

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	nAPP2112349869
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 # nAPP2112349869
Contact mailing address 1111 Travis Street, Houston, Texas 77002	

### Location of Release Source

Latitude 36.865061 Longitude -108.194054  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Sandrock South POD (located at Nance 1E wellsite)	Site Type Wellhead Compression Station
Date Release Discovered 4/18/2021 @ 2:00 pm (MT)	API# 30-045-25894

Unit Letter	Section	Township	Range	County
N	27	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) 85 bbls	Volume Recovered (bbls) 85 bbls
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input 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:


On 4/18/2021 at approximately 2:00 pm (MT), Hilcorp discovered a 85-bbl release of produced water at the Sandrock South POD in San Juan County, NM (36.865061, -108.194054). Due to compressor downtime, the incoming pipeline sent a slug of liquids to the site and overfilled the 95-bbl pit tank. The volume of released fluids amounted to 85-bbls produced water. All released fluids remained in a lined, secondary containment berm and did not flow off the pad. Following discovery, a vacuum truck removed all fluids from the containment area. On 4/22/2021, Hilcorp conducted a liner inspection and determined that the liner was in good condition and able to sufficiently contain the spilled fluids. Prior to conducting the inspection, NMOCD/BLM received a 48-hr notification via email.

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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?  The released amount exceeded 25 bbls and could no longer be considered 'Minor'.
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? An email notification was submitted to Cory Smith (copied Ryan Joyner, BLM) on 4/19/2021 at 2:53 pm (CT).	

### 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>5/3/2021</u>
email: <u>mkillough@hilcorp.com</u>	Telephone: <u>713-757-5247</u>
<b><u>OCD Only</u></b>	
Received by: _____	Date: _____

Form C-141

State of New Mexico  
Oil Conservation Division

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Application ID	


## Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

**Closure Report Attachment Checklist:** *Each of the following items must be included in the closure report.*

- ☒ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☒ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☐ Description of remediation activities

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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Mitch Killough Title: Environmental SpecialistSignature:  Date: 7/17/2021email: mkillough@hilcorp.com Telephone: 713-757-5247**OCD Only**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by:  Date: 5/10/22

