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> Proposed Alternative Method Permit or Closure Plan Application

BGT1 Closure or proposed altern Instructions: Plea	se submit one application (opposed alternative mow-grade tank, or provisiting permit/or regularitied for an existing permit/or regularitied for an existing permit/or c-144) per indi	oposed alternati istration ng permitted on vidual pit, below	r non-permitted pi	rnative request	
lease be advised that approval of this reconvironment. Nor does approval relieve t						
Operator: Hilcorp Energy C	* *					
Address: 382 Road 3100 Facility or well name: Aztec 7						
API Number: 30-045-24404						
U/L or Qtr/Qtr L Section						
Center of Proposed Design: Latitude	_					
Surface Owner: X Federal X State [•				
2.						
Temporary: Drilling Workow Permanent Emergency Car Lined Unlined Liner type: String-Reinforced Liner Seams: Welded Factory 3. Below-grade tank: Subsection String- String Subsection String Sub	vitation	LLDPE HDPE	:bb	therl Dimensions: L		_
Tank Construction material:	Metal					
☐ Secondary containment with leak☐ Visible sidewalls and liner ☐ VLiner type: Thickness	Visible sidewalls only []	Other				
4. Alternative Method: Submittal of an exception request is re	equired. Exceptions must l	be submitted to the Sar	ita Fe Environme	ental Bureau office f	or consideration (of approval.
Fencing: Subsection D of 19.15.17.1 Chain link, six feet in height, two institution or church) Four foot height, four strands of background b	strands of barbed wire at to	p (Required if located	within 1000 feet		dence, school, hos	spital,

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

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No	
Temporary Pit Non-low chloride drilling fluid		
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	Yes No	
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No	
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No	
 Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ☐ No	
Permanent Pit or Multi-Well Fluid Management Pit		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).		
- Topographic map; Visual inspection (certification) of the proposed site	Yes No	
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ☐ No	
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of		
initial application NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site		
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ☐ No	
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 Naturations: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docattached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 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: or Permit Number:	NMAC 15.17.9 NMAC	
II. Multi Wall Fluid Management Dit Cheekligt. Subsection P of 10 15 17 0 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 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		

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 description is the subsection of the following items must be attached to the application.	documents are		
attached.			
Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC			
Climatological Factors Assessment			
Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC			
Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC			
Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC			
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC			
Quality Control/Quality Assurance Construction and Installation Plan			
Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC			
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC			
Nuisance or Hazardous Odors, including 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			
Closure Fian - based upon the appropriate requirements of Subsection C of 19.13.17.9 NMAC and 19.13.17.13 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 Fl	uid Managamant Bit		
Alternative	and management i it		
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 a 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	attached to the		
Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC			
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. P 19.15.17.10 NMAC for guidance.			
Crown division is less than 25 feet below the bettern of the howing west-			
Ground water is less than 25 feet below the bottom of the buried waste.	Yes No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ NA		
Ground water is between 25-50 feet below the bottom of the buried waste	☐ Yes ☐ No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ NA		
Ground water is more than 100 feet below the bottom of the buried waste.	☐ Yes ☐ No		
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ NA		
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa	☐ Yes ☐ No		
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.	☐ Yes ☐ No		
- 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	☐ Yes ☐ No		
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; Wr	ritten approval obtained from the municipality	y Yes No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMN	NRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area.		
 Engineering measures incorporated into the design; NM Burea Society; Topographic map 	u of Geology & Mineral Resources; USGS; N	-
Within a 100-year floodplain.		Yes No
- FEMA map		☐ Yes ☐ No
16. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: by a check mark in the box, that the documents are attached. □ Siting Criteria Compliance Demonstrations - based upon the appropriate req □ Construction/Design Plan of Burial Trench (if applicable) based □ Construction/Design Plan of Temporary Pit (for in-place burial □ Protocols and Procedures - based upon the appropriate requirem □ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirem □ Disposal Facility Name and Permit Number (for liquids, drilling □ Soil Cover Design - based upon the appropriate requirements of □ Re-vegetation Plan - based upon the appropriate requirements of □ Site Reclamation Plan - based upon the appropriate requirements.	propriate requirements of 19.15.17.10 NMAC quirements of Subsection E of 19.15.17.13 NM d upon the appropriate requirements of Subsection a drying pad) - based upon the appropriate ments of 19.15.17.13 NMAC propriate requirements of 19.15.17.13 NMAC uirements of 19.15.17.13 NMAC g fluids and drill cuttings or in case on-site close Subsection H of 19.15.17.13 NMAC f Subsection H of 19.15.17.13 NMAC	MAC ction K of 19.15.17.11 NMAC requirements of 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 belief.
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	
18. OCD Approval: ☐ Permit Application (including closure plan) □	Report Closure Plan (only) OCD Conditions ((see attachment)
OCD Representative Signature: Shelly Wells	Approv	val Date: _7/27/2022
Title: Environmental Specialist-A	OCD Permit Number: BGT1	Closure
19. <u>Closure Report (required within 60 days of closure completion)</u> : 1 Instructions: Operators are required to obtain an approved closure p The closure report is required to be submitted to the division within 6 section of the form until an approved closure plan has been obtained	plan prior to implementing any closure activ 60 days of the completion of the closure activ	vities. Please do not complete this ted.
20. Closure Method: ☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ ☐ If different from approved plan, please explain.	☐ Alternative Closure Method ☐ Waste	Removal (Closed-loop systems only)
21. Closure Report Attachment Checklist: Instructions: Each of the formark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure for private lar	ollowing items must be attached to the closu	re report. Please indicate, by a check

