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

Type of actio	Permit of Closure of Modifica	ation to an existing p	Iternative method tank, or proposed altermit/or registration		method n-permitted pit, below-gr	ade tank,
or proposed a	lternative method					
Instructions: 1	Please submit one	application (Form C-	144) per individual pit, b	pelow-gra	de tank or alternative reque	est
lease be advised that approval of thi nvironment. Nor does approval reli						
1.	eve the operator of i	its responsibility to com-	pry with any other applica	iole govern	inicital addicately a rules, regu	nations of ordinances.
Operator: Hilcorp Energ	gy Company		OGRID	#:	372171	
Address: 382 Road 310	00 Aztec, NM	87410				
Facility or well name: Lan	ndauer 1E					
API Number: <u>3004523791</u>		OCI	Permit Number:			
U/L or Qtr/Qtr I Sec	ction 03 T	ownship 31N	Range_	13W	County: San Juan	
Center of Proposed Design: Latit	tude <u>36.92770</u>	5	Longitude	-108.183	NAD83	
Surface Owner: Federal St	tate 🛛 Private 🔲 '	Tribal Trust or Indian	Allotment			
Temporary: Drilling Wor Wor Permanent Emergency Lined Unlined Liner type String-Reinforced Liner Seams: Welded Factor Seams: Welded Subsect Volume: 120  Tank Construction material: Secondary containment with Visible sidewalls and liner Liner type: Thickness	Cavitation P8 pe: Thickness ctory Other cion I of 19.15.17.1bbl Type of flui Metal leak detection  Visible sidewal	mil	PE HDPE PVC    Volume:  d Water  er, 6-inch lift and automa	☐ Otherbbl D	imensions: Lx W ow shut-off	
Alternative Method:  Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.						
5.  Fencing: Subsection D of 19.15.  Chain link, six feet in height, tinstitution or church)  Four foot height, four strands  Alternate. Please specify	two strands of barb	ed wire at top (Require	ed if located within 1000	_		ol, 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
<b>General siting</b>	
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. ( <b>Does not apply to below grade tanks</b> )  - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. ( <b>Does not apply to below grade tanks</b> ) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
<ul> <li>Within an unstable area. (Does not apply to below grade tanks)</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	☐ 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

<ul> <li>Within 100 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	☐ 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 do 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 19.15.17.12 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
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 do 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.	documents are			
<ul> <li>☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC</li> <li>☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC</li> </ul>				
Climatological Factors Assessment				
<ul> <li>☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC</li> </ul>				
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 <sub>2</sub> 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				
14.				
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.				
- 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	☐ 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; 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 plan 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.  Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.  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  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  Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	11 NMAC 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 believed to the best of the b	ief.
Name (Print): Title:	
Signature: Date:	
e-mail address: Telephone:	
18.  OCD Approval: Permit Application (including closure plan)	
OCD Representative Signature: Victoria Venegas Approval Date: 03/15/2	2022
Title: Environmental Specialist OCD Permit Number: BGT1	
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 submitting The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not section of the form until an approved closure plan has been obtained and the closure activities have been completed.	
<b>◯ Closure Completion Date:</b> 2/28/2022	<del></del>
20.  Closure Method:  Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-logorith of the first from approved plan, please explain.	oop systems only)

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.

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

Signature: \_\_\_\_\_\_\_ Date: <u>3/2/2022</u>

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: Landauer 1E API No.: 3004523791

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 certified mail. (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: Thursday, November 4, 2021 10:45 AM

To: Ben Mitchell; Bobby Spearman; Chad Perkins; Chris.Whitehead@state.nm.us; Kandis

Roland; Kurt Hoekstra; I1thomas@blm.gov; Mandi Walker; Mitch Killough; Lisa Jones

Cc: Joey Becker; Colby McKee

Subject: 72hr BGT Closure Notice - Landauer 1E

Attachments: 30045237910000 Landauer 1E\_C144 BGT Closure Plan Only\_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.

Lisa, please send out notification to the landowner.

