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

		☐ Below grade tank registrat ☐ Permit of a pit or proposed ☐ Closure of a pit, below-gra ☐ Modification to an existing ☐ Closure plan only submitted	d alternative method ade tank, or proposed a g permit/or registration			tank,
	or proposed alterr		C 144) i lii lli4		144	
		se submit one application (Form quest does not relieve the operator of	- · ·	_	_	vater or the
		he operator of its responsibility to co				
1. Operator:	Hilcorn Energy Co	ompany	OGRI	ID #·	372171	
-		Aztec, NM 87410				
Facility or well na	me: Kutz Fe	deral 14Y				
API Number:	30-045-32227	0	CD Permit Number:			
		21 Township 28N				
		36.65028		*		
Surface Owner:	Federal State	Private Tribal Trust or India	an Allotment			
2			'			
□ Pit: Subsection F, G or J of 19.15.17.11 NMAC Temporary: □ Drilling □ Workover □ Permanent □ Emergency □ Cavitation □ P&A □ Multi-Well Fluid Management Low Chloride Drilling Fluid □ yes □ no □ Lined □ Unlined Liner type: Thickness mil □ LLDPE □ HDPE □ PVC □ Other □ String-Reinforced Liner Seams: □ Welded □ Factory □ Other Volume: bbl Dimensions: L x W x D						
3. Relow-grade 1	ank. Subsection I	of 19.15.17.11 NMAC				
		l Type of fluid:Produ	ucad Water			
		Metal				
		detection Visible sidewalls,		natic overflow shu	t-off	
-		isible sidewalls only \(\sidewalls \) Other				
		mil HDPE PVC				
Emer type. Timek	<u> </u>		Z outer			
4. Alternative M	[ethod:					
		equired. Exceptions must be subr	mitted to the Santa Fe Env	rironmental Rureau	office for consideration	of approval
Submittal of all Cx	eception request is re	quired. Exceptions must be sub-	inted to the Santa Te Env	vironinentai Bureat	Torrice for consideration	от арргочат.
5. Fencing: Subsect	ion D of 19 15 17 1	1 NMAC (Applies to permanent p	oits temporary pits and h	oelow-grade tanks)		
Chain link, six institution or chur	feet in height, two s	strands of barbed wire at top (Requ	uired if located within 100		nent residence, school, ho	əspital,
☐ Four 100t neig.		arbed wire evenly spaced between	one and four feet			

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. <u>Siting Criteria (regarding permitting)</u> : 19.15.17.10 NMAC <i>Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accematerial are provided below.</i> Siting criteria does not apply to drying pads or above-grade tanks.	ptable 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 from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
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
Temporary Pit using Low Chloride Drilling Fluid (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 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 (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 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 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 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number:				
11. 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 Departing 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 Previously Approved Design (attach copy of design) API Number:				

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 attached.	documents are
 ☐ 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 H ₂ S, 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	luid Management Pit
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	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be closure 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 □ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
15.	
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 ☐ NA
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	☐ Yes ☐ No ☐ 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.	☐ Yes ☐ No
- 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 Within 300 feet of a westland	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
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. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No				
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No				
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NI Society; Topographic map	-				
Within a 100-year floodplain.	Yes No				
- FEMA map	Yes No				
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC 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 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - 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					
17. Operator Application Certification:					
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my k	-				
Name (Print): Title:					
Signature: Date:					
e-mail address: Telephone:					
18. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see	ee attachment)				
OCD Representative Signature: Approva	ıl Date:				
Title: OCD Permit Number:					
19. Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities the closure report is required to be submitted to the division within 60 days of the completion of the closure activities section of the form until an approved closure plan has been obtained and the closure activities have been complete Closure Completion Date: □ Closure Completion Date: □	ies. Please do not complete this d.				
20. Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Ro					
☐ If different from approved plan, please explain.	emoval (Closed-loop systems only)				

Operator	Closure	Certification:
Operator	Closuic	Cu uncanon.

