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-144 Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.

For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Proposed Alternative Method Permit or Closure Plan Application

lease be advised th	BGT 1 or proposed altern Instructions: Please at approval of this rec	native method se submit one application (I quest does not relieve the oper	oposed alternation of the power	or proposed alt /or registration existing permit er individual pit, should operations	tted or non-perm below-grade tank result in pollution	nitted pit, below-grade tank,	
1. Operator:	Hilcorn Energy C	ompany		OGRII) #:	372171	
-		Aztec, NM 87410				5,21,1	_
		Hancock Com 1A					
API Number:	3004522533		OCD Perm	it Number:			_
U/L or Qtr/Qtr _	E Section	n <u> </u>	31N	Range 13W	County:	San Juan	_
Center of Propose	d Design: Latitude	36.93184		Longitude	-108.15909	NAD27	
Surface Owner:] Federal [] State [Private Tribal Trust of	r Indian Allotm	<mark>ient</mark>			
Temporary: D Permanent D Lined D String-Reinfor Liner Seams: D Below-grade of Volume: D Tank Construction	lined Liner type: 'ced Welded	er vitation	LLDPE	HDPE PVC	Otherbbl Dimensi	ons: L x W x D	
_		/isible sidewalls only ☐ O					
Liner type: Thick		mil HDPE					
4. Alternative M	lethod:				ronmental Burea	a office for consideration of appro	oval.
Chain link, six institution or chur	feet in height, two (ch) ht, four strands of ba	1 NMAC (Applies to perma strands of barbed wire at top arbed wire evenly spaced be	(Required if lo	ocated within 100		nent residence, school, hospital,	

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
☐ Screen ☐ Netting ☐ Other	
☐ Monthly inspections (If netting or screening is not physically feasible)	
7.	
Signs: Subsection C of 19.15.17.11 NMAC	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
☐ Signed in compliance with 19.15.16.8 NMAC	
Variances and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
9. Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptance are provided below. Siting criteria does not apply to drying pads or above-grade tanks.	otable source
General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☑ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
 Within an unstable area. (Does not apply to below grade tanks) Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☐ No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured	☐ Yes ⊠ No
from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	
 Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	☐ Yes ⊠ No
<u>Temporary Pit using Low Chloride Drilling Fluid</u> (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes ☐ No
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
 Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).	
- Topographic map; Visual inspection (certification) of the proposed site	Yes No
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of	
 initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	☐ Yes ☐ No
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ☐ No
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Naturations: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docattached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19. and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number:	NMAC 15.17.9 NMAC
II.	
Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docattached. Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC A List of wells with approved application for permit to drill associated with the pit. Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC	

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the	documents are			
attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H₂S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC				
13. Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.				
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well F. Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method	luid Management Pit			
14. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be colorure plan. Please indicate, by a check mark in the box, that the documents are attached. □ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC □ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC □ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) □ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC				
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. F 19.15.17.10 NMAC for guidance.				
Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No			
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA			
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells \[\sum_{NA} \] Yes \sum_{NA} \] \[\sum_{NA} \]				
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No			
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site				
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No			
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site				
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	∐ Yes ∐ No			