Well Name: Landauer 1E

API#: 3004523791

Location: UL: I, 03, 31N, 13W

Surface Owner: FEE

Scheduled Date & Time of Start: Monday November 8<sup>th</sup> @ 2 pm

#### \*\*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/South (6,7) Regulatory Technician Hilcorp Energy 346.237.2177

mwalker@hilcorp.com



November 4, 2021

Transmitted Via Regular Mail

To:

Nickles Brothers Inc

1412 Hwy 170

La Plata, NM 87418

Re:

**LANDAUER 1E** 

API: 30-045-23791

Unit I (NE/SE) Section 3, T31N, R13W

San Juan County, New Mexico

Dear Landowner:

Pursuant to New Mexico Administrative Code § 19.15.17.13 (E) (1) operator shall provide the surface owner of the operator's proposal to close a below- grade tank.

In compliance with this requirement, please consider this letter as notification that Hilcorp San Juan, L.P. intends to close a below-grade tank on the subject well pad. The closure process will begin between 72 hours and one week from this notification.

If you have any questions regarding this work, please call within five (5) days of receiving this notice.

Sincerely,

**Lisa Jones**Land Tech



Received by OODS3/		THE PARTY	1		
CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)					
9214 79	on visit our website at www.usps.c 59 0099 9790 1018 9	om			
Postage	\$ \$0.530	IE 10 77	13W		
Certified Fee	\$3.75	Postmark	Z, R		
Return Receipt Fee (Endorsement Required)	\$3.05	Here	3, T3		
Restricted Delivery Fee (Endorsement Required)	\$0.00		TE Sec		
Total Postage & Fees	\$ \$7.330		adaner B.M.		
141	kles Brothers Inc 2 Hwy 170 Plata, NM 87418 st 2006 See Reverse for I	Instructions	Code: BGT - Landauer 1E Sec 3, T31N, R13W Code2: 11/4/21 - B.M.		
		nstructions	1		
2. Article Number		COMPLETE	THIS SECTION ON	DELIVERY	
9214 7969 0099 '	7790 1018 9290 79	2154	by (Printed Name)	Agent Addressee C. Date of Delivery	
1. Article Addressed to:	New York	D. Is delivery If YES en	address different from it ter delivery address belo	tem 1? Yes	
Nickles Brothers Inc 1412 Hwy 170 La Plata, NM 87418	2021	1,61	Feld has		
JA.		3. Service T	ype	Certified	
9290 9969 0	099 9718 9290 80		d Delivery? (Extra Fee)	Yes	
Code: BGT - Landaue Code2: 11/4/21 - B.M	er 1E Sec 3, T31N, R13W			A Company	
PS Form 3811	Domestic Ret	urn Receipt		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
	DSD C				

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-141 Revised August 24, 2018 Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

## **Release Notification**

## **Responsible Party**

Responsible	Party Hi	lcorp Energy Com	pany		OGRID	372171		
Contact Name Amanda Walker			Contact Telephone (346) 237-2177					
Contact ema	il mwalk	ker@hilcorp.com			Incident #	t (assigned by OCD)		
Contact mail	ing address	382 Road 3100	Aztec NM 8741	.0				
			Location	of R	elease So	ource		
Latitude <u>36</u>	6.927705		Longitu (NAD 83 in dec			-108.183712 mal places)		
Site Name La	andauer 1E				Site Type	Gas Well		
Date Release	Discovered	N/A			API# (if app	plicable) 30-045-23791		
Unit Letter	Section	Township	Range		Coun	ntv		
I	03	31N	13W		San Ju	<u> </u>		
	Materia	l(s) Released (Select al	Nature and	l Vol	lume of F	c justification for the volumes provided below)		
Crude Oil		Volume Release				Volume Recovered (bbls)		
Produced	Water	Volume Release				Volume Recovered (bbls)		
Is the concentration of dissolved chloride produced water >10,000 mg/l?			nloride	e in the	☐ Yes ☐ No			
Condensa	nte	Volume Release				Volume Recovered (bbls)		
Natural G	Natural Gas Volume Released (Mcf)					Volume Recovered (Mcf)		
Other (describe) Volume/Weight Released (provide units			)	Volume/Weight Recovered (provide units)				
Cause of Release wa		ed during the BGT	Closure.			·		

Received by OCD: 3/2/2022 9:05:17 AM State of New Mexico Page 2 Oil Conservation Division

