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

BC Re or Institute of the properties of the prop	GT1 Closure port proposed alternative constructions: Please proval of this reconstructions are proval of this reconstructions.	se submit one application (For quest does not relieve the operator	sed alternative meth grade tank, or propo- ing permit/or registrative for an existing om C-144) per individual or of liability should ope	osed alternative ration permitted or ual pit, below-gerations result in	r non-permitted pit egrade tank or altern n pollution of surface	native request
Operator:	lilcorp Energy C	ompany		OGRID #:	3721	171
_		Aztec, NM 87410				
Facility or well name	: Federal	C3				
API Number: 3	0-045-33693		OCD Permit Number	r:		
U/L or Qtr/Qtr	A Section	30 Township 30N	Range 13W	County: San J	Juan	
Center of Proposed D	esign: Latitude	36.7896944	Longitude	-108.	.239083	_NAD83
Surface Owner: X F	ederal 🗌 State [	Private Tribal Trust or In	dian Allotment			
□ Lined □ Unline □ String-Reinforced Liner Seams: □ We  3. □ Below-grade tan  Volume: 120  Tank Construction m □ Secondary contai □ Visible sidewalls	ing		LLDPE HDPE Volume:  oduced Water  ls, liner, 6-inch lift and	PVC Oth	her	
Alternative Meth	<del></del>	one in a Creamtian amount he are	shmitted to the Cente	Es Environmer	ntal Dunaan office f	on consideration of annuaval
Subilitial of all excep	nion request is it	equired. Exceptions must be su	dominied to the Sailta	re Environnet	mai Dureau Office I	or consideration of approvar.
Chain link, six fee institution or church)	et in height, two	1 NMAC (Applies to permanent strands of barbed wire at top (R) arbed wire evenly spaced between	equired if located with	_		lence, school, hospital,

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)  Screen Netting Other	
☐ Monthly inspections (If netting or screening is not physically feasible)	
7.	
Signs: Subsection C of 19.15.17.11 NMAC  12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
Signed in compliance with 19.15.16.8 NMAC	
8.	
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.	
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 acceptant material are provided below. 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. ( <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. ( <b>Does not apply to below grade tanks</b> ) - 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

<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	1
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 ☐ Quality Control/Quality Assurance Construction and Installation Plan ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan ☐ Gil 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 Flaternative  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	uid Management Pit
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  □ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	attached to the
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. P 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	☐ 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	☐ Yes ☐ No

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. 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					
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 be					
Name (Print): Title:					
Signature: Date:					
e-mail address: Telephone:					
18. Report  OCD Approval: Permit Application (including closure plan) Closure Plan-(only) COD Conditions (see attachment)					
OCD Representative Signature: <u>Jaclyn Burdine</u> Approval Date: <u>07/2</u>	7/2022				
Title: Environmental Specialist-A 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 submitted. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do a section of the form until an approved closure plan has been obtained and the closure activities have been completed.  Closure Completion Date: 4/28/2022					
20.     Closure Method:     Waste Excavation and Removal □ On-Site Closure Method □ Alternative Closure Method □ Waste Removal (Closed □ If different from approved plan, please explain.	-loop systems only)				
21.  Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please mark in the box, that the documents are attached.  □ Proof of Closure Notice (surface owner and division) □ Proof of Deed Notice (required for on-site closure for private land only) □ Plot Plan (for on-site closures and temporary pits) □ Confirmation Sampling Analytical Results (if applicable)	indicate, by a check				

22.	
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#### **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: 6/15/2022
e-mail address: mwalker@hilcorp.com Telephone: (346) 237-2177

#### Hilcorp Energy Company San Juan Basin Below Grade Tank Closure Report

Lease Name: Federal C 3 API No.: 30-045-33693

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.