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written app	roval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mir	ning and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geo-Society; Topographic map	logy & Mineral Resources; USGS; NM Geolo	
Within a 100-year floodplain.		Yes No
- FEMA map		Yes No
16. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of by a check mark in the box, that the documents are attached. □ Siting Criteria Compliance Demonstrations - based upon the appropriate equirement □ Construction/Design Plan of Burial Trench (if applicable) based upon the □ Construction/Design Plan of Temporary Pit (for in-place burial of a dryin □ Protocols and Procedures - based upon the appropriate requirements of 19 □ Confirmation Sampling Plan (if applicable) - based upon the appropriate □ Waste Material Sampling Plan - based upon the appropriate requirements □ Disposal Facility Name and Permit Number (for liquids, drilling fluids ar □ Soil Cover Design - based upon the appropriate requirements of Subsecti □ Re-vegetation Plan - based upon the appropriate requirements of Subsecti □ Site Reclamation Plan - based upon the appropriate requirements of Subsecti	requirements of 19.15.17.10 NMAC s of Subsection E of 19.15.17.13 NMAC e appropriate requirements of Subsection K of g pad) - based upon the appropriate requirements of 15.17.13 NMAC requirements of 19.15.17.13 NMAC of 19.15.17.13 NMAC and drill cuttings or in case on-site closure stanton H of 19.15.17.13 NMAC from H of 19.15.17.13 NMAC from H of 19.15.17.13 NMAC	of 19.15.17.11 NMAC ments of 19.15.17.11 NMAC
17. Operator Application Certification:		
I hereby certify that the information submitted with this application is true, accurate		
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	
18. OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure.	Plan (only) OCD Conditions (see attack	hment)
OCD Representative Signature: <u>CRWhitehead</u>	Approval Date:	November 4, 2021
Title: Environmental Specialist	OCD Permit Number: BGT 1	
19. Closure Report (required within 60 days of closure completion): 19.15.17.1 Instructions: Operators are required to obtain an approved closure plan prior The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the	to implementing any closure activities and five the completion of the closure activities. Pla	
20. Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alter ☐ If different from approved plan, please explain.	native Closure Method Waste Removal	(Closed-loop systems only)
21. Closure Report Attachment Checklist: Instructions: Each of the following mark in the box, that the documents are attached. □ Proof of Closure Notice (surface owner and division) □ Proof of Deed Notice (required for on-site closure for private land only)	items must be attached to the closure report	. Please indicate, by a check
 □ Plot Plan (for on-site closures and temporary pits) □ Confirmation Sampling Analytical Results (if applicable) □ Waste Material Sampling Analytical Results (required for on-site closure □ Disposal Facility Name and Permit Number □ Soil Backfilling and Cover Installation □ Re-vegetation Application Rates and Seeding Technique □ Site Reclamation (Photo Documentation) ○ On-site Closure Location: Latitude 		D: □1927 □ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Amanda Walker _____ Title: ____ Operations/Regulatory Technician – Sr

Signature:______ Date: __11/2/2021

e-mail address: <u>mwalker@hilcorp.com</u> <u>Telephone:</u> 346.237.2177

Hilcorp Energy Company San Juan Basin Below Grade Tank Closure Report

Lease Name: Hancock Com 1A

API No.: 3004522533

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure of the below-grade tank referenced above. All proper documentation regarding closure activities is being included with the C-144.

General Plan:

1. HILCORP shall close a below-grade tank within 60 days of cessation of operations per Subsection G.4 of 19.15.17.13 NMAC. This will include a) below-grade tanks that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; b) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, HILCORP will file the C144 Closure Report as required.

The below-grade tank referenced above was permitted in ERROR and a simulated closure was conducted to close out the BGT permit.

2. HILCORP shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005), JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) and Envirotech Land Farm (Permit #NM-01-011). The liner after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.

All recovered liquids were disposed of at Basin Disposal (Permit #NM-01-005) and any sludge or soil required to be removed to facilitate closure was hauled to Envirotech Land Farm (Permit #NM-01-011) and JFJ Landfarm % IEI (Permit #NM-01-0010B). The liner was cleaned per Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC was disposed of at the San Juan County Regional Landfill located on CR 3100.

3. HILCORP will receive prior approval to remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.

Only AGT exists on location.

4. If there is any on-site equipment associated with a below-grade tank, then HILCORP shall remove the equipment, unless the equipment is required for some other purpose.

Only AGT on location.

5. HILCORP will test the soils beneath the below-grade tank to determine whether a release has occurred. HILCORP shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyzed for the constituents listed in Table I of 19.15.17.13 NMAC. Hilcorp shall notify the division of its results on form C-141.

A five point composite sample was taken of the below-grade tank using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached). Form C-141 is attached.

Components	Tests Method	Limit (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	100
Chlorides	EPA 300.0	250

6. If HILCORP or the division determines that a release has occurred, then HILCORP shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

A release was not determined for the above referenced well.

7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Table I of 19.15.17.13 NMAC, then HILCORP shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and revegetate the site.