-D	aaa	11	nf	r 🤈 .
	uge	17	vj	

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the respons	sible part	y consider this a	major release?
☐ Yes ⊠ No	N/A			
TCANEGO		0 111		(1, 1)
If YES, was immediate no	otice given to the OCD? By whom? To who	om? Whe	en and by what m	leans (phone, email, etc)?
Not Required				
	Initial Re	sponse	<b>)</b>	
The responsible p	party must undertake the following actions immediately	unless they	could create a safety	y 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	he enviro	onment.	
	we been contained via the use of berms or dil		-	her containment devices.
•	coverable materials have been removed and dabove have not been undertaken, explain w		l appropriately.	
D 10 15 20 0 D (4) NR				
has begun, please attach	AC the responsible party may commence real anarrative of actions to date. If remedial east area (see 19.15.29.11(A)(5)(a) NMAC), plots area (see 19.15.29.11(A)(5)(a) NMAC), plots area (see 19.15.29.11(A)(5)(a) NMAC).	efforts hav	ve been successfu	ully completed or if the release occurred
regulations all operators are public health or the environr failed to adequately investig	rmation given above is true and complete to the be required to report and/or file certain release notifinent. The acceptance of a C-141 report by the OC attended and remediate contamination that pose a threat f a C-141 report does not relieve the operator of respective to the contamination of the conta	ications an CD does not not to ground	d perform correction of relieve the operation dwater, surface was	ve actions for releases which may endanger ator of liability should their operations have ter, human health or the environment. In
Printed Name: Amand		»:	Operations/Regu	ulatory Technician – Sr.
Signature:	Waster	Date: _	03/02/20	22
email:	mwalker@hilcorp.com		_Telephone:	(346) 237-2177
OCD Only		Б.:		
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

November 18, 2021

Mitch Killough HILCORP ENERGY PO Box 4700 Farmington, NM 87499

TEL: (505) 564-0733

FAX:

RE: Landauer 1E OrderNo.: 2111427

#### Dear Mitch Killough:

Hall Environmental Analysis Laboratory received 1 sample(s) on 11/9/2021 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 Report**

Lab Order **2111427**Date Reported: **11/18/2021** 

## Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY Client Sample ID: BGT

**Project:** Landauer 1E
 Collection Date: 11/8/2021 2:10:00 PM

 **Lab ID:** 2111427-001
 Matrix: SOIL
 Received Date: 11/9/2021 7:00:00 AM

Analyses	Result	RL Qu	al Units	DF	Date Analyzed
EPA METHOD 8015M/D: DIESEL RANGE ORG	GANICS				Analyst: BRM
Diesel Range Organics (DRO)	ND	9.2	mg/Kg	1	11/11/2021 3:59:26 PM
Motor Oil Range Organics (MRO)	ND	46	mg/Kg	1	11/11/2021 3:59:26 PM
Surr: DNOP	111	70-130	%Rec	1	11/11/2021 3:59:26 PM
EPA METHOD 8015D: GASOLINE RANGE					Analyst: mb
Gasoline Range Organics (GRO)	ND	4.8	mg/Kg	1	11/10/2021 11:22:00 AM
Surr: BFB	98.3	70-130	%Rec	1	11/10/2021 11:22:00 AM
EPA METHOD 8021B: VOLATILES					Analyst: mb
Benzene	ND	0.024	mg/Kg	1	11/10/2021 11:22:00 AM
Toluene	ND	0.048	mg/Kg	1	11/10/2021 11:22:00 AM
Ethylbenzene	ND	0.048	mg/Kg	1	11/10/2021 11:22:00 AM
Xylenes, Total	ND	0.096	mg/Kg	1	11/10/2021 11:22:00 AM
Surr: 4-Bromofluorobenzene	106	70-130	%Rec	1	11/10/2021 11:22:00 AM
EPA METHOD 300.0: ANIONS					Analyst: <b>JMT</b>
Chloride	210	59	mg/Kg	20	11/10/2021 2:53:06 PM

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 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.