6/15/2022

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: Monday, April 25, 2022 6:52 AM

To: Abiodun Adeloye; Ben Mitchell; Bobby Spearman; Brandon Sinclair; Chad Perkins;

Clara Cardoza; Kandis Roland; I1thomas@blm.gov; Mandi Walker; Mitch Killough;

Ryan Joyner; Victoria Venegas

Cc: Joey Becker

Subject: Federal C 3 - BGT 72hr Closure Notice

Attachments: 30045336930000\_Federal C 3\_BGT Permit\_OCD Appvd.pdf

Follow Up Flag: Follow up

Due By: Monday, June 6, 2022 3:00 PM

Flag Status: Completed

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: Federal C 3 API#: 30-045-33693 Location: A,30,30N,13W Footages: 665' FNL & 665' FEL

Operator: HEC Surface Owner: BLM

Scheduled Date & Time of Start: Thursday April 28th @ 9am

\*\*Please Note Required Photos for Closure\*\*

Well site placard

Photos of the BGT prior to closure

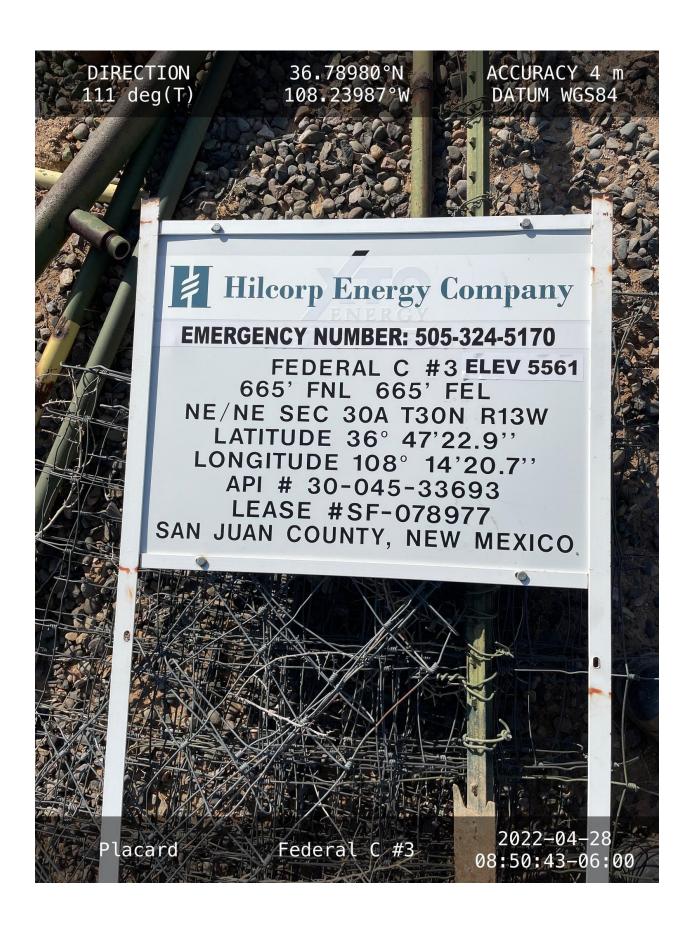
The sample location or, more preferred, photos of actual sample collection

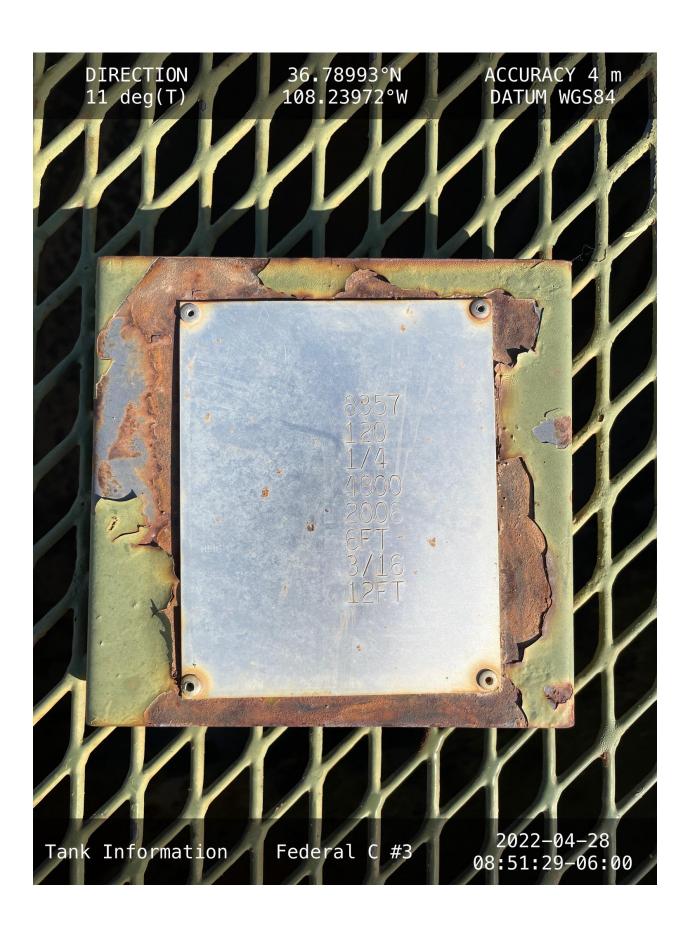
Final state of the area after closure.