The AG tank area passed all requirements of Paragraph (4) of Subsection E of 19.15.17.13 NMAC and was backfilled with compacted, non-waste containing, earthen material.

- 8. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.

Notification is attached.

9. The surface owner shall be notified of HILCORP's closing of the below-grade tank 72 hours, but not more than one week, prior to closure as per the approved closure plan via certified mail, return receipt requested.

Mock closure for AGT, no notification

10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.

AGT

11. HILCORP shall seed the disturbed areas the first favorable growing season following closure of a below-grade tank. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM stipulated seed mixes will be used on federally regulated lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private lands. A uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre- disturbance levels and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. Hilcorp will repeat seeding or planting will be continued until successful vegetative growth occurs.

Provision 13 was accomplished through complying with BLM seeding requirements as allowed by the BLM/OCD MOU.

12. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material, with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0, to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

AGT on location

- 13. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:
 - Soil Backfilling and Cover Installation (See Report)
 - Re-vegetation application rates and seeding techniques (See Report)
 - Photo documentation of the site reclamation (Included as an attachment)
 - Confirmation Sampling Results (Included as an attachment)
 - Proof of closure notice (Included as an attachment)

Mandi Walker

From: Whitehead, Christopher, EMNRD < Chris.Whitehead@state.nm.us>

Sent: Tuesday, September 28, 2021 6:52 PM

To: Mandi Walker Cc: Kandis Roland

Subject: RE: [EXTERNAL] FW: HANCOCK COM 1A - INC

Hello,

If you recall we had a similar instance with Turner Hughes 1 30-045-06761; the OCD view on this is that we do not have enough evidence to show that the tank registered in 2008 was the same tank or in the same condition. The aerial photography from that time is not well resolved and we do not have photo-documentation or inspection history that gives information showing that it was always at grade since that time. The best supporting evidence I can find to the claim goes back to about 2011.

Please simulate closure for this location to the extent possible with samples from at least 6" to a 1' into the subsurface and as close to the tank location as possible (since the current liner presumably prevents sample collection at the tank location. The resulting closure report will resolve the historical registration.

Christopher Whitehead • Environmental Specialist

Environmental Bureau • EMNRD - OCD

From: Mandi Walker < mwalker@hilcorp.com> Sent: Tuesday, September 28, 2021 2:22 PM

To: Whitehead, Christopher, EMNRD < Chris. Whitehead@state.nm.us>

Cc: Kandis Roland < kroland@hilcorp.com>

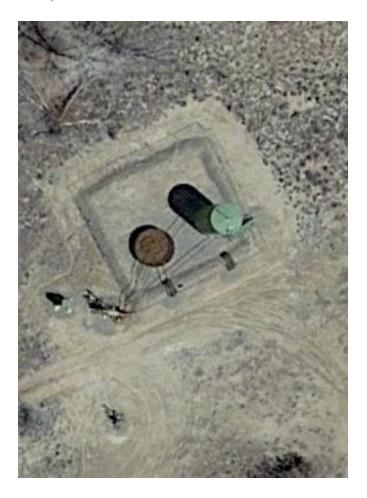
Subject: [EXTERNAL] FW: HANCOCK COM 1A - INC

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon Chris,

A BGT permit was filed for the well listed below by ConocoPhillips in 2008 but no BGT is onsite currently and I have reviewed the past images on this site and no BGT was noted historically. HEC would like to request the C-144 BGT permit be closed as it was submitted by clerical error. I have attached a few historic aerial views where the shadowing can be seen from the AGT.





Thank you, Mandi

From: Mandi Walker < mwalker@hilcorp.com> Sent: Monday, March 22, 2021 8:50 AM To: Mandi Walker < mwalker@hilcorp.com>

Subject: HANCOCK COM 1A - INC

Today's Date:	3/22/2021				
Well Name:	HANCOCK COM 1A	Location:	Sec: 01	Twn: 031N	Rng: 01
API Number:	30.045.22533	Footage:	1450' FNL & 1190'		
Operator:	Hilcorp Energy Company	Area/Run/MSO:	02	0211	Mike Lov
Meter #:	90-056-0	1	Pipeline: EN		
INC Number:	Verbal.TV.03172021.5 - MW	Agency:	OCD	Inspector:	Thomas V
Type of INC:	Verbal	Photos Required:	Yes	Due Date:	
Issue of Concern:	The above named well has a BGT registration in well file and no BGT on location. Please reviewappropriately.				

