

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley
Director, Oil Conservation Division



July 30, 2018

Jennifer Deal
Hilcorp Energy Company
382 Road 3100
Aztec, New Mexico 87410
jdeal@hilcorp.com

RE: Requirement for Phase 1 and 2 Abatement Plans Concerning a Release at the Standard #1 Production Well (API #30-045-08718)

Ms. Deal,

Hilcorp Energy Company (Hilcorp) previously notified the Oil Conservation Division (OCD) of an historic release of an unknown volume of hydrocarbons and produced water discovered on November 28, 2017 while excavating in the vicinity of the Standard #1 gas well. Investigation of the release indicates groundwater in the area has been impacted.

The OCD typically directs the responsible party to undertake corrective action of vadose zone soils under requirements of 19.15.29 NMAC. However, if groundwater or surface water has been affected, corrective action must be addressed subject to provisions of 19.15.30 NMAC. 19.15.30.10 NMAC states “...*responsible persons who are abating, or who are required to abate, water pollution in excess of the standards and requirements set for in 19.15.30.9 NMAC shall do so pursuant to an abatement plan the director approves. When the director has approved an abatement plan, the responsible person’s actions leading to and including abatement shall be consistent with the abatement plan’s terms and conditions.*”

This letter hereby notifies Hilcorp that an abatement plan is required. Stage 1 of the plan is to define site conditions such that an effective abatement option can be selected. Stage 2 is implementation of the remedial option. The Stage 1 and 2 plans can be submitted simultaneously, but the Stage 1 plan must be received by the OCD no later than October 1, 2018 and conform with all applicable requirements of 19.15.30 NMAC including those for public notice.

If you have any questions, please contact Jim Griswold of my staff at (505) 476-3465 or by email at jim.griswold@state.nm.us. On behalf of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this permit review.

Respectfully,

for Heather Riley
Director