BGT1 Closure

Report

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 *Page 1 of 27* 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

Type of action: Below grade tank registration

Permit of a pit or proposed alternative method

Closure of a pit, below-grade tank, or proposed alternative method

] Modification to an existing permit/or registration

Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank,

or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name: Picway 2
API Number: 30-045-34564 OCD Permit Number:
U/L or Qtr/Qtr <u>A Section 32 Township 30N Range 13W County: SAN JUAN</u>
Center of Proposed Design: Latitude 36.77495 Longitude -108.2228 NAD83
Surface Owner: 🛛 Federal 🗌 State 🗌 Private 🗌 Tribal Trust or Indian Allotment
2.
<u>Pit</u> : Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Workover
Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other
String-Reinforced
Liner Seams: 🗌 Welded 🗋 Factory 🗋 Other Volume:bbl Dimensions: L x W x D
Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: Produced Water
Tank Construction material: Metal
Secondary containment with leak detection X Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
\square Visible sidewalls and liner \square Visible sidewalls only \square Other
Liner type: Thickness mil HDPE PVC Other Unspecified
4.
Submittar of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
rencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)
Chain link, six feet in height, two strands of barbed wire at top (<i>Required if located within 1000 feet of a permanent residence, school, hospital, institution or church</i>)
Four foot height, four strands of barbed wire evenly spaced between one and four feet

Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)

Screen Netting Other_

Monthly inspections (If netting or screening is not physically feasible)

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:

7.

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 acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank	□ Yes □ No ⊠ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ⊠ NA
 Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) Written confirmation or verification from the municipality; Written approval obtained from the municipality 	🗌 Yes 🗌 No
 Within the area overlying a subsurface mine. (Does not apply to below grade tanks) Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division 	Yes No
 Within an unstable area. (Does not apply to below grade tanks) Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	🗌 Yes 🗌 No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	Yes No
Below Grade Tanks	
 Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
 Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
 Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No
 Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	🗌 Yes 🗌 No
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.	🗌 Yes 🗌 No

NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

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 Within 100 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
Temporary Pit Non-low chloride drilling fluid			
 Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	🗌 Yes 🗌 No		
 Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
 Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
Permanent Pit or Multi-Well Fluid Management Pit			
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	🗌 Yes 🗌 No		
 Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
10. Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Number: or Permit Number:			
11.			
Multi-Weil Fluid Management Ptt Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. 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 19.15.17.9 NMAC and 19.15.17.13 NMAC Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.10 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:			

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12. <u>Permanent Pits Permit Application Checklist</u> : Subsection B of 19.15.17.9 NMAC <i>Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the orthogenetical</i>	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 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 Energency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of 19.15.17.9 NMAC and 19.15.17.13 NMAC		
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Multi-well Fl	uid Management Pit	
Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method		
 Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC 		
^{15.} Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 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	🗌 Yes 🗌 No	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance		

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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.	U Yes No		
- FEMA map	∐ Yes ∐ No		
 16. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15. Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC 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 ca Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC 	<i>plan. Please indicate,</i> 17.11 NMAC 9.15.17.11 NMAC nnot be achieved)		
 17. <u>Operator Application Certification</u>: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and be 	elief.		
Name (Print): Title:			
Signature: Date:			
e-mail address: Telephone:			
Is. Report OCD Approval: Permit Application (including closure plan) Image: Closure Plant (only) OCD Conditions (see attachment)			
OCD Representative Signature: <u>Jaclyn Burdine</u> Approval Date: <u>07/2</u>	8/2022		
Title: Environmental Specialist-A OCD Permit Number:_BGT1			
^{19.} <u>Closure Report (required within 60 days of closure completion)</u> : 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed. <u>Note:</u> Closure Completion Date: 5/3/2022			
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.	<i>indicate, by a check</i> 27 □ 1983		

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22. Operator Closure Certification:

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

Name (Print):	Amanda Walker	Title: Operations/Regulatory Technician – Sr
Signature:	Muther	Date: <u>6/28/2022</u>
e-mail address:	mwalker@hilcorp.com	

Hilcorp Energy Company San Juan Basin Below Grade Tank Closure Report

Lease Name: Picway 2 API No.: 30-045-34564

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:

 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.

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

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

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

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

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

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

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

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

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

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

A release was not determined for the above referenced well.

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

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

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

Notification is attached.

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

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

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

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

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

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

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

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

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

Mandi Walker

From:	Mandi Walker
Sent:	Abiedun Adeleye: Ren Mitchell: Robby Spearman: Branden Sinclair: Chad Berkins:
10:	Clara Cardoza; Kandis Roland; 11thomas@blm.gov; Mandi Walker; Mitch Killough; Rvan Jovner: Victoria Venegas
Cc:	Joey Becker
Subject:	Picway 2 - 72hr BGT Closure Notice
Attachments:	30045345640000_Picway 2_BGT Permit_OCD Appvd.pdf
Follow Up Flag:	Follow up
Due By:	Monday, June 20, 2022 3:00 PM
Flag Status:	Flagged