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

## Executive Summary

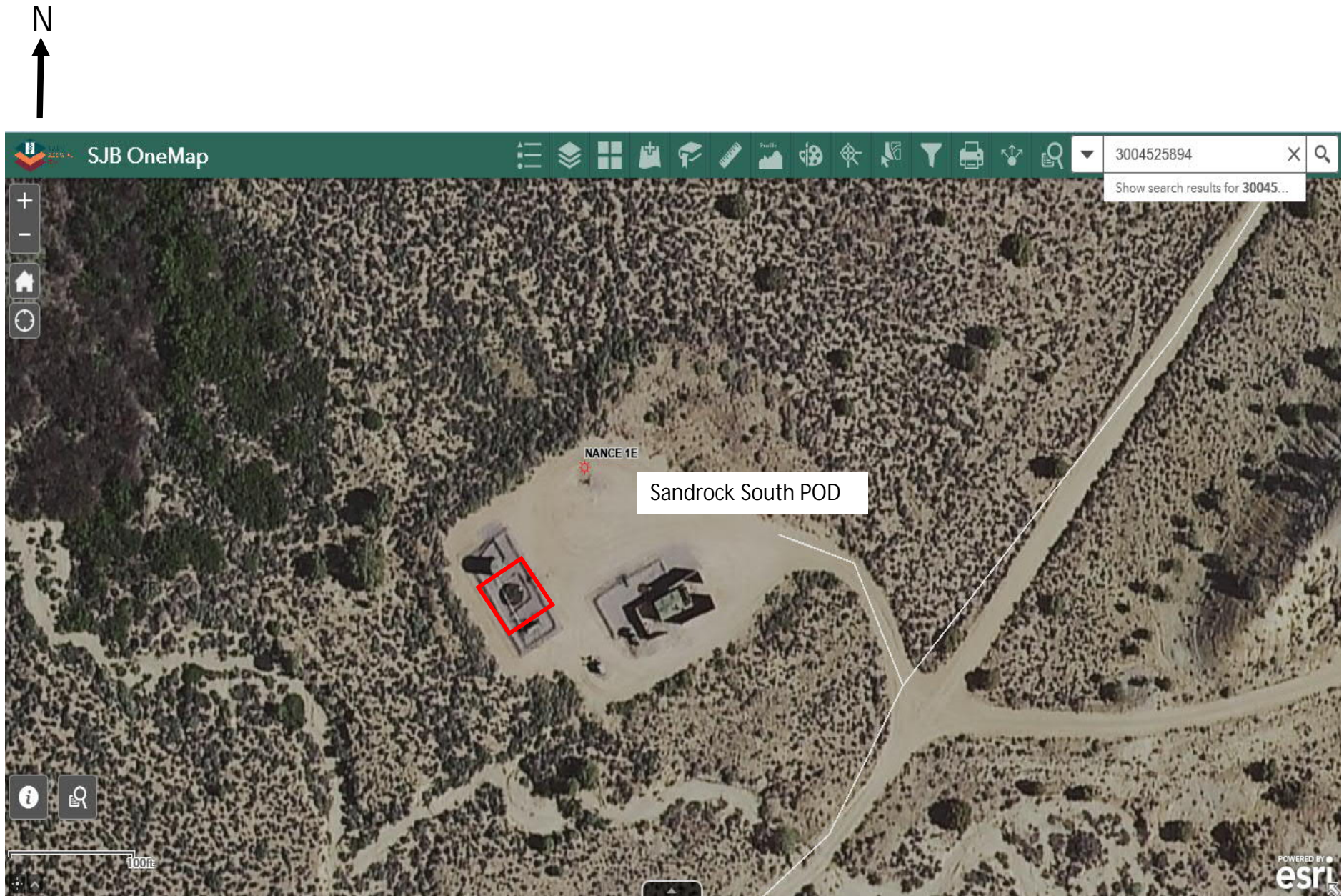
On April 18, 2021 at approximately 2:00 pm (MT), Hilcorp Energy Company (Hilcorp) discovered an 85-bbl release of produced water at the Sandrock South POD (located at the Nance 1E wellsite) in San Juan County, NM (36.865061, -108.194054). Due to compressor downtime, the incoming pipeline sent a slug of liquids to the site and overfilled the 95-bbl pit tank. All released fluids remained within a lined, secondary containment berm surrounding the pit tank and did not flow off the pad.

Following discovery, Triple SSS, Inc. (Aztec, NM) removed fluids from within the containment area on the day of the release and hauled the fluids to Basin Disposal. In addition to the 85 bbls of spilled fluids removed from the secondary containment area, an additional 80 bbls was removed from the pit tank to ensure no further overfills occurred while the compressor was down. Refer to attached Triple SSS spill tickets (dated April 18, 2021).

Liner inspection was conducted on April 22, 2021 at 9:00 am (MT) in accordance with NMAC 19.15.29.11.A.5(a)(ii). Liner integrity was confirmed during this inspection. The gravel was replaced on April 27, 2021.

No sampling or remedial activities were required.





 Release Area



# Initial Release Photographs

Photographs shown below were taken on the day of the release. All spilled fluids remained within the lined secondary containment area surrounding the 95-bbl pit tank. All fluids remained in containment.



Taken 4/18/2021



# Integrity Inspection

Hilcorp personnel removed the gravel to fully expose the liner for an integrity assessment and to ensure that the liner remained intact.



Taken 4/22/2021



# Integrity Inspection



Taken 4/22/2021



## Additional Photographs



Taken 4/25/2021





## Additional Photographs



Taken 4/25/2021



## Agency Correspondence



Mitch Killough

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From: Mitch Killough  
Sent: Monday, April 19, 2021 2:53 PM  
To: cory.smith@state.nm.us  
Cc: Ryan Joyner; ocd.enviro@state.nm.us  
Subject: Hilcorp Release Notification - Sandrock South POD

Good afternoon.