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.

fame (Print): Amanda Walker Title: Operations/Regulatory Technician – Sr

Dutc. 2 4 2021

e-mail address: <u>mwalker@hilcorp.com</u> Telephone: <u>(346) 237-2177</u>

Hilcorp Energy Company San Juan Basin Below Grade Tank Closure Report

Lease Name: Kutz Federal 14Y

API No.: 30-045-32227

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 and closed within 60 days of cessation of the below-grade tanks operation.

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.

The below-grade tank was disposed of in a division-approved manner.

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.

All on-site equipment associated with the below-grade tank was removed.

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 below-grade 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.
 - The closure process notification to the landowner was sent via email. (See Attached) (Well located on Federal Land, certified mail is not required for Federal Land per BLM/OCD MOU.)
- 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.

The below-grade tank area was re-contoured to match fit, shape, line, form and texture of the surrounding area. Re-shaping including drainage control, to prevent ponding and erosion. Natural drainages were unimpeded and water bars and/or silt traps were placed in areas where needed to prevent erosion on a large scale. Final recontour has a uniform appearance with smooth surface, fitting the natural landscape.

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.

The below-grade tank area was backfilled and more than four feet of cover was achieved and the cover included one foot of suitable material to establish vegetation at the site.

- 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: Mandi Walker

Sent: Tuesday, December 21, 2021 9:03 AM

To: Chris.Whitehead@state.nm.us; Clara Cardoza; Eufracio Trujillo; Kandis Roland; Kate

Kaufman; Keri Hutchins; Kurt Hoekstra; 'l1thomas@blm.gov'; Mandi Walker; 'Ryan

Joyner'

Cc: Kelly Davidson; Shad Brown; Jake Perry; Richard Boyles; Ray Shelby

Subject: Kutz Federal 14Y - 72hr BGT Closure Notice

Attachments: 30045322270000_Kutz Federal 14Y_BGT Permit_OCD APPVD.pdf

The subject well has a below-grade tank that will begin the closure process between 72 hours and one week from this notification. Please contact me at any time if you have any questions or concerns.

Well Name: Kutz Federal 14Y

API#: 3004532227

Location: E, 21, 28N, 10W

Footages: 1765' FNL & 945' FWL

Surface Owner: Federal

Scheduled Date & Time of Start: December 28th @ 9 am.

Please Note Required Photos for Closure

Well site placard

Photos of the BGT prior to closure

The sample location or, more preferred, photos of actual sample collection

Final state of the area after closure.

Photos will require captioning including direction of photo, date and time of photo and a description of the image contents.

Mandi Walker

San Juan North Regulatory Technician Hilcorp Energy 505.324.5122 mwalker@hilcorp.com District I
1625 N. French Dr., Hobbs, NM 88240
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811 S. First St., Artesia, NM 88210
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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

Responsible Party Hilcorp Energy Company				OGRID	372171	
Contact Name Amanda Walker				Contact Telephone 346-237-2177		
Contact email	mwalker@hilcorp.co	m		Incident #	(assigned by OCL))
Contact mailing ad	ldress 382 Road 3	100 Aztec NM 8741	.0			
		Location	of R	elease So	ource	
Latitude 36.65028	}	Longituo	le	-107.90611		
<u> </u>	•	(NAD 83 in dec				
Site Name Kutz Fe	deral 14Y			Site Type	Gas Well	
Date Release Disco	vered N/A			API# (if app	olicable) 30-045	-32227
Unit Letter Sec	tion Township	Range		Coun	nty	
E 2	21 28N	10W	San Juan			
		Tribal ☐ Private (A Nature and	l Vol)
Crude Oil	Material(s) Released (Sele Volume Rele		calculat	ions or specific		e volumes provided below) overed (bbls)
Produced Water	r Volume Rele	ased (bbls)	sed (bbls)		Volume Recovered (bbls)	
Is the concentration of dissolved chlororduced water >10,000 mg/l?			nloride	e in the	n the Yes No	
Condensate	Volume Rele	ased (bbls)		Volume Recovered (bbls)		
☐ Natural Gas Volume Released (Mcf)		ased (Mcf)		Volume Recovered (Mcf)		overed (Mcf)
Other (describe) Volume/Weight Released (provide units		units)	s) Volume/Weight Recovered (provide units)		ght Recovered (provide units)	
Cause of Release					1	
No release was enco	untered during the BC	GT Closure.				