2111427 18-Nov-21

WO#:

Client: HILCORP ENERGY

**Project:** Landauer 1E

Sample ID: MB-63867 SampType: mblk TestCode: EPA Method 300.0: Anions

Client ID: PBS Batch ID: 63867 RunNo: 82732

Prep Date: 11/10/2021 Analysis Date: 11/10/2021 SeqNo: 2938114 Units: mg/Kg

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

Chloride ND 1.5

Sample ID: LCS-63867 SampType: Ics TestCode: EPA Method 300.0: Anions

Client ID: LCSS Batch ID: 63867 RunNo: 82732

Prep Date: 11/10/2021 Analysis Date: 11/10/2021 SeqNo: 2938115 Units: mg/Kg

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

Chloride 14 1.5 15.00 0 92.6 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 interference

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.

WO#: **2111427** *18-Nov-21* 

Client: HILCORP ENERGY

**Project:** Landauer 1E

Sample ID: LCS-63848 SampType: LCS TestCode: EPA Method 8015M/D: Diesel Range Organics

Client ID: LCSS Batch ID: 63848 RunNo: 82730

Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2938565 Units: mg/Kg

PQL SPK value SPK Ref Val %REC HighLimit %RPD **RPDLimit** Qual Analyte Result LowLimit Diesel Range Organics (DRO) 10 0 44 50.00 88.0 68.9 135 Surr: DNOP 4.8 5.000 96.4 130

Sample ID: MB-63848 SampType: MBLK TestCode: EPA Method 8015M/D: Diesel Range Organics

Client ID: PBS Batch ID: 63848 RunNo: 82730

Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2938566 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual
Diesel Range Organics (DRO) ND 10

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 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.

2111427 18-Nov-21

WO#:

Client: HILCORP ENERGY

**Project:** Landauer 1E

Surr: BFB

Sample ID: mb-63831 SampType: MBLK TestCode: EPA Method 8015D: Gasoline Range

Client ID: PBS Batch ID: 63831 RunNo: 82754

Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2937702 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 100 70 130

Sample ID: Ics-63831 SampType: LCS TestCode: EPA Method 8015D: Gasoline Range

Client ID: LCSS Batch ID: 63831 RunNo: 82754

1200

Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2937703 Units: mg/Kg

1000

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual Gasoline Range Organics (GRO) 27 5.0 25.00 0 108 78.6 131

70

130

116

#### 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 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.

WO#: **2111427** 

18-Nov-21

Client: HILCORP ENERGY

**Project:** Landauer 1E

Sample ID: mb-63831 SampType: MBLK TestCode: EPA Method 8021B: Volatiles

Client ID: PBS Batch ID: 63831 RunNo: 82754

Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2937731 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
 1.0
 1.000
 104
 70
 130

SampType: LCS Sample ID: Ics-63831 TestCode: EPA Method 8021B: Volatiles Client ID: LCSS Batch ID: 63831 RunNo: 82754 Units: mg/Kg Prep Date: 11/9/2021 Analysis Date: 11/10/2021 SeqNo: 2937733 PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual 0.025 1.000 0 103 80 120 1.0 Benzene Toluene 1.1 0.050 1.000 0 105 80 120

0.050 0 107 80 120 Ethylbenzene 1.000 1.1 3.2 0.10 3.000 0 108 80 120 Xylenes, Total Surr: 4-Bromofluorobenzene 1.1 1.000 107 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 Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- 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

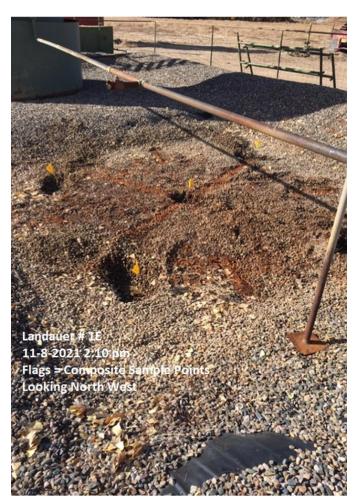
TEL: 505-345-3975 FAX: 505-345-4107 Website: clients.hallenvironmental.com