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

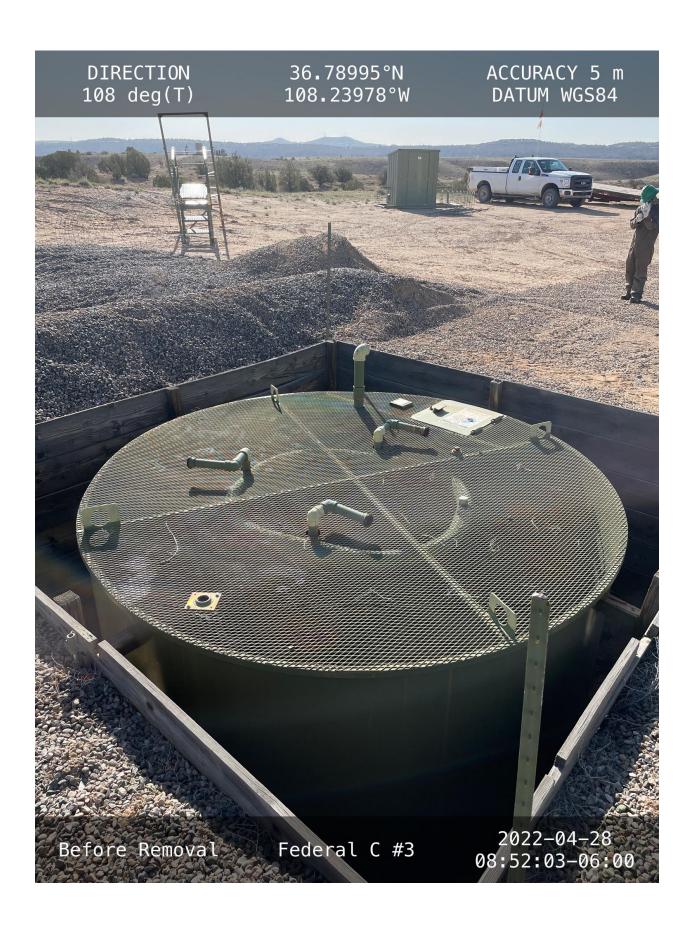
#### Mandi Walker

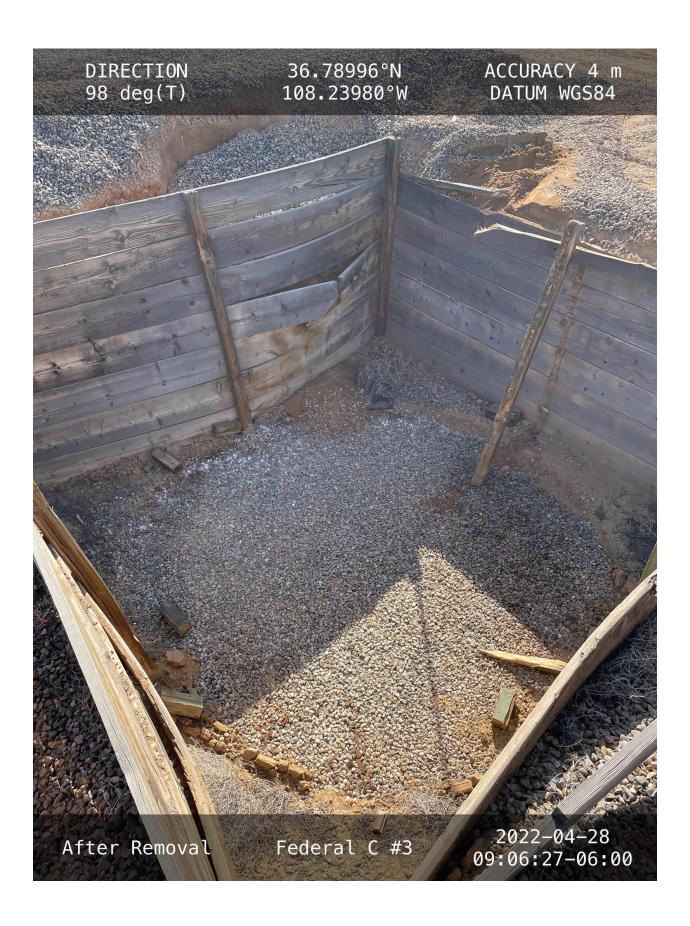
San Juan North/South (6,7) Regulatory Technician Hilcorp Energy 346.237.2177 mwalker@hilcorp.com

