed into an unnamed, ephemeral water feature. However, it should be noted that the water feature was dry at the time of the release.
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? On December 22, 2021 at 14:32 pm (MT), Cory Smith (NMOCD), Ryan Joyner (BLM-FFO), and Abiodun Adeloye (BLM-FFO) were notified via email.	

**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>Mitch Killough</u> Title: <u>Environmental Specialist</u>  Signature: <u></u> Date: <u>1/05/2022</u> email: <u>mkillough@hilcorp.com</u> Telephone: <u>713-757-5247</u>
<b><u>OCD Only</u></b> Received by: <u>Nelson Velez [Environ. Specialist - Adv]</u> Date: <u>01/06/2022</u>

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Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
  
Action 70769

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 70769
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	Initial C-141 report formally received.	1/6/2022