

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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Hilcorp Energy	OGRID 372171
Contact Name Clara Cardoza	Contact Telephone 505.564.0733
Contact email ccardoza@hilcorp.com	Incident # (assigned by OCD) nAPP2102244223
Contact mailing address 382 CR 3100, Aztec NM 87410	

Location of Release Source

Latitude 36.6952477 Longitude -107.8395309
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Hare Gas Com C 1E	Site Type Gas Well
Date Release Discovered January 15, 2021	API# (if applicable) 30-045-23566

Unit Letter	Section	Township	Range	County
F	25	029N	010W	San Juan

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

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) 10	Volume Recovered (bbls) 10 (was frozen in the tank)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Condensate	Volume Released (bbls) 15.5	Volume Recovered (bbls) 8.3 + 10 yards of gravel from berm
<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

Tank failure due to corrosion around a welded seam. Volume release was calculated based on tank strapping data recorded by the site operator.

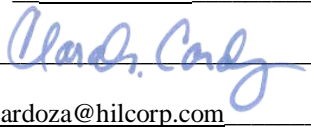
2/22/2021 – Based on the amount of liquid recovered during hydrovac efforts and the amount of produced water that was frozen in the tank and confirming/certifying liner integrity Hilcorp believes the total spill was less than originally reported. The spec truck removed 2 bbls of product which included 10 yards of gravel, also 8 bbls of sellable product was recovered. There was approximately 10 bbls of produced water that was frozen in the tank that were removed. Based on this information the spill is approximated closer to 24 bbls.

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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 definition of "major release" NMAC 19.15.29.7.A.(1) – an unauthorized release of a volume, excluding gases, in excess of 25 barrels
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Clara Cardoza, Environmental Specialist emailed Cory Smith/OCD Enviro Distribution/Jim Griswold on Friday January 15, 2021 at 4:42 p.m.	

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>Clara Cardoza</u>	Title: <u>Environmental Specialist</u>
Signature: <u></u>	Date: <u>January 29, 2021</u>
email: <u>ccardoza@hilcorp.com</u>	Telephone: <u>505.564.0733</u>
<u>OCD Only</u>	
Received by: _____	Date: _____

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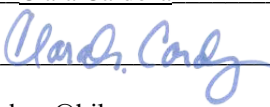
Closure

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

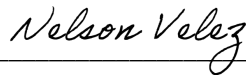
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public 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: Clara Cardoza Title: Environmental Specialist
Signature:  Date: 02/22/2021
email: ccardoza@hilcorp.com Telephone: 505.564.0733

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: 05/13/2022
Printed Name: Nelson Velez Title: Environmental Specialist – Adv

Executive Summary


On January 15, 2021 Hilcorp Energy had a release of condensate and produced water at the Hare Gas Com C 1E. The source of the release was corrosion around a welded seam of the tank. The volume reported in the initial report was 15.5 bbls of condensate and 10 bbls of produced water based on strapping data recorded by the site operator. Based on the amount of liquid recovered and the liner inspection Hilcorp believes there was some error in recordkeeping of totals in the tank. Based on recovered liquid and gravel Hilcorp estimates the amount released to be approximately 24 bbls.

Liner inspection was conducted on February 4, 2021 in accordance with NMAC 19.15.29.11.A.5(a). Liner integrity was confirmed during this inspection.

No condensate or produced water impacted any soil therefore no remedial activities were required.

N
↑



 Release Area

Integrity Demonstration

Hilcorp utilized the snowfall to further demonstrate the proof that liner integrity was intact. See pictures with snowfall and melted snow contained in the berm several days later during the berm integrity inspection.



Taken 1/26/2021

Integrity Inspection/Demonstration



Liner integrity demonstration – after snow melt 2/4/2021

Integrity Inspection/Demonstration



Liner integrity demonstration – after snow melt 2/4/2021

Integrity Inspection/Demonstration



Liner integrity demonstration – after snow melt 2/4/2021

Agency Correspondence

Clara Cardoza

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Wednesday, January 20, 2021 10:30 AM
To: Clara Cardoza; Enviro, OCD, EMNRD
Cc: Griswold, Jim, EMNRD
Subject: [EXTERNAL] RE: Major Release Notification - Hilcorp Energy Hare Gas Com C 1E

Clara

Thank you for the notice, Please submit a C-141 no later than January 30, 2021.