Received by OCD: 2/4/2022 1:17:24 PM State of New Mexico Page 2 Oil Conservation Division

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			_

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by	If YES, for what reason(s) does the responsible party consider this a major release?
19.15.29.7(A) NMAC?	
☐ 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)?
	ground and a all 1 and 1 and 1 and and and a special s
Not Required	
	Initial Response
The responsible	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.
☐ The impacted area ha	s been secured to protect human health and the environment.
Released materials ha	we been contained via the use of berms or dikes, absorbent pads, or other containment devices.
All free liquids and re	ecoverable materials have been removed and managed appropriately.
If all the actions described	d above have <u>not</u> been undertaken, explain why:
has begun, please attach	AC 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 nent. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have attend 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
and/or regulations.	r a C-141 report does not reneve the operator of responsibility for comphance with any other federal, state, or local laws
Printed Name: Amand	a Walker Title: Operations/Regulatory Technician – Sr.
Signature: Attack	Date: Date:
	<u>Philcorp.com</u> Telephone: <u>(346) 237-2177</u>
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

Fasho Trujillo
HILCORP ENERGY
PO Box 4700
Farmington, NM 87499
TEL: (505) 564-0733

FAX

RE: Kutz Fed 14Y P A OrderNo.: 2112E24

Dear Fasho Trujillo:

Hall Environmental Analysis Laboratory received 1 sample(s) on 12/29/2021 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

andyl

4901 Hawkins NE

Albuquerque, NM 87109

Analytical ReportLab Order **2112E24**

Date Reported:

Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY Client Sample ID: BGT 5 Point

 Project:
 Kutz Fed 14Y P A
 Collection Date: 12/28/2021 9:40:00 AM

 Lab ID:
 2112E24-001
 Matrix: SOIL
 Received Date: 12/29/2021 7:40:00 AM

Analyses	Result	PQL Qu	al Units	DF	Date Analyzed
EPA METHOD 8015M/D: DIESEL RANGE ORG	ANICS				Analyst: SB
Diesel Range Organics (DRO)	ND	9.8	mg/Kg	1	12/30/2021 10:57:06 AM
Motor Oil Range Organics (MRO)	ND	49	mg/Kg	1	12/30/2021 10:57:06 AM
Surr: DNOP	94.9	70-130	%Rec	1	12/30/2021 10:57:06 AM
EPA METHOD 8015D: GASOLINE RANGE					Analyst: mb
Gasoline Range Organics (GRO)	ND	4.7	mg/Kg	1	12/30/2021 9:35:00 AM
Surr: BFB	88.1	70-130	%Rec	1	12/30/2021 9:35:00 AM
EPA METHOD 8021B: VOLATILES					Analyst: mb
Benzene	ND	0.024	mg/Kg	1	12/30/2021 9:35:00 AM
Toluene	ND	0.047	mg/Kg	1	12/30/2021 9:35:00 AM
Ethylbenzene	ND	0.047	mg/Kg	1	12/30/2021 9:35:00 AM
Xylenes, Total	ND	0.095	mg/Kg	1	12/30/2021 9:35:00 AM
Surr: 4-Bromofluorobenzene	81.9	70-130	%Rec	1	12/30/2021 9:35:00 AM
EPA METHOD 300.0: ANIONS					Analyst: LRN
Chloride	77	60	mg/Kg	20	12/30/2021 1:31:13 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 interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 1 of 5

Hall Environmental Analysis Laboratory, Inc.