44.		
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: OWashy Date: 6/2/2022

Hilcorp Energy Company San Juan Basin: New Mexico Assets Below Grade Tank Closure Report

Lease Name: Aztec 7E **API No.:** 30-045-24404

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 Requirements:

1. Prior to initiating any BGT closure, except in the case of an emergency, HILCORP will notify the surface owner of the intent to close the BGT by certified mail no later than 72 hours or one week before closure and a copy of this notification will be included in the closure report. In the case of an emergency, the surface owner will be notified as soon as practical.

The surface owner was notified by email of the closure process and the notification is attached.

- 2. Notice of closure will be given to the District Division office between 72 hours and one week of the scheduled closure via email or phone. The notification of closure will include the following:
 - a. Operators Name
 - b. Well Name and API Number
 - c. Location

Notification is attached.

3. All liquids will be removed from the BGT following cessation of operation. Produced water will be disposed of at one of HILCORP's approved Salt Water Disposal facilities or at a District Division approved facility.

All recovered liquids were disposed of at an approved SWD facility or an approved District Division facility within 60 days of cessation of operation.

 Solids and sludge's will be shoveled and/or vacuumed out for disposal at one of the District Division approved facilities, depending on the proximity of the BGT site: Envirotech Land Farm (Permit #NM-01-011), JFJ Land Farm % Industrial Ecosystems Inc. (Permit #NM-01-0010B), and Basin Disposal (Permit #NM-01-005).

Any sludge or soil required to be removed to facilitate closure was transported to Envirotech Land Farm (Permit # NM-01-011) and/or JFJ Landfarm % IEI (Permit# NM-01-0010B).

Revised 10/14/2015

5. HILCORP will obtain prior approval from District Division to dispose, recycle, reuse, or reclaim the BGT and provide documentation of the disposition of the BGT in the closure report. Steel materials will be recycled or reused as approved by the District Division. Fiberglass tanks will be empty, cut up or shredded, and EPA cleaned for disposal as solid waste. Liner materials will be cleaned without soils or contaminated material for disposal as solid waste. Fiberglass tanks and liner materials will meet the conditions of 19.15.35 NMAC. Disposal will be at a licensed disposal facility, presently San Juan County Landfill operated by Waste Management under NMED Permit SWM-052426.

The below-grade tank was disposed of in a division-approved manner. The liner was cleaned per 19.15.35.8.C(1)(m) NMAC and disposed of at the San Juan County Regional Landfill located on CR 3100.

6. Any equipment associated with the BGT that is no longer required for some other purpose, following the closure, will be removed.

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

- 7. Following removal of the tank and any liner material, HILCORP will test the soils beneath the BGT as follows:
 - a. At a minimum, a five-point composite sample will be taken to include any obvious stained or wet soils or any other evidence of contamination.
 - b. The laboratory sample shall be analyzed for the constituents listed in Table I of 19.15.17.13.