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While all reasonable care has been taken to avoid the transmission of viruses, it is the responsibility of the recipient to ensure that the onward transmission, opening, or use of this message and any attachments will not adversely affect its systems or data. No responsibility is accepted by the company in this regard and the recipient should carry out such virus and other checks as it considers appropriate.

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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

			pany	OGRII	OGRID 372171			
Contact Name Amanda Walker				Contac	Contact Telephone (346) 237.2177			
Contact ema	il mwall	ker@hilcorp.com		Incider	ent # (assigned by OCD)			
Contact mail	ing address	382 Road 3100	Aztec NM 87410)				
			Location of	of Release	e Source			
Latitude 3	6.93184		Longitude		.15909			
			(NAD 83 in decir	mal degrees to 5 a	decimal places)			
Site Name H	ancock Con	n 1A		Site Ty	ype Gas Well			
Date Release	Discovered	N/A		API# (ij	if applicable) 3004522533			
	Γ ~ .	1						
Unit Letter	Section	Township	Range		County			
Е	01	31N	13W	Sa	an Juan			
Surface Owne	r: State	☐ Federal ☐ Tı	ribal 🛭 Private (Na	ame:)			
			Nature and	Volume o	of Release			
	Materia	ıl(s) Released (Select al	l that apply and attach c	alculations or spe	ecific justification for the volumes provided below)			
Crude Oi		Volume Release		•	Volume Recovered (bbls)			
Produced	Water	Volume Release	ed (bbls)		Volume Recovered (bbls)			
Is the concentration of diss produced water >10,000 m				loride in the	☐ Yes ☐ No			
Condensate Volume Released (bbls		ed (bbls)		Volume Recovered (bbls)				
☐ Natural Gas Volume Released (Mct		ed (Mcf)		Volume Recovered (Mcf)				
Other (describe) Volume/Weight Released (provide unit		units)	Volume/Weight Recovered (provide units)					
Cause of Rel	ease							
		ed during the BGT	Closure.					
İ								

Received by OCD: 11/2/2021 1:00:09 PM Form C-141 State of New Mexico Page 2 Oil Conservation Division

	Page 15 of 26
Incident ID	
District RP	
Facility ID	
A1! 4! ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the responsible party consider this a major release?
☐ Yes ⊠ No	N/A
If YES, was immediate no	otice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
Not Required	
	Initial Response
The responsible p	party must undertake the following actions immediately unless they could create a safety hazard that would result in injury
☐ The source of the rele	ease has been stopped.
	s been secured to protect human health and the environment.
	ave been contained via the use of berms or dikes, absorbent pads, or other containment devices.
	d above have not been undertaken, explain why:
has begun, please attach	IAC the responsible party may commence remediation immediately after discovery of a release. If remediation a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred at area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.
regulations all operators are public health or the environr failed to adequately investig	rmation given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and required to report and/or file certain release notifications and perform corrective actions for releases which may endanger ment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have ate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In f a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws
Printed Name: Amand	a Walker Title: Operations/Regulatory Technician – Sr.
Signature:	Date:
email:mwalker@hilcon	<u>rp.com</u> Telephone: (346) 237.2177
OCD Only	
Received by:	Date:



Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109 TEL: 505-345-3975 FAX: 505-345-4107 Website: clients.hallenvironmental.com

October 28, 2021

Mitch Killough HILCORP ENERGY PO Box 4700 Farmington, NM 87499

TEL: (505) 564-0733

FAX:

RE: Hancock Com 1A OrderNo.: 2110610

Dear Mitch Killough:

Hall Environmental Analysis Laboratory received 1 sample(s) on 10/13/2021 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. In order to properly interpret your results, it is imperative that you review this report in its entirety. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. When necessary, data qualifiers are provided on both the sample analysis report and the QC summary report, both sections should be reviewed. All samples are reported, as received, unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