WO#: 2112E24 04-Jan-22

Client: HILCORP ENERGY **Project:** Kutz Fed 14Y P A

Sample ID: MB-64794 SampType: mblk TestCode: EPA Method 300.0: Anions

Client ID: PBS Batch ID: 64794 RunNo: 84845

Prep Date: 12/29/2021 Analysis Date: 12/29/2021 SeqNo: 2985315 Units: mg/Kg

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

Chloride ND 1.5

Sample ID: LCS-64794 SampType: Ics TestCode: EPA Method 300.0: Anions

Client ID: LCSS Batch ID: 64794 RunNo: 84845

Prep Date: 12/29/2021 Analysis Date: 12/29/2021 SeqNo: 2985316 Units: mg/Kg

15.00

SPK value SPK Ref Val %REC LowLimit %RPD **RPDLimit** Analyte HighLimit Qual 0

95.4

110

Qualifiers:

Chloride

Value exceeds Maximum Contaminant Level.

Sample Diluted Due to Matrix

Н Holding times for preparation or analysis exceeded

Not Detected at the Reporting Limit ND

POL Practical Quanitative Limit

% Recovery outside of range due to dilution or matrix interference

Analyte detected in the associated Method Blank

Е Estimated value

Analyte detected below quantitation limits

Sample pH Not In Range Р

RL Reporting Limit Page 2 of 5

Hall Environmental Analysis Laboratory, Inc.

WO#: 2112E24 04-Jan-22

Client: HILCORP ENERGY
Project: Kutz Fed 14Y P A

Sample ID: LCS-64791	SampT	ype: LC	S	TestCode: EPA Method 8015M/D: Diesel Range Organics								
Client ID: LCSS	Batch	n ID: 64 7	791	RunNo: 84875								
Prep Date: 12/29/2021 Analysis Date: 12/30/2021				S	SeqNo: 2985762			Units: mg/Kg				
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual		
Diesel Range Organics (DRO)	56	10	50.00	0	111	68.9	135					
Surr: DNOP	4.7		5.000		94.8	70	130					

Sample ID: MB-64791	SampT	ype: ME	BLK	Tes	TestCode: EPA Method 8015M/D: Diesel Range Organics								
Client ID: PBS	Batch	ID: 64	791	F	RunNo: 84875								
Prep Date: 12/29/2021	Analysis D	ate: 12	2/30/2021	8	SeqNo: 2	985764	Units: mg/K	(g					
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	11		10.00		110	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 interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 3 of 5

Hall Environmental Analysis Laboratory, Inc.

04-Jan-22

2112E24

WO#:

Client: HILCORP ENERGY
Project: Kutz Fed 14Y P A

Sample ID: mb-64790 SampType: MBLK TestCode: EPA Method 8015D: Gasoline Range

Client ID: PBS Batch ID: 64790 RunNo: 84854

Prep Date: 12/29/2021 Analysis Date: 12/30/2021 SeqNo: 2984955 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 860 1000 86.3 70 130

Sample ID: Ics-64790 SampType: LCS TestCode: EPA Method 8015D: Gasoline Range

Client ID: LCSS Batch ID: 64790 RunNo: 84854

1000

Prep Date: 12/29/2021 Analysis Date: 12/30/2021 SeqNo: 2984956 Units: mg/Kg

1000

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual
Gasoline Range Organics (GRO) 25 5.0 25.00 0 102 78.6 131

101

70

130

Qualifiers:

Surr: BFB

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 interference

B Analyte detected in the associated Method Blank

E Estimated value

J Analyte detected below quantitation limits

P Sample pH Not In Range

RL Reporting Limit

Page 4 of 5

Hall Environmental Analysis Laboratory, Inc.