A five point composite sample was taken of the below-grade tank using sampling tools and all samples tested per Table I of 19.15.17.13 and the results are attached.

8. If the District Division and/or HILCORP determine there is a release, HILCORP will comply with 19.15.17.13.C.3b.

A release was not determined for the above referenced well.

9. Upon completion of the tank removal, pursuant to 19.15.17.13.C.3c, if all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, the excavation will be backfilled with non-waste earthen material compacted and covered with a minimum of one foot top soil or background thickness whichever is greater and to existing grade. The surface will be re-contoured to match the native grade and to prevent ponding.

The tank removal area passed all requirements of Table I of 19.15.17.13 NMAC and was backfilled with compacted, non-waste containing, earthen material which included at least one foot of suitable material to establish vegetation at the site.

Revised 10/14/2015

10. For those portions of the former BGT area no longer required for production activities, HILCORP will seed the disturbed area the first favorable growing season after the BGT is covered. Seeding will be accomplished via drilling on the contour whenever practical, or by other District Division-approved methods. HILCORP will notify the District Division when reclamation and re-vegetation is complete.

Reclamation of the BGT shall be considered complete when:

- Vegetative cover reflects a life form ratio of +/- 50% of pre disturbance levels.
- Total percent plant cover of at least 70% of pre-disturbance levels (Excluding noxious weeds) OR
- Pursuant to 19.15.17.13.H.5d HILCORP will comply with obligations imposed by other applicable federal or tribal agencies in which there re-vegetation and reclamation requirements provide equal or better protection of fresh water, human health and the environment.

Provision 10 will be accomplished pursuant to 19.15.17.H.5d and notification will be submitted upon completion.

11. For those portions of the former BGT area required for production activities, reseeding will be done at well abandonment, and following the procedure noted above.

The former BGT area is required for production activities and reseeding will be completed upon plug and abandonment, per the procedure noted above.

Closure Report:

All closure activities will include proper documentation and will be submitted to OCD within 60 days of the BGT closure on a Closure Report using District Division Form C-144. The Report will include the following:

- Proof of Closure Notice (surface owner and District Division) (Attached)
- Backfilling & cover installation (See Report)
- Confirmation Sampling Analytical Results (Attached)
- Application Rate & Seeding techniques (See Report)
- Photo Documentation of Reclamation (Attached)

Revised 10/14/2015

Mandi Walker

From: Mandi Walker

Sent: Monday, March 14, 2022 12:25 PM

To: Brandon Sinclair; Clara Cardoza; Eufracio Trujillo; Kandis Roland; Kate Kaufman; Keri

Hutchins; Kurt Hoekstra; I1thomas@blm.gov; Mandi Walker; Ryan Joyner; Victoria

Venegas

Cc: Freddie Garcia; Roman Lucero; Dirk Scanlan; Joe Corbin

Subject: BGT Closure Notice - 72 hr - Aztec 7E

Attachments: 3004524404_Aztec 7E_BGT MOD Permit.pdf

The subject well has a below-grade tank that will be permanently removed. The BGT Permit is attached. Please contact me at any time if you have any questions or concerns.

Well Name: Aztec 7E API#: 3004524404 Location: L,14,28N,11W

Footages: 1540' FSL & 930' FWL

Operator: HEC Surface Owner: BLM

Scheduled Date & Time of Start: March 18th @ 9am

Please Note Required Photos for Closure

Well site placard

Photos of the BGT prior to closure

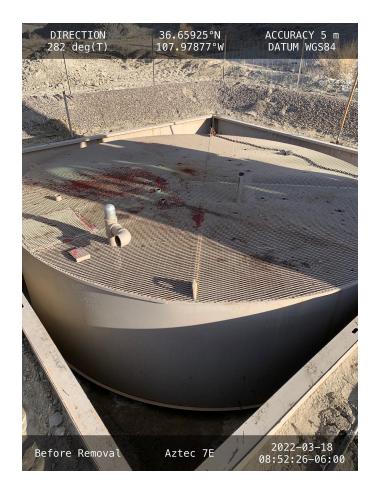
The sample location or, more preferred, photos of actual sample collection