ADHS Cert #AZ0682 -- NMED-DWB Cert #NM9425 -- NMED-Micro Cert #NM0901

Sincerely,

Andy Freeman

Laboratory Manager

andy

4901 Hawkins NE

Albuquerque, NM 87109

Analytical Report Lab Order 2110610

Date Reported: 10/28/2021

Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY Client Sample ID: Closure Sample

 Project:
 Hancock Com 1A
 Collection Date: 10/12/2021 12:40:00 PM

 Lab ID:
 2110610-001
 Matrix: SOIL
 Received Date: 10/13/2021 7:30:00 AM

Analyses	Result	RL Qu	al Units	DF	Date Analyzed
EPA METHOD 8015M/D: DIESEL RANGE ORG	ANICS				Analyst: SB
Diesel Range Organics (DRO)	ND	9.0	mg/Kg	1	10/15/2021 2:49:23 PM
Motor Oil Range Organics (MRO)	ND	45	mg/Kg	1	10/15/2021 2:49:23 PM
Surr: DNOP	114	70-130	%Rec	1	10/15/2021 2:49:23 PM
EPA METHOD 8015D: GASOLINE RANGE					Analyst: NSB
Gasoline Range Organics (GRO)	ND	4.7	mg/Kg	1	10/16/2021 11:32:34 AM
Surr: BFB	110	70-130	%Rec	1	10/16/2021 11:32:34 AM
EPA METHOD 8021B: VOLATILES					Analyst: NSB
Benzene	ND	0.024	mg/Kg	1	10/16/2021 11:32:34 AM
Toluene	ND	0.047	mg/Kg	1	10/16/2021 11:32:34 AM
Ethylbenzene	ND	0.047	mg/Kg	1	10/16/2021 11:32:34 AM
Xylenes, Total	ND	0.095	mg/Kg	1	10/16/2021 11:32:34 AM
Surr: 4-Bromofluorobenzene	94.4	70-130	%Rec	1	10/16/2021 11:32:34 AM
EPA METHOD 300.0: ANIONS					Analyst: CAS
Chloride	ND	60	mg/Kg	20	10/26/2021 2:09:58 AM

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quanitative Limit
- S % Recovery outside of range due to dilution or matrix

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 1 of 5

Hall Environmental Analysis Laboratory, Inc.

2110610

WO#:

28-Oct-21

Client: HILCORP ENERGY
Project: Hancock Com 1A

Sample ID: MB-63535 SampType: mblk TestCode: EPA Method 300.0: Anions

Client ID: PBS Batch ID: 63535 RunNo: 82341

Prep Date: 10/25/2021 Analysis Date: 10/25/2021 SeqNo: 2920167 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual

Chloride ND 1.5

Sample ID: LCS-63535 SampType: Ics TestCode: EPA Method 300.0: Anions

Client ID: LCSS Batch ID: 63535 RunNo: 82341

Prep Date: 10/25/2021 Analysis Date: 10/26/2021 SeqNo: 2920168 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual

Chloride 14 1.5 15.00 0 92.7 90 110

Qualifiers:

Value exceeds Maximum Contaminant Level.

D Sample Diluted Due to Matrix

H Holding times for preparation or analysis exceeded

ND Not Detected at the Reporting Limit

PQL Practical Quanitative Limit

S % Recovery outside of range due to dilution or matrix

B Analyte detected in the associated Method Blank

E Value above quantitation range

J Analyte detected below quantitation limits

P Sample pH Not In Range

RL Reporting Limit

Page 2 of 5

Hall Environmental Analysis Laboratory, Inc.