# Sample Log-In Check List

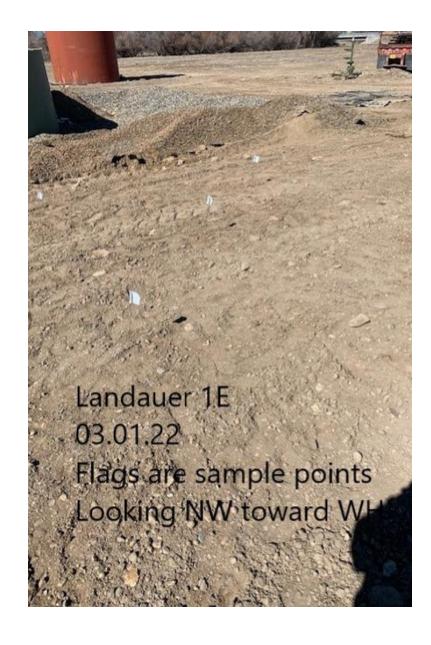
Client Name:	HILCORP ENERGY	Work Order Nu	mber: 2111427		RcptNo:	1
Received By:	Isaiah Ortiz	11/9/2021 7:00:00	O AM	ILC	24	
Completed By:	Desiree Dominguez	11/9/2021 8:19:38		1	7-4	
Reviewed By:		11/9/4		113		
Chain of Cus	<u>tody</u>					
1. Is Chain of C	ustody complete?		Yes 🗸	No 🗌	Not Present	
2. How was the	sample delivered?		Courier			
Log In						
	pt made to cool the samples	?	Yes 🗸	No 🗌	NA 🗌	
4. Were all samp	oles received at a temperatur	e of >0° C to 6.0°C	Yes 🗸	No 🗌	NA 🗌	
5. Sample(s) in p	proper container(s)?		Yes 🗸	No 🗌		
6. Sufficient sam	ple volume for indicated test(	s)?	Yes 🗸	No 🗌		
7. Are samples (	except VOA and ONG) prope	rly 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 🗹	
	ple containers received brok		Yes	No 🗹	IVA 💟	
	rk match bottle labels?		Yes 🗸	No 🗌	# of preserved bottles checked for pH:	
	ncies on chain of custody) orrectly identified on Chain of	0				12 unless noted)
	analyses were requested?	Custody?	Yes 🗸	No 📙	Adjusted?	
14. Were all holdin	g times able to be met?		Yes ✓ Yes ✓	No 🗌	Checked by:	11/9/21
	stomer for authorization.)					
<u>Special Handlii</u>	ng (if applicable)					
15. Was client not	ified of all discrepancies with	this order?	Yes	No 🗌	NA 🗸	
Person N	Notified:	Date				
By Whon		Via:	eMail P	none  Fax	☐ In Person	
Regardin				******		
	structions:					
16. Additional rem						
17. Cooler Inform	Dispersion of the property of the second	1				
Cooler No	Temp °C Condition S 2.2 Good Yes	eal Intact Seal No	Seal Date	Signed By		
	2000	,				

Receive	1 6	OCD Y	<b>):</b> 3/2	2/202	22 9:	05:1	7 AM													- 1	Page 2		
		TABORA	www.nallenvironmental.com	Albuqu	505-545-5975 Fax 505-345-4107 Analysis Regineet		)S ԠO	32703	3 1c	10 or	98 We 3r, N (AO)	EDB (M. 2002) PAHS EDB (M. 2000)	H										This serves as notice of this possibility. Any sub-contracted data will be clearly notated on the analytical report.
			1904	1064 07 107	lel. 50	-	) MRC	DBC	08/8	GE	15D(	X3TEX ) 08:H97 9 1808	B ×							Remarks:			ssibility. Any sub-c
Turn-Around Time:	✓ Standard □ Rush	Project Name:	# 60000	Project #:		Project Manager:	1	MI IONE W	No □		(including CF): Z.8 -6.1 PP 2.2 -(°C)	Container Preservative HEAL No. Type and # Type	R ICE - OO!		0					Marked by: Via: Date Time R.	Received by: Via: Date Time		
Chain-of-Custody Record	Client:		Mailing Address:		Phone #: 505 - 486 - 9543	email or Fax#: wkilloweholporp.com	QA/QC Package: Khoekstvå e hyl covp. com	on: 🗆 Az Con	□ NELAC □ Other	□ EDD (Type)		Date Time Matrix Sample Name	11-8 2310 SS BET						Date: Time: Dollardiction by	1450 hunt habite	<u> </u>	18/2 1/35/ 4/Wall Comme	II necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories.









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 85526

#### **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	85526
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

#### CONDITIONS

Created E	y Condition	Condition Date
vveneg	as None	3/15/2022