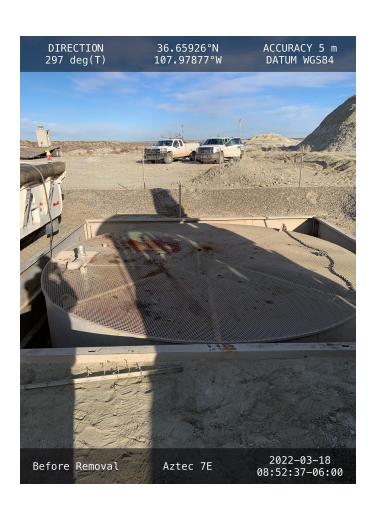
Final state of the area after closure.

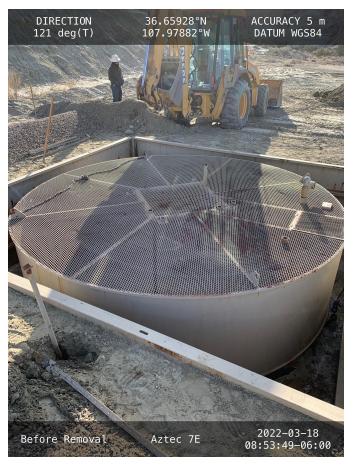
Photos will require captioning including direction of photo, date and time of photo and a description of the image contents.

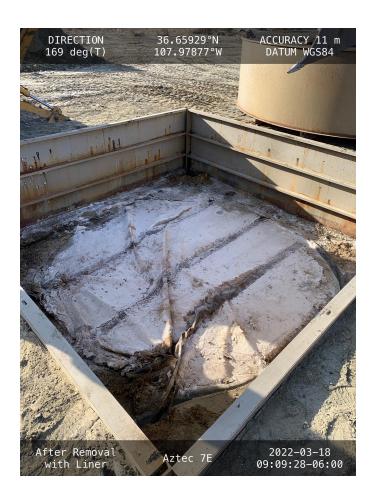
Mandi Walker

San Juan North/South (6,7) Regulatory Technician Hilcorp Energy 346.237.2177 mwalker@hilcorp.com Released to Imaging: 7/27/2022 1:11:52 PM



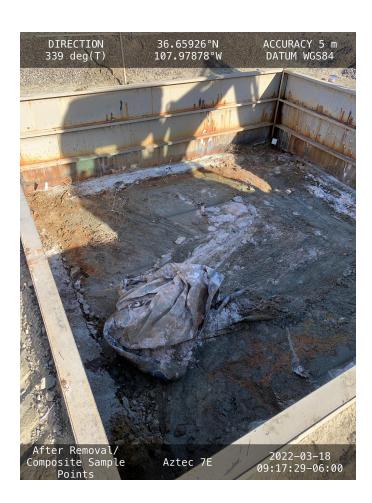






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District I
1625 N. French Dr., Hobbs, NM 88240
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811 S. First St., Artesia, NM 88210
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1220 S. St. Francis Dr., Santa Fe, NM 87505

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

					T = ===			
Responsible Party Hilcorp Energy Company			OGRID 372171					
Contact Name Amanda Walker			Contact Telephone (346) 237-2177					
Contact ema	il mwalk	er@hilcorp.com			Incident # (assigned by OCD)	
Contact mail	ling address	1111 Travis St.	Houston, TX 770	002	1			
			Location	of R	delease So	ource		
Latitude 30	6.659276		Longiti	ude	-107.9787			
			(NAD 83 in dec	imal de	grees to 5 decim	al places)		
Site Name A	ztec 7E				Site Type	Gas Well		
Date Release	Discovered	N/A			API# (if appl	licable) 30-045-	-24404	
Unit Letter	Section	Township	Danca		Count	···	7	
L	14	28N	Range 11W		Count San Ju			
L	14	2011	11 ٧٧		San Ju	1411		
Surface Owne	r: State	⊠ Federal □ Tı						
			Nature and	l Vol	lume of K	Kelease		
			* * *	calculat	ions or specific j		e volumes provided below)	
Crude Oi		Volume Release				Volume Recovered (bbls)		
☐ Produced	Water	Volume Release	d (bbls)			Volume Recovered (bbls)		
		produced water		hloride	e in the	☐ Yes ☐ No		
☐ Condensa	ate	Volume Release	d (bbls)			Volume Recovered (bbls)		
☐ Natural Gas Volume Released (Mcf)				Volume Recovered (Mcf)				
Other (describe) Volume/Weight Released (provide units			units)	Volume/Weight Recovered (provide units)				
Cause of Rel	ease	1						
No release wa	s encountere	ed during the BGT	Closure.					