0.82

WO#: **2112E24 04-Jan-22**

Client: HILCORP ENERGY
Project: Kutz Fed 14Y P A

Sample ID: mb-64790 SampType: MBLK TestCode: EPA Method 8021B: Volatiles

Client ID: PBS Batch ID: 64790 RunNo: 84854

Prep Date: 12/29/2021 Analysis Date: 12/30/2021 SeqNo: 2984959 Units: mg/Kg

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

 Benzene
 ND
 0.025

 Toluene
 ND
 0.050

 Ethylbenzene
 ND
 0.050

 Xylenes, Total
 ND
 0.10

Surr: 4-Bromofluorobenzene 0.81 1.000 80.6 70 130

1.000

Sample ID: Ics-64790	Sampl	Гуре: LC	S	Tes	tCode: El	PA Method	8021B: Volat	iles			
Client ID: LCSS	Batcl	h ID: 64	790	F	RunNo: 8	4854					
Prep Date: 12/29/2021 Analysis Date: 12/30/2021 SeqNo						qNo: 2984960 Units: mg/Kg					
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual	
Benzene	0.89	0.025	1.000	0	89.4	80	120				
Toluene	0.89	0.050	1.000	0	88.5	80	120				
Ethylbenzene	0.89	0.050	1.000	0	88.9	80	120				
Xylenes, Total	2.6	0.10	3.000	0	86.8	80	120				

81.7

70

130

Qualifiers:

Surr: 4-Bromofluorobenzene

Page 5 of 5

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 interference

B Analyte detected in the associated Method Blank

E Estimated value

J Analyte detected below quantitation limits

P Sample pH Not In Range

RL Reporting Limit



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 Nun	nber: 2112E24		RcptNo: 1	
Received By:	Isaiah Ortiz	12/29/2021 7:40:0	O AM	I-0 5-L	4	
Completed By:	Sean Livingston	12/29/2021 7:59:3	4 AM	< /	/	
Reviewed By:	ive	12/29/4		JU1	731	
Chain of Cus	tody					
1. Is Chain of Cu	ustody complete?		Yes 🗸	No 🗌	Not Present	
2. How was the	sample delivered?		Courier			
Log In						
Was an attem	pt made to cool the samp	les?	Yes 🗸	No 🗌	NA 🗌	
4. Were all samp	les received at a tempera	ture of >0° C to 6.0°C	Yes 🗸	No 🗌	NA 🗆	
5. Sample(s) in p	proper container(s)?		Yes 🗸	No 🗌		
6. Sufficient samp	ple volume for indicated te	est(s)?	Yes 🗸	No 🗌		
7. Are samples (e	except VOA and ONG) pro	perly preserved?	Yes 🗸	No 🗌		
8. Was preservat	ive added to bottles?		Yes	No 🗹	NA 🗆	
9. Received at lea	ast 1 vial with headspace	<1/4" for AQ VOA?	Yes	No 🗌	NA 🗹	
10. Were any sam	ple containers received b	roken?	Yes	No 🗹	# of preserved	
	rk match bottle labels? ncies on chain of custody)	Yes 🗸	No 🗆	bottles checked for pH: (<2 or >1;	2 unless noted)
12. Are matrices co	orrectly identified on Chair	n of Custody?	Yes 🗸	No 🗌	Adjusted?	
	analyses were requested	?	Yes 🗸	No 🗌		1 1
	g times able to be met? stomer for authorization.)		Yes 🗸	No 🗆	Checked by: J €	12/29/21
Special Handli	ng (if applicable)					
15. Was client not	ified of all discrepancies v	vith this order?	Yes	No 🗌	NA 🗹	
Person 1	Notified:	Date		ACKNOWLED GET THE PROPERTY OF THE PROPERTY.		
By Who	*	Via:	eMail F	Phone 🗌 Fax	☐ In Person	
Regardir				MANUFACTURE STATEMENT OF THE STATEMENT O	SASSTERNIC CONTROL CON	
1000	structions:					
16. Additional ren	narks:					
17. Cooler Inform						
Cooler No	Temp °C Condition	Seal Intact Seal No	Seal Date	Signed By		
I	0.3 Good					

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Turn-Around Time:	□ Standard	Project Name:	Tuto	Project #:		Project Manager:	Fasho	1	# of Coolers:	Cooler Temp(including CF):	Container F	-	-								Received by:	Received by:	
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Chain-of-Custody Record			3700	8	00	email or Fax#: K Kauffren @hil unp. com	』 □ Level 4 (Full Validation)	2 13			Sample Name	Spont									7	3)
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RELIAIN PHOTO #1 POAD

Serson Ledera

subsu.