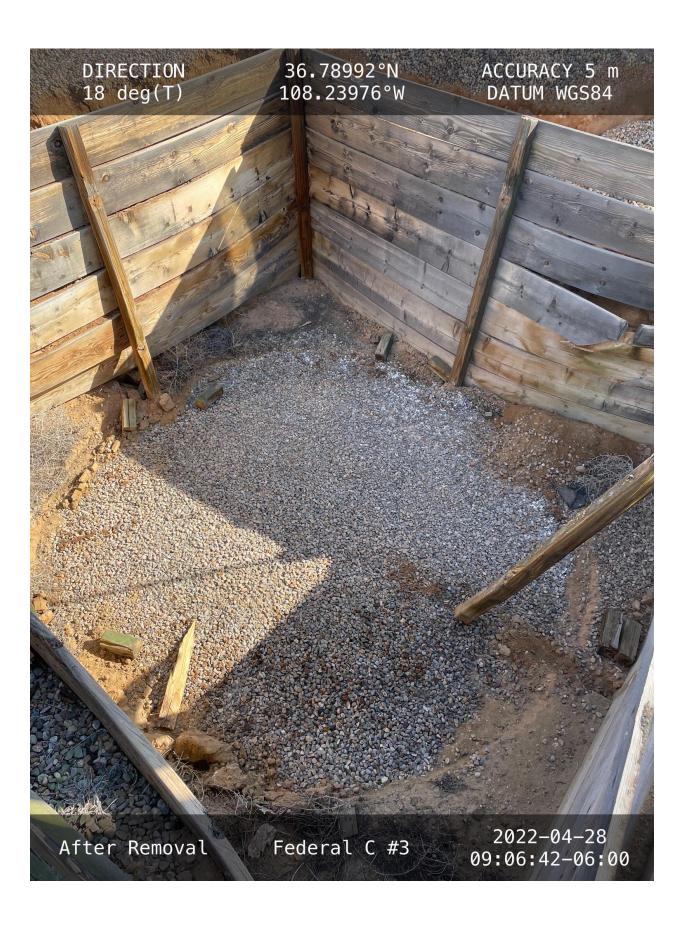


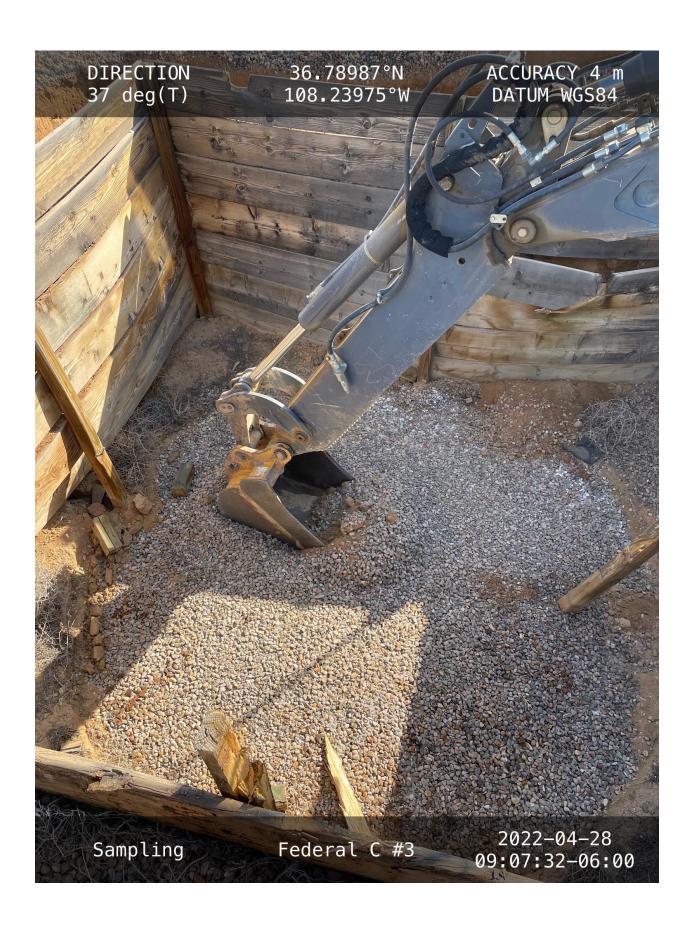


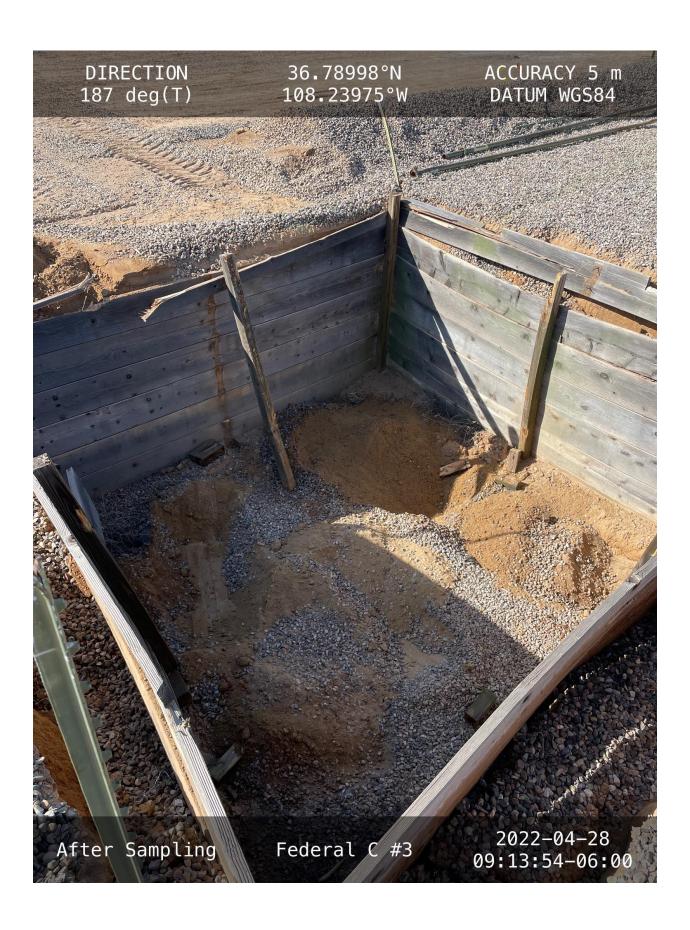












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State of New Mexico Energy Minerals and Natural Resources Department

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 ema	il mwalke	r@hilcorp.com			Incident #	(assigned by OCD)	
Contact mail	ling address	382 Road 3100	Aztec NM 8741	0	ı		
			Location	of R	elease S	ource	
T after I.	26.7906044						
Latitude	<u>36.7896944                                  </u>		Longitu (NAD 83 in deci		-108.23! grees to 5 deci		
Site Name F	ederal C 3				Site Type	Gas Well	
Date Release		N/A			• • •	plicable) 30-045-33693	
Dute Release	Discovered	11/11			THE I'M (t) tap	picubic) 50 015 55075	
Unit Letter	Section	Township	Range		Cou	nty	
A	30	30N	13W		San Juan		
Surface Owne	er: State	☐ Federal ☐ T	ribal  Private (A				)
			Nature and				
Crude Oi		Volume Release	***	calculat	ions or specific	Volume Recovered (bbls)	w)
Produced		Volume Release				Volume Recovered (bbls)	
Troduced				of dissolved chloride in the		Yes No	
produced water >10,000 mg/1?			1101100	o in the			
Condensate Volume Released (bbls)				Volume Recovered (bbls)			
Natural Gas Volume Released (Mcf)				Volume Recovered (Mcf)			
Other (describe) Volume/Weight Released (provide units		)	Volume/Weight Recovered (prov	vide units)			
Cause of Rel	ease	<u>.I</u>				<u>. I</u>	
No release we	as encounter	ed during the BGT	Closure				
110 ICICASE WA	is cheounter	cu during the DG1	Ciosui C.				