Received by OCD: 6/2/2022 1:20:54 PM State of New Mexico Page 2 Oil Conservation Division

Page	15 d	of 25

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 responsible party consider this a major release?
☐ Yes ⊠ No	N/A
If YES, was immediate no	otice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
Not Required	
	Initial Response
The responsible p	party must undertake the following actions immediately unless they could create a safety hazard that would result in injury
☐ The source of the rele	ease has been stopped.
☐ 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 investiga	rmation given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and required to report and/or file certain release notifications and perform corrective actions for releases which may endanger ment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have at and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In f a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws
	a Walker Title: Operations/Regulatory Technician – Sr.
Signature:	Date: Date:
email: my	walker@hilcorp.com Telephone: (346) 237-2177
OCD Only	
Received by:	Date:



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

March 28, 2022

Kate Kaufman HILCORP ENERGY PO Box 4700 Farmington, NM 87499

TEL: (505) 564-0733

FAX

RE: Aztec 7E OrderNo.: 2203A94

Dear Kate Kaufman:

Hall Environmental Analysis Laboratory received 1 sample(s) on 3/19/2022 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

Indes

4901 Hawkins NE

Albuquerque, NM 87109

Analytical Report Lab Order 2203A94

Date Reported: 3/28/2022

Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY

Project: Aztec 7E

Collection Date: 3/18/2022 9:23:00 AM

Lab ID: 2203A94-001

Matrix: MEOH (SOIL)

Received Date: 3/19/2022 9:48:00 AM

Analyses	Result	PQL Qu	al Units	DF	Date Analyzed
EPA METHOD 8015M/D: DIESEL RANGE ORG	ANICS				Analyst: SB
Diesel Range Organics (DRO)	45	10	mg/Kg	1	3/22/2022 1:26:41 PM
Motor Oil Range Organics (MRO)	ND	50	mg/Kg	1	3/22/2022 1:26:41 PM
Surr: DNOP	102	51.1-141	%Rec	1	3/22/2022 1:26:41 PM
EPA METHOD 8015D: GASOLINE RANGE					Analyst: BRM
Gasoline Range Organics (GRO)	ND	3.3	mg/Kg	1	3/19/2022 4:50:00 PM
Surr: BFB	106	70-130	%Rec	1	3/19/2022 4:50:00 PM
EPA METHOD 8021B: VOLATILES					Analyst: BRM
Benzene	ND	0.016	mg/Kg	1	3/19/2022 4:50:00 PM
Toluene	ND	0.033	mg/Kg	1	3/19/2022 4:50:00 PM
Ethylbenzene	ND	0.033	mg/Kg	1	3/19/2022 4:50:00 PM
Xylenes, Total	ND	0.066	mg/Kg	1	3/19/2022 4:50:00 PM
Surr: 4-Bromofluorobenzene	87.8	70-130	%Rec	1	3/19/2022 4:50:00 PM
EPA METHOD 300.0: ANIONS					Analyst: LRN
Chloride	230	60	mg/Kg	20	3/22/2022 6:34:42 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 Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

Page 1 of 4

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 2203A94

28-Mar-22

Client: HILCORP ENERGY

Project: Aztec 7E

Sample ID: LCS-66300 SampType: LCS TestCode: EPA Method 8015M/D: Diesel Range Organics Client ID: LCSS Batch ID: 66300 RunNo: 86644 Prep Date: 3/21/2022 Analysis Date: 3/22/2022 SeqNo: 3059000 Units: mg/Kg PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Analyte Result Qual Diesel Range Organics (DRO) 10 0 46 50.00 91.3 68.9 135 Surr: DNOP 3.8 5.000 76.8 51.1 141