2110610 28-Oct-21

WO#:

Client: HILCORP ENERGY
Project: Hancock Com 1A

Sample ID: LCS-63288 SampType: LCS TestCode: EPA Method 8015M/D: Diesel Range Organics Client ID: LCSS Batch ID: 63288 RunNo: 82083 Units: mg/Kg Prep Date: 10/14/2021 Analysis Date: 10/15/2021 SeqNo: 2907358 PQL SPK value SPK Ref Val %REC HighLimit %RPD **RPDLimit** Analyte Result LowLimit Qual Diesel Range Organics (DRO) 10 0 62 50.00 124 68.9 135 Surr: DNOP 6.3 5.000 126 130

Sample ID: MB-63288 TestCode: EPA Method 8015M/D: Diesel Range Organics SampType: MBLK Client ID: PBS Batch ID: 63288 RunNo: 82083 Prep Date: 10/14/2021 Analysis Date: 10/15/2021 SeqNo: 2907359 Units: mg/Kg Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual Diesel Range Organics (DRO) ND 10 Motor Oil Range Organics (MRO) ND 50 Surr: DNOP 10 10.00 101 70 130

Qualifiers:

- Value exceeds Maximum Contaminant Level
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quanitative Limit
- S % Recovery outside of range due to dilution or matrix

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 3 of 5

Hall Environmental Analysis Laboratory, Inc.

WO#: **2110610**

28-Oct-21

Client: HILCORP ENERGY
Project: Hancock Com 1A

Sample ID: mb-63278 SampType: MBLK TestCode: EPA Method 8015D: Gasoline Range

Client ID: PBS Batch ID: 63278 RunNo: 82076

Prep Date: 10/13/2021 Analysis Date: 10/15/2021 SeqNo: 2908287 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual

Gasoline Range Organics (GRO) ND 5.0

Surr: BFB 1000 1000 104 70 130

Sample ID: Ics-63278 SampType: LCS TestCode: EPA Method 8015D: Gasoline Range

Client ID: LCSS Batch ID: 63278 RunNo: 82076

Prep Date: 10/13/2021 Analysis Date: 10/15/2021 SeqNo: 2908288 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual Gasoline Range Organics (GRO) 26 5.0 25.00 0 104 78.6 131 Surr: BFB 1100 1000 70 113 130

Qualifiers:

- Value exceeds Maximum Contaminant Level
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 4 of 5

Hall Environmental Analysis Laboratory, Inc.

0.88

WO#: **2110610 28-***Oct-21*

Client: HILCORP ENERGY
Project: Hancock Com 1A

Sample ID: mb-63278 SampType: MBLK TestCode: EPA Method 8021B: Volatiles
Client ID: PBS Batch ID: 63278 RunNo: 82076

Prep Date: 10/13/2021 Analysis Date: 10/15/2021 SeqNo: 2908369 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual
Benzene ND 0.025

 Delizerie
 ND
 0.023

 Toluene
 ND
 0.050

 Ethylbenzene
 ND
 0.050

 Xylenes, Total
 ND
 0.10

Surr: 4-Bromofluorobenzene 0.87 1.000 87.3 70 130

1.000

Sample ID: LCS-63278	Samp	Гуре: LC	s	Tes	tCode: El	EPA Method 8021B: Volatiles									
Client ID: LCSS	Batc	h ID: 63	278	F	RunNo: 8	2076									
Prep Date: 10/13/2021	Analysis [Date: 10)/15/2021	S	SeqNo: 2	908370	Units: mg/Kg								
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual					
Benzene	0.84	0.025	1.000	0	84.3	80	120								
Toluene	0.87	0.050	1.000	0	86.9	80	120								
Ethylbenzene	0.86	0.050	1.000	0	85.9	80	120								
Xvlenes Total	2.5	0.10	3.000	0	84.5	80	120								