BET SAMPLING 12-28-21

Pic+ - 9:33 100 p 7471 N N 18:0

> BET CLOSURE PIC #1/

RECLAIM PHOTOS Nate: 101 2421d Pic#1 1-7-22 11:18 AM

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10:31 AM

Point OF REFERENCE
FOR BUT CLOSURE AND RECLAIM BET CLOSURE PIC# 1 RECLAIM PHOTO =3 1-7- M 2022

Pic#3 1-7-22 10:31AM PHOTO > Received by OCD: 2/4/2022 1:17:24 PM











Received by OCD: 2/4/2022 1:17:24 PM









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.

<u>Pit, Below-Grade Tank, or</u> <u>Proposed Alternative Method Permit or Closure Plan Application</u>

	Type of action: Below grade tank registration Permit of a pit or proposed alternative method Closure of a pit, below-grade tank, or proposed alternative method Modification to an existing permit/or registration Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method									
	Instructions	: Please subm	it one application (Fe	orm C-144) per indiv	idual pit,	below-grade ta	nk or alternativ	ve request		
			s not relieve the operat tor of its responsibility							
1. Operator:	Hilcorp En	iergy Company			OGRII	D #:	372171			
_	_		, NM 87410							
Facility or well nar	me:k	Kutz Federal 14	Y							
API Number:	30-045-322	227		OCD Permit Num	ber:					
			Township 28N			· ·				
Center of Proposed	d Design: La	atitude <u>36.</u>	65028	Longitu	ıde	-107.90611	NAD	27		
Surface Owner: 🛛	Federal _	State Priva	te Tribal Trust or	Indian Allotment						
Lined Unli String-Reinford Liner Seams: V Below-grade to the Construction Secondary cor Visible sideward	rilling \(\subseteq \) Welded \(\subseteq \) 1 ank: Subseteq 120 material:	Vorkover Cavitation type: Thickness Factory Coth ection I of 19.1 bbl Type Metal ith leak detection Usible si	P&A Multi-Wess mil 5.17.11 NMAC of fluid:	LLDPE HDPE Volume Produced Water alls, liner, 6-inch lift	PVC	Otherbbl Dimen	hut-off			
Alternative M. Submittal of an exc		est is required.	Exceptions must be	submitted to the San	ta Fe Envi	ironmental Bure	eau office for co	onsideration	n of approval.	
☐ Chain link, six institution or churc	feet in heigh ch) nt, four strand	nt, two strands o	C (Applies to permand of barbed wire at top (re evenly spaced betw	Required if located v	within 100	-		e, school, h	'iospital,	

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. <u>Siting Criteria (regarding permitting)</u> : 19.15.17.10 NMAC <i>Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accematerial are provided below.</i> Siting criteria does not apply to drying pads or above-grade tanks.	ptable 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 from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
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
Temporary Pit using Low Chloride Drilling Fluid (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 Natural Instructions: 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 19.15.17.11 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:	NMAC 15.17.9 NMAC
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 dot attached. 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 Previously Approved Design (attach copy of design) API Number: or Permit Number:	

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 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 H ₂ S, 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	documents are					
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					
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure 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 □ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC						
15.						
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 ☐ NA					
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	☐ Yes ☐ No ☐ 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						
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						
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	☐ Yes ☐ No					
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						

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	
Within a 100-year floodplain.	Yes No
- FEMA map	☐ Yes ☐ No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15 Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 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 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards c Soil Cover Design - 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	.17.11 NMAC 19.15.17.11 NMAC
17. Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and	
Name (Print): Title:	
Signature: Date:	
e-mail address: Telephone:	
18. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)	
OCD Representative Signature: Victoria Venegas Report Approval Date: 02/0	8/2022
Title: Environmental Specialist OCD Permit Number: BGT1	
19. Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitt The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do section of the form until an approved closure plan has been obtained and the closure activities have been completed. □ Closure Completion Date: 1/7/2022	ting the closure report. not complete this
20. Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Close	ed-loop systems only)
☐ If different from approved plan, please explain.	

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: 2/4/2022

e-mail address: <u>mwalker@hilcorp.com</u> Telephone: <u>(346) 237-2177</u>

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 78615

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	78615
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
vvenega	s None	2/8/2022