Thank you

Cory Smith • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
1000 Rio Brazos | Aztec, NM 87410
505.334.6178 x115 | Cory.Smith@state.nm.us
<http://www.emnrd.state.nm.us/OCD/>

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Friday, January 15, 2021 4:42 PM
To: Enviro, OCD, EMNRD <OCD.Enviro@state.nm.us>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Subject: [EXT] Major Release Notification - Hilcorp Energy Hare Gas Com C 1E

In accordance with NMAC 19.15.29.10.A(1) please let this serve as immediate notification for a 34 bbl condensate spill at the Hilcorp Energy Hare Gas Com C 1E. The release was discovered January 15th. Corrosion on the condensate tank caused the release. All the liquid remained onsite and within the bermed area and 10 bbls were recovered. There were no injuries and no first responders called. The Hare Gas Com C 1E is located in San Juan County at 36.699543, - 107.839081 S25 7, T 29N, R 10W, Unit F.

Initial C-141 will follow within 15 days. Please let me know if you have any questions or require additional information.

Thank you,

Clara M Cardoza
Environmental Specialist
505-564-0733 (O)
505-793-2784 (C)



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Clara Cardoza

From: Clara Cardoza
Sent: Tuesday, February 2, 2021 11:00 AM
To: Smith, Cory, EMNRD
Subject: RE: Hare GC C 1E nAPP2102244223 - Liner Inspection

Thank you for the clarification.

Please let this serve as notice of liner inspection at the Hare Gas Com C 1E (30-045-23566) on Thursday, February 4th at 11:00 a.m. in accordance with NMAC 19.15.29.11.A.5(a)(ii)

Thank you,

Clara M Cardoza
Environmental Specialist
505-564-0733 (O)
505-793-2784 (C)



Please consider the environment before printing this e-mail

From: Smith, Cory, EMNRD [mailto:Cory.Smith@state.nm.us]
Sent: Tuesday, February 2, 2021 9:22 AM
To: Clara Cardoza <ccardoza@hilcorp.com>
Subject: RE: [EXTERNAL] RE: Hare GC C 1E nAPP2102244223

Clara,

Correct liner inspections are exactly like sampling notices, on that day your suppose to have your personal perform a visual inspection (OCD may be present) and take pictures etc.

You would then use that inspection and your pictures and volumes etc to certify that the liner integrity is intact.

The portion of the rule you will be using is 19.15.29.11.A.5.(a)

Cory Smith • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
1000 Rio Brazos | Aztec, NM 87410
505.334.6178 x115 | Cory.Smith@state.nm.us
<http://www.emnrd.state.nm.us/OCD/>

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Monday, February 1, 2021 10:53 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: [EXT] RE: [EXTERNAL] RE: Hare GC C 1E nAPP2102244223

Is a liner inspection notice similar to confirmation sampling notice? I did not send one but I can, although the before pictures will be before that time unless we get additional snow soon.

Thank you!

From: Smith, Cory, EMNRD [<mailto:Cory.Smith@state.nm.us>]
Sent: Monday, February 1, 2021 10:50 AM
To: Clara Cardoza <ccardoza@hilcorp.com>
Subject: [EXTERNAL] RE: Hare GC C 1E nAPP2102244223

Clara,

Was a liner inspection notice sent in? other then those pictures just a certification from the operator that the liner has integrity is fine pictures/inspection will work.

Cory Smith • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
1000 Rio Brazos | Aztec, NM 87410
505.334.6178 x115 | Cory.Smith@state.nm.us
<http://www.emnrd.state.nm.us/OCD/>

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Monday, February 1, 2021 9:31 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: [EXT] Hare GC C 1E nAPP2102244223

Good morning Cory. I wanted to run something by you with regards to the Hare Gas Com C 1E release we had. I submitted an immediate notification on Jan 15th and an initial C-141 on Jan 29th. This release was due to corrosion and we have reported 25.5 bbls calculated based on strapping logs. Secondary containment was a lined berm. There was about 8.3 bbls recovered of condensate. Also, 10 bbls was water and it was frozen in the tank and removed during tank coating. Hilcorp also removed about 10 yards of gravel. My question is, I have documented snow in the berm as a "before" and melted snow in the berm as an "after" to show that the liner has integrity. Besides the pictures is there anything else we should do to prove liner integrity? The snow melt seems like a good way to prove integrity but I wanted to ask before I submitted a final report.

Thank you,

Clara M Cardoza
Environmental Specialist
505-564-0733 (O)
505-793-2784 (C)



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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 18538

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 18538
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	5/13/2022