70

130

87.9

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix

Surr: 4-Bromofluorobenzene

- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quanitative Limit

- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 5 of 5



Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109

TEL: 505-345-3975 FAX: 505-345-4107 Website: clients.hallenvironmental.com

Sample Log-In Check List

Client Name: HILCORP	ENERGY	Work Order	Number: 211	0610		RcptNo	o: 1
Received By: Cheyenne	e Cason	10/13/2021 7:	30:00 AM		Chul		
Completed By: Desiree D	ominguez	10/13/2021 9:0	02:33 AM		Chul		
Reviewed By: KPG	10/13/21						
Chain of Custody							
1. Is Chain of Custody comp	lete?		Yes	V	No 🗆	Not Present	
2. How was the sample deliv	vered?		<u>Co</u>	<u>irier</u>			
<u>Log In</u>							
3. Was an attempt made to o	cool the samples?		Yes	✓	No 🗆	NA 🗌	
4. Were all samples received	I at a temperature o	f >0° C to 6.0°0	C Yes	V	No 🗆	NA 🗆	
5. Sample(s) in proper conta	iner(s)?		Yes	V	No 🗆		
6. Sufficient sample volume f	or indicated test(s)?	•	Yes	✓	No 🗌		
7. Are samples (except VOA	and ONG) properly	preserved?	Yes	✓	No 🗌		
8. Was preservative added to	bottles?		Yes		No 🗸	NA \square	
9. Received at least 1 vial wit	h headspace <1/4"	for AQ VOA?	Yes		No 🗌	NA 🗸	/
10. Were any sample containe	ers received broken	?	Yes		No 🗸	# of preserved	
11 Daga and and the			-		\Box	bottles checked	
 Does paperwork match bo (Note discrepancies on character) 			Yes	V	No 🗀	for pH:	or >12 unless noted)
12. Are matrices correctly iden		ustody?	Yes	✓	No 🗌	Adjusted?	
13. Is it clear what analyses w	ere requested?		Yes	V	No 🗌		
 Were all holding times able (If no, notify customer for a 			Yes	V	No 🗌	Checked by:	THC 10/13/21
Special Handling (if app	•				/		
15. Was client notified of all d		is order?	Yes		No 🗆	NA 🗸	
Person Notified:	1	- The second second	Date:	Charles and Annual		~	
By Whom:	The state of the s	NACONO CONTRACTOR OF THE PARTY	Via: ☐ eM	ail 🗆	Phone Fa	x In Person	
Regarding:			TAX OUT TO SELECT			The state of the second	
Client Instructions:		THE RESERVE THE PARTY OF THE PA	NAME OF TAXABLE PARTY.	A CHEMICAL STATE OF THE STATE O		ecupation and emphasization of contrast	
16. Additional remarks:							
17. Cooler Information							
Cooler No Temp °C	Condition Sea	Intact Seal	No Seal D	ate	Signed By		
1 3.1	Good Yes						

Recei	ved by	0Cl	D: 1	1/2/2	021	1:00	:09 P	И			_					\neg	Т	\top	Т	T	Ι	Page	23 q
	HALL ENVIRONMENTAL PAR ANALYSIS LABORATORY AND ANALYSIS LABORATORY AND ANALYSIS LABORATORY AND ANALYSIS PAR ANALYSIS PAR ANALYSIS PAR ANALYSIS PANALYSIS PAR ANALYSIS PAR ANALYSIS PAR ANALYSIS PAR ANALYSIS PAR A		- Albiniernie NM 87109	Eax 505-345-4107	Analysis Request	(tu	RCRA 8 Metals CI, F, Br, NO ₃ , NO ₂ , PO ₄ , SO ₄ 8260 (VOA) 8270 (Semi-VOA) Total Coliform (Present/Absent)					×						3:			Page		
	A E	*	4901 Hawkins NF	Tel. 505-345-3975			CB,a	1) 182 F 1	/ O	Sebi Bebi	SD(etho	108:H9T 99 1808 6M) BQ3 64 8HA9	*								Remarks:		
Turn-Around Time:	X Standard □ Rush	Project Name:	* * * * * * * * * * * * * * * * * * *	Project #:		Project Manager:		King	T. Yes 🗆 No	olers: ,	sluding CF): $3, 2-0, 1=3.1$ (°C)	Container Preservative HEAL No.									Received by: Via: Date Time Rel	Received by: Via: Date Time	The Why was Come course 10113/4 0730
Chain-of-Custody Record	Client: Hilcorp ENERGY		Mailing Address:		Phone #: 505-486-9543		QA/QC Package: Khockstracehi /corp. Cow	T: Az Cor		□ EDD (Type)		Date Time Matrix Sample Name	10-12 12:40 SS (LESINGE SAMPLE								Date: Time: Relinquished by:	F	12/201756 W. Was













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

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 59361

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	59361
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

	Created By	Condition	Condition Date				
Ī	cwhitehead	None	11/4/2021				