On 4/18/2021 at approximately 2:00 pm (MT), Hilcorp Energy Company (Hilcorp) discovered a 85-bbl release of produced water at the Sandrock South POD in San Juan County, NM (36.865061, -108.194054). Due to compressor downtime, the incoming pipeline sent a slug of liquids to the site and overfilled the 95-bbl pit tank. The volume of released fluids amounted to 85-bbls produced water. All released fluids remained in a lined, secondary containment berm and did not flow off the pad. Following discovery, a vacuum truck removed all fluids from the containment area. Hilcorp plans to wash the water-stained gravel in the containment area and exterior of pit tank. Hilcorp will conduct a liner inspection on Thursday, April 22 at 9 am.

An initial C-141 will be submitted within the next 14 days. Please contact me if you have any questions.

Sincerely,

Mitch Killough  
Environmental Specialist  
Hilcorp Energy Company  
1111 Travis Street  
Houston, TX 77002  
713-757-5247 (office)  
281-851-2338 (cell)  
[mkillough@hilcorp.com](mailto:mkillough@hilcorp.com)

## Water Hauler Tickets

## SSS Trucking Time Ticket



Ticket Number:

Ticket Date:

Category:

Process:

140295

4/18/2021

FLUID HAULING

PRODUCTION

Customer: HILCORP ENERGY COMPANY

Run: 0205 Area: 02

Billing Location: SANDROCK SOUTH POD

API / Id: 30FAC00872

Driver: LEROY . HANLEY

Truck: 0915

Trailer: PUP-9

## Source Details

Name: SANDROCK SOUTH POD

County:

Rig:

Total BBLs: 135.0

Point	Tank #	TG	BG	Qty
Pit-Production		3' 0"	1' 2"	135.00

## Destination Details

Name: BASIN DISPOSAL BLMF YARD

County: SAN JUAN COUNTY NM

Rig: Time: 15:30 - 15:45 Total BBLs: 135.0

3rd Party: N/A

Ticket #	Qty
808318	135.00

## Split Details

## Double Truck Details

## Overnight/Transfer Details

Ticket #	Radius	Notes	Ticket #	Truck #	Reason	Notes	Ticket #	Notes

## Mileage &amp; Travel Conditions

State	Highway Empty	Highway Loaded	Off Road Empty	Off Road Loaded	Total	Start Odo:	End Odo:	Total Miles:
NM	19.0	18.0	8.0	8.0	53.0	524843.0	524896.0	53.0
						Travel Conditions and Delays		
						Weather	Clear	
						Road	Clear	
						Delays	No Delays	
Total:	19.0	18.0	8.0	8.0	53.0			

## Work Performed

Start	End	Hours	Activity	Notes
12:15 PM	3:45 PM	3.50	REGULAR	Pulled berm & pit water
Total Hours:		3.50		

## Customer Confirmation and Authorizations

Onsite Rep: JOEY BECKER

Supervisor:

## Misc Information

## Hourly Information

DISPOSAL - BASIN DISPOSAL 808318 135.00

## Signature

## Billing Information

PO #	WO #	Meter #
Filters Used	SIO:	CC
Pay Key	Account	Delivery Ticket

## Office Use

Drive Hrs:	Shop Hrs:	Filter Hrs:
	Hourly	BBL



# BASIN DISPOSAL

30 Years of Environmental Health and Safety Excellence

200 Montana, Bloomfield, NM 87413

505-832-8936 or 505-334-3013

OPEN 24 Hours per Day

NO. 808318

NMOC PERMIT: NM-001-0005

Oil Field Waste Document, Form C138

INVOICE:

DATE 07-18-21GENERATOR: HilcorpHAULING CO. SSSORDERED BY: Tony TuckerDEL. TKT# 51242BILL TO: HilcorpDRIVER: Leroy H.