Sample ID: MB-66300 TestCode: EPA Method 8015M/D: Diesel Range Organics SampType: MBLK Client ID: PBS Batch ID: 66300 RunNo: 86644 Prep Date: 3/21/2022 Analysis Date: 3/22/2022 SeqNo: 3059003 Units: mg/Kg Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual Diesel Range Organics (DRO) ND 10

Motor Oil Range Organics (MRO) ND 50

Surr: DNOP 8.8 10.00 88.4 51.1 141

Qualifiers:

- Value exceeds Maximum Contaminant Level
- D Sample Diluted Due to Matrix
- Н Holding times for preparation or analysis exceeded
- Not Detected at the Reporting Limit
- PQL Practical Quanitative Limit
- % Recovery outside of range due to dilution or matrix interference
- Analyte detected in the associated Method Blank
- Estimated value
- Analyte detected below quantitation limits
- Sample pH Not In Range
- RL Reporting Limit

Page 2 of 4

OC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

1100

WO#: 2203A94

28-Mar-22

Client: HILCORP ENERGY

Project: Aztec 7E

Sample ID: 2.5ug gro Ics SampType: LCS TestCode: EPA Method 8015D: Gasoline Range Client ID: LCSS Batch ID: **B86605** RunNo: 86605 Prep Date: Analysis Date: 3/19/2022 SeqNo: 3057175 Units: mq/Kq SPK value SPK Ref Val %REC HighLimit %RPD **RPDLimit** Analyte Result PQL LowLimit Qual 0 Gasoline Range Organics (GRO) 29 5.0 25.00 115 78.6 131 Surr: BFB 2300 1000 227 130 S

Sample ID: mb TestCode: EPA Method 8015D: Gasoline Range SampType: MBLK Client ID: PBS Batch ID: **B86605** RunNo: 86605 Prep Date: Analysis Date: 3/19/2022 SeqNo: 3057176 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 70

107

130

1000

Sample ID: 2203A94-001ams SampType: MS TestCode: EPA Method 8015D: Gasoline Range Client ID: Bottom Comp 0-6" Batch ID: **B86605** RunNo: 86605 Prep Date: Analysis Date: 3/19/2022 SeqNo: 3057178 Units: mg/Kg SPK value SPK Ref Val %REC HighLimit %RPD **RPDLimit** Analyte Result PQL LowLimit Qual Gasoline Range Organics (GRO) 19 3.3 16.49 0 118 70 130 Surr: BFB S 659.6 1500 232 70 130

Sample ID: 2203A94-001amsd TestCode: EPA Method 8015D: Gasoline Range SampType: MSD Client ID: Bottom Comp 0-6" Batch ID: **B86605** RunNo: 86605 Prep Date: Analysis Date: 3/19/2022 SeqNo: 3057179 Units: mg/Kg Result SPK value SPK Ref Val %REC HighLimit %RPD **RPDLimit** Analyte PQL LowLimit Qual Gasoline Range Organics (GRO) 19 3.3 16.49 115 70 2.61 130 20 Surr: BFB 1500 659.6 224 70 130 0 0 S

Qualifiers:

Value exceeds Maximum Contaminant Level

D Sample Diluted Due to Matrix

Holding times for preparation or analysis exceeded Н

Not Detected at the Reporting Limit

PQL Practical Quanitative Limit

% Recovery outside of range due to dilution or matrix interference

Analyte detected in the associated Method Blank

Estimated value

Analyte detected below quantitation limits

Sample pH Not In Range

RL Reporting Limit Page 3 of 4

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: **2203A94 28-Mar-22**

Client: HILCORP ENERGY

Project: Aztec 7E

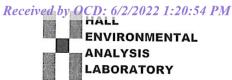
Sample ID: 100ng btex Ics	SampT	mpType: LCS TestCode: EPA Method					8021B: Vola	iles		
Client ID: LCSS	Batcl	n ID: C8	6605	F	RunNo: 8	6605				
Prep Date:	Analysis D	Date: 3/	19/2022	SeqNo: 3057193			Units: mg/Kg			
Analyte	Result PQL SPK value SPK Ref Val %REC LowLim		LowLimit	HighLimit	%RPD	RPDLimit	Qual			
Benzene	0.94	0.025	1.000	0	93.7	80	120			
Toluene	0.95	0.050	1.000	0	95.4	80	120			
Ethylbenzene	0.96	0.050	1.000	0	96.1	80	120			
Xylenes, Total	2.9	0.10	3.000	0	95.9	80	120			
Surr: 4-Bromofluorobenzene	0.91		1.000		90.9	70	130			