Received by OCD: 6/15/2022 8:04:27 AM State of New Mexico Page 2 Oil Conservation Division

73	~ ~		C 2
	20	0	1.33
1 420	40	$\boldsymbol{v}$	

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined 19.15.29.7(A) NM	
☐ Yes ⊠ No	N/A
If YES, was imm	ediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
Not Required	
	Initial Response
The res	ponsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury
☐ The source of	the release has been stopped.
☐ The impacted	area has been secured to protect human health and the environment.
☐ Released mat	erials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
All free liquid	s and recoverable materials have been removed and managed appropriately.
If all the actions of	escribed above have <u>not</u> been undertaken, explain why:
has begun, please	(4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred tainment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.
regulations all oper public health or the failed to adequately	the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and tors are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In prance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws
	Amanda Walker Title: Operations/Regulatory Technician – Sr.
Signature:	Date: 6/15/2022
email:	mwalker@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: www.hallenvironmental.com

May 06, 2022

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

FAX

RE: Federal C 3 OrderNo.: 2204C80

#### Dear Mitch Killough:

Hall Environmental Analysis Laboratory received 1 sample(s) on 4/29/2022 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 2204C80

Date Reported: 5/6/2022

### Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY

Project: Federal C 3

Collection Date: 4/28/2022 9:13:00 AM

Lab ID: 2204C80-001

Matrix: MEOH (SOIL)

Received Date: 4/29/2022 7:10:00 AM

Analyses	Result	RL Qu	al Units	DF	Date Analyzed
EPA METHOD 8015M/D: DIESEL RANGE ORG	GANICS				Analyst: <b>JME</b>
Diesel Range Organics (DRO)	ND	9.3	mg/Kg	1	4/29/2022 10:57:59 AM
Motor Oil Range Organics (MRO)	ND	47	mg/Kg	1	4/29/2022 10:57:59 AM
Surr: DNOP	93.8	51.1-141	%Rec	1	4/29/2022 10:57:59 AM
EPA METHOD 8015D: GASOLINE RANGE					Analyst: NSB
Gasoline Range Organics (GRO)	ND	3.9	mg/Kg	1	4/29/2022 10:37:56 AM
Surr: BFB	98.2	37.7-212	%Rec	1	4/29/2022 10:37:56 AM
EPA METHOD 8021B: VOLATILES					Analyst: NSB
Benzene	ND	0.019	mg/Kg	1	4/29/2022 10:37:56 AM
Toluene	ND	0.039	mg/Kg	1	4/29/2022 10:37:56 AM
Ethylbenzene	ND	0.039	mg/Kg	1	4/29/2022 10:37:56 AM
Xylenes, Total	ND	0.078	mg/Kg	1	4/29/2022 10:37:56 AM
Surr: 4-Bromofluorobenzene	97.1	70-130	%Rec	1	4/29/2022 10:37:56 AM
EPA METHOD 300.0: ANIONS					Analyst: <b>JMT</b>
Chloride	82	60	mg/Kg	20	5/2/2022 11:55:42 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
- $ND \qquad Not \ Detected \ at \ the \ Reporting \ Limit$
- 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#: **2204C80** 