(Print Full Name)

CODES:

WASTE DESCRIPTION: ☒ Exempt Oilfield Waste☒ Produced Water☐ Drilling/Completion FluidsSTATE: ☒ NM ☐ CO ☐ AZ ☐ UTTREATMENT/DISPOSAL METHODS: ☒ EVAPORATION ☒ INJECTION ☒ TREATING

NO.	TRUCK	LOCATION(S)	VOLUME	COST	H2S	COST	TOTAL	TR
1	915 P-9	Sandrock South CDP	135	.20			894.50	
2								
3								
4								
5								

\_\_\_\_\_, representative or authorized agent for \_\_\_\_\_ do hereby  
 certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the  
 above described waste is: RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste

☒ Approved☐ Denied

ATTENDANT SIGNATURE \_\_\_\_\_

SAN JUAN PRINTING 2020 1973

## SSS Trucking Time Ticket



Ticket Number:

Ticket Date:

Category:

Process:

140296

4/18/2021

FLUID HAULING

PRODUCTION

Customer: HILCORP ENERGY COMPANY

Run: 0205 Area: 02

Billing Location: SANDROCK SOUTH POD

API / Id: 30FAC00872

Driver: LEROY . HANLEY

Truck: 0915

Trailer: PUP-9

## Source Details

Name: SANDROCK SOUTH POD

County: \_\_\_\_\_

Rig: \_\_\_\_\_

Total BBLs: 30.0

Point	Tank #	TG	BG	Qty
Pit-Production		1' 2"	0' 3"	30.00

## Destination Details

Name: BASIN DISPOSAL BLMF YARD

County: SAN JUAN COUNTY NM

Rig: \_\_\_\_\_ Time: 19:30 - 20:00 Total BBLs: 30.0

3rd Party : N/A

Ticket #	Qty
808329	30.00

## Split Details

## Double Truck Details

## Overnight/Transfer Details

Ticket #	Radius	Notes	Ticket #	Truck #	Reason	Notes	Ticket #	Notes

## Mileage &amp; Travel Conditions

State	Highway Empty	Highway Loaded	Off Road Empty	Off Road Loaded	Total
NM	20.0	0.0	8.0	8.0	36.0
Total:	20.0	0.0	8.0	8.0	36.0

Start Odo: 524896.0 End Odo: 524932.0 Total Miles: 36.0

## Travel Conditions and Delays

Weather	Clear
Road	Clear
Delays	Traffic

## Work Performed

Start	End	Hours	Activity	Notes
3:45 PM	6:00 PM	2.25	REGULAR	
Total Hours:		2.25		

## Customer Confirmation and Authorizations

Onsite Rep: JOEY BECKER

Supervisor: \_\_\_\_\_

## Misc Information

## Hourly Information

DISPOSAL - BASIN DISPOSAL 808329 30.00

## Signature

## Billing Information

PO #		WO #		Meter #	
Filters Used		SIO:		CC	
Pay Key		Account		Delivery Ticket	

## Office Use

Drive Hrs:		Shop Hrs:		Filter Hrs:	
		Hourly		BBL	

# BASIN DISPOSAL

30 Years of Environmental Health and Safety Excellence

200 Montana, Bloomfield, NM 87413

505-432-8536 or 505-234-3013

OPEN 24 Hours per Day

NO. 808329

NMOC PERMIT: NM-001-0005

Oil Field Waste Document, Form C138

INVOICE:

DATE

4-18-71

GENERATOR:

Hump

HAULING CO.:

C.S.

ORDERED BY:

John Becker

WASTE DESCRIPTION: ☒ Exempt Oilfield Waste☒ Produced Water☐ Drilling/Completion FluidsSTATE: ☒ NM ☐ CO ☐ AZ ☐ UTTREATMENT/DISPOSAL METHODS: ☒ EVAPORATION ☒ INJECTION ☒ TREATING PLANT

DEL. TKT# 51243

BILL TO: Hump

DRIVER: Leroy Muniz

(Print Full Name)

CODES:

NO.	TRUCK	LOCATION(S)	VOLUME	COST	H2S	COST	TOTAL	TIME
1	98/BA	Sandrock South COP	30	-70				
2		State 663	75					
3								
4								
5								

I, John Becker, representative or authorized agent for Hump, do hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is: RCRA Exempt Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste.

☒ Approved☐ Denied

ATTENDANT SIGNATURE

John Becker

SAN JUAN PRINTING 3000 1973-1



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
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 36760

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 36760
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
csmith	None	5/10/2022