Sample ID: mb SampType: MBLK				TestCode: EPA Method 8021B: Volatiles												
Client ID: PBS	Batch ID: C86605			RunNo: 86605						6605 RunNo: 86605						
Prep Date:	Analysis [Date: 3/	19/2022	SeqNo: 3057194		Units: mg/k	(g									
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	0.92		1.000		91.8	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
- 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 4



Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109

Sample Log-In Check List

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

Client Name: HILCORP E	ENERGY Work Ord	er Number: 2203A94		RcptNo: 1				
Received By: Isaiah Orti	z 3/19/2022 9	:48:00 AM	エへの	4				
Completed By: Isaiah Orti	z 3/19/2022 1	0:40:42 AM	In any On	4				
Reviewed By: @ 03 119	1/2022							
Chain of Custody								
1. Is Chain of Custody comple	ete?	Yes 🗸	No 🗌	Not Present				
2. How was the sample delive	ered?	Courier						
Log In								
Was an attempt made to co	ool the samples?	Yes 🗸	No 🗌	NA 🗌				
4. Were all samples received	at a temperature of >0° C to 6.	0°C Yes ✓	No 🗌	NA 🗌				
5. Sample(s) in proper contain	ner(s)?	Yes 🗸	No 🗌					
6. Sufficient sample volume fo	or indicated test(s)?	Yes 🗸	No 🗌					
7. Are samples (except VOA a	and ONG) properly preserved?	Yes 🗸	No 🗌					
8. Was preservative added to	bottles?	Yes	No 🗹	NA 🗌				
9. Received at least 1 vial with	headspace <1/4" for AQ VOA?	Yes 🗌	No 🗌	NA 🗹	10			
10. Were any sample container	rs received broken?	Yes		# of preserved	3/19/27			
11. Does paperwork match bott (Note discrepancies on chai		Yes 🗸		bottles checked for pH:	12 unless noted)			
12. Are matrices correctly identi	fied on Chain of Custody?	Yes 🗸	No 🗌	Adjusted?				
13. Is it clear what analyses we	re requested?	Yes 🗸	No 🗌					
14. Were all holding times able (If no, notify customer for au		Yes 🗸	No 🗆	Checked by:				
Special Handling (if appl								
15. Was client notified of all dis		Yes	No 🗌	NA 🔽				
Person Notified:		Date:	The second secon					
By Whom:		Via: eMail P	hone Fax [In Person				
Regarding:	NUMBER AND STREET OF THE PARTY	TO A THE THE CHARLES AND DESIGNATION OF THE SECTION OF	CONTRACTOR OF THE PARTY OF	A CONTRACTOR CONTRACTO				
Client Instructions:				HARMON MAN HORSEN WATER COMMON TO A COMMON				
16. Additional remarks:								
17. Cooler Information Cooler No Temp °C 1 3.0	Condition Seal Intact Sea Good Not Present	al No Seal Date	Signed By					

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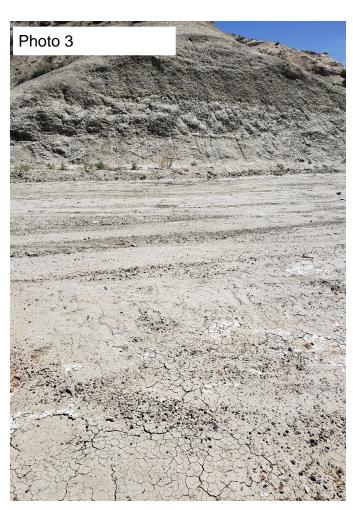
PICTURES WERE TAKEN ON 5/27/2022 AT 11:22AM

Apt & 30-045-2440A

AZTEC #7E

President president promise pr

Released to Imaging: 7/27/2022 1:11:52 PM







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 113145

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	113145
	Action Type:
	[C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By		Condition Date
swells	None	7/27/2022