06-May-22

Client: HILCORP ENERGY

**Project:** Federal C 3

Sample ID: MB-67209 SampType: mblk TestCode: EPA Method 300.0: Anions

Client ID: PBS Batch ID: 67209 RunNo: 87670

Prep Date: 5/2/2022 Analysis Date: 5/2/2022 SeqNo: 3104230 Units: mg/Kg

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

Chloride ND 1.5

Sample ID: LCS-67209 SampType: Ics TestCode: EPA Method 300.0: Anions

Client ID: LCSS Batch ID: 67209 RunNo: 87670

Prep Date: 5/2/2022 Analysis Date: 5/2/2022 SeqNo: 3104231 Units: mg/Kg

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

Chloride 14 1.5 15.00 0 94.0 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 Estimated value

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#: **2204C80 06-May-22** 

Client: HILCORP ENERGY

**Project:** Federal C 3

Sample ID: MB-67158 SampType: MBLK TestCode: EPA Method 8015M/D: Diesel Range Organics

Client ID: PBS Batch ID: 67158 RunNo: 87609

Prep Date: 4/29/2022 Analysis Date: 4/29/2022 SeqNo: 3102248 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 8.7 10.00 87.0 51.1 141

Sample ID: LCS-67158 SampType: LCS TestCode: EPA Method 8015M/D: Diesel Range Organics

Client ID: LCSS Batch ID: 67158 RunNo: 87609

Prep Date: 4/29/2022 Analysis Date: 4/29/2022 SeqNo: 3102249 Units: mg/Kg

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD RPDLimit Qual
Diesel Range Organics (DRO) 48 10 50.00 0 95.6 68.9 135

 Diesel Range Organics (DRO)
 48
 10
 50.00
 0
 95.6
 68.9
 135

 Surr: DNOP
 4.1
 5.000
 81.8
 51.1
 141

#### 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.

WO#: **2204C80** *06-May-22* 

**Client:** HILCORP ENERGY

**Project:** Federal C 3

Surr: BFB

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

Client ID: PBS Batch ID: G87621 RunNo: 87621

Prep Date: Analysis Date: 4/29/2022 SeqNo: 3102438 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 37.7 212

Sample ID: 2.5ug gro Ics SampType: LCS TestCode: EPA Method 8015D: Gasoline Range

Client ID: LCSS Batch ID: G87621 RunNo: 87621

2100

Prep Date: Analysis Date: 4/29/2022 SeqNo: 3102439 Units: mg/Kg

1000

Analyte Result PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual 25 72.3 Gasoline Range Organics (GRO) 5.0 25.00 0 100 137

208

37.7

212

#### 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 4 of 5

# Hall Environmental Analysis Laboratory, Inc.

WO#: **2204C80 06-May-22** 

Client: HILCORP ENERGY

**Project:** Federal C 3

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

Client ID: PBS Batch ID: B87621 RunNo: 87621

Prep Date: Analysis Date: 4/29/2022 SeqNo: 3102497 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 0.98 1.000 97.7 70 130

Sample ID: 100ng btex Ics SampType: LCS TestCode: EPA Method 8021B: Volatiles

Client ID: LCSS Batch ID: B87621 RunNo: 87621

Prep Date: Analysis Date: 4/29/2022 SeqNo: 3102498 Units: mg/Kg

1 Top Bato.	7 thaiyolo E		LOILULL	•	, oq. 10. <b>0</b>	102-100	ome. mg/	•9			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual	
Benzene	0.84	0.025	1.000	0	83.8	80	120				
Toluene	0.89	0.050	1.000	0	89.2	80	120				
Ethylbenzene	0.91	0.050	1.000	0	91.0	80	120				
Xylenes, Total	2.8	0.10	3.000	0	91.7	80	120				
Surr: 4-Bromofluorobenzene	1.0		1.000		100	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 5 of 5

Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109

# Sample Log-In Check List

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

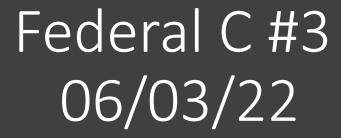
Client Name:	HILCORP ENERGY	Work Order Nur	nber: 2204C80		RcptNo: 1	
Received By:	Tracy Casarrubias	4/29/2022 7:10:00	AM			
Completed By:	Sean Livingston	4/29/2022 7:55:34	AM	Sala	,	
Reviewed By:	4-29-22			JL.	7 <del>0/-</del>	
Chain of Cus	tody					
1. Is Chain of Cu			Yes 🗸	No 🗌	Not Present	
2. How was the	sample delivered?		Courier			
<u>Log In</u>						
<ol><li>Was an attem</li></ol>	pt made to cool the samp	oles?	Yes 🗸	No 🗌	NA 🗆	
4. Were all samp	les received at a tempera	ature of >0° C to 6.0°C	Yes 🗸	No 🗌	NA 🗆	
5. Sample(s) in p	roper container(s)?		Yes 🗸	No 🗌		
6. Sufficient samp	ole volume for indicated to	est(s)?	Yes 🗸	No 🗌		
7. Are samples (e	xcept VOA and ONG) pr	operly preserved?	Yes 🗸	No 🗆		
	ve added to bottles?	4	Yes	No 🗹	NA 🗌	
	st 1 vial with headspace		Yes	No 🗌	NA 🗹	
10. Were any sam	ple containers received b	roken?	Yes	No 🗹	# af	
11 Does paparvor	k match bottle labels?			_	# of preserved bottles checked	
	k match bottle labels? ncies on chain of custody	)	Yes 🗸	No 📙 📗	for pH: (<2 or >12 un	loso natal)
	rrectly identified on Chai		Yes 🗸	No 🗆	Adjusted?	JN 4/2
	analyses were requested		Yes 🗸	No 🗆		31
14. Were all holding (If no, notify cus	g times able to be met? stomer for authorization.)		Yes 🗹	No 🗆	Checked by: JN	1281
	ng (if applicable)			/		4/29/2
	fied of all discrepancies v	vith this order?	Yes	No 🗌	NA 🗹	
Person N	otified:	Date:	T			
By Whom	1:	Via:		none  Fax	In Person	
Regardin	g: [			ione rax	_ III Felsoli	
Client Ins	tructions:					
16. Additional rem	arks:		The state of the s	The second second second second second	and the state of the second of	
17. Cooler Inform	ation					
Cooler No	Temp °C Condition	Seal Intact   Seal No	Seal Date	Signed By		
1	1.4 Good		1.00 STORES (100 S	J. S.		

Chain-of-Custody Record	Turn-Around Time:	Recei
Client:	Ctondard Chick 7 - 0 10	0.00
	Kusn (	ORATORY
Mailing Address:	Losovo # >	www.hallenvironmental.com
	,	- Albuquerque, INM 87109
Phone #:		Analysis Request
email or Fax#: brandon Sinclair & hilcorp.	Project Manager:	()
QA/QC Package:	_	wkc
☐ Standard ☐ Level 4 (Full Validation)	1) Mitch Killogah	PCI
Accreditation:   Az Compliance	Sample: Brandon Sinclair	S8082 (1.1) (1.287( NO2-,
□ EDD (Type)	olers: 1	OSC Qes ques ques ques ques ques ques ques qu
	Cooler Temp(including CF):   Y - 1 - 1 - 1 (°C)	biolite biolit
Date Time Matrix Sample Name	Container Preservative HEAL No. Type and # Type	BTEX /~I 8081 Peg 8081 Peg RCRA 8 CI)F, Br CI)F, Br CI)F, Br CI)F, Br CI)F, Br CI)F, Br CI)F, Br
4-280913 Soil Botton Compo-6"	(90)	
	1. Sec. 46.2	
ļ		
4-28 1450 M	Received by: Via: Date Time	CC: mkillough @hilcorp. com
Date: Time: Relinquished by:	22	age 28 o
If necessary, samples submitted to Hall Environmental may be se	ubcontracted to other accredited laboratories. This serves as notice of this	If necessary, samples submitted to Hall Environmental may be eubcontracted to other accredited laboratories. This serves as notice of this possibility. Any sub-contracted data will be clearly notated on the analytical report.

# Federal C #3

Pit Closure Pictures.

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Released to Imaging: 7/27/2022 4:27:10 PM

Received by OCD: 6/15/2022 8:04:27 AM

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View Looking North

View Looking South

Released to Imaging: 7/27/2022 4:27:10 PM

Received by OCD: 6/15/2022 8:04:27 AM

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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 117195

#### **CONDITIONS**

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street Houston, TX 77002	Action Number: 117195
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

#### CONDITIONS

Created By		Condition Date
jburdine	None	7/27/2022