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: Picway 2 API#: 3004534564 Location: A, 32, 30N, 13W Footages: 800' FNL & 815' FEL Operator: HEC (permitted by XTO) Surface Owner: BLM Scheduled Date & Time of Start: Tuesday May 3rd @ 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 <u>mwalker@hilcorp.com</u> District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources Department

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

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Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Hilcorp Energy Company	OGRID 372171
Contact Name Amanda Walker	Contact Telephone (346) 237-2177
Contact email mwalker@hilcorp.com	Incident # (assigned by OCD)
Contact mailing address 1111 Travis St. Houston, TX 77002	

Location of Release Source

Latitude 36.77495

Longitude -108.2228 (NAD 83 in decimal degrees to 5 decimal places)

Site Name Picway 2	Site Type Gas Well
Date Release Discovered N/A	API# (if applicable) 30-045-34564

Unit Letter	Section	Township	Range	County

Surface Owner: State Federal Tribal Private (Name:

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
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 (provide units)
Cause of Release		

No release was encountered during the BGT Closure.

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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 ne	otice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
Not Required	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 $\hfill\square$ The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Amanda Walker	Title: Operations/Regulatory Technician – Sr.
Signature:	Date: 06/28/2022
email: <u>mwalker@hilcorp.com</u>	Telephone:(346) 237-2177
OCD Only	
Received by:	Date:









May 10, 2022

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

Hall Environmental Analysis Laboratory

TEL: 505-345-3975 FAX: 505-345-4107

Website: www.hallenvironmental.com

4901 Hawkins NE

Albuquerque, NM 87109

RE: Picway 2

OrderNo.: 2205136

Dear Mitch Killough:

Hall Environmental Analysis Laboratory received 1 sample(s) on 5/4/2022 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

Andy Freeman Laboratory Manager 4901 Hawkins NE Albuquerque, NM 87109

Analytical Report
Lab Order 2205136

Date Reported: 5/10/2022

Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY Client Sample ID: Bottom Comp 0-6" **Project:** Picway 2 Collection Date: 5/3/2022 9:10:00 AM Lab ID: 2205136-001 Matrix: SOIL Received Date: 5/4/2022 7:05:00 AM Result **RL** Qual Units DF **Date Analyzed** Analyses **EPA METHOD 8015M/D: DIESEL RANGE ORGANICS** Analyst: SB Diesel Range Organics (DRO) ND 9.9 mg/Kg 1 5/4/2022 2:57:03 PM Motor Oil Range Organics (MRO) ND 49 mg/Kg 1 5/4/2022 2:57:03 PM 51.1-141 Surr: DNOP 87.5 %Rec 1 5/4/2022 2:57:03 PM **EPA METHOD 8015D: GASOLINE RANGE** Analyst: BRM Gasoline Range Organics (GRO) ND 5/4/2022 12:31:00 PM 4.6 mg/Kg 1 Surr: BFB 99.8 37.7-212 %Rec 1 5/4/2022 12:31:00 PM **EPA METHOD 8021B: VOLATILES** Analyst: BRM Benzene ND 5/4/2022 12:31:00 PM 0.023 mg/Kg 1 Toluene ND 0.046 mg/Kg 1 5/4/2022 12:31:00 PM Ethylbenzene ND 0.046 mg/Kg 1 5/4/2022 12:31:00 PM Xylenes, Total ND 0.092 mg/Kg 1 5/4/2022 12:31:00 PM Surr: 4-Bromofluorobenzene 81.0 70-130 %Rec 1 5/4/2022 12:31:00 PM Analyst: JMT **EPA METHOD 300.0: ANIONS** Chloride ND 60 5/5/2022 10:11:43 PM ma/Ka 20

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

Qualifiers:

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

H Holding times for preparation or analysis exceeded

ND Not Detected at the Reporting Limit

PQL Practical Quanitative Limit

S % Recovery outside of range due to dilution or matrix interference

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

Page 1 of 5

Client:	HILCOR	P ENERGY						
Project:	Picway 2							
Sample ID:	MB-67296	SampType	: mblk	Tes	tCode: EPA Method	300.0: Anions		
Client ID:	PBS	Batch ID	67296	F	RunNo: 87790			
Prep Date:	5/5/2022	Analysis Date	5/5/2022	S	SeqNo: 3109904	Units: mg/Kg		
Analyte		Result P	QL SPK value	SPK Ref Val	%REC LowLimit	HighLimit %RPD	RPDLimit	Qual
Chloride		ND	1.5					
Sample ID:	LCS-67296	SampType	: Ics	Tes	tCode: EPA Method	300.0: Anions		
Client ID:	LCSS	Batch ID	67296	F	RunNo: 87790			
Prep Date:	5/5/2022	Analysis Date	5/5/2022	S	SeqNo: 3109905	Units: mg/Kg		
Analyte		Result P	QL SPK value	SPK Ref Val	%REC LowLimit	HighLimit %RPD	RPDLimit	Qual
Chloride		14	1.5 15.00	0	92.9 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

2205136

10-May-22

WO#:

QC SUMMARY REPORT Hall Environmental Analysis Laboratory, Inc.

Client:	HILCORF	PENERG	Y								
Project:	Picway 2										
Sample ID: LCS-	67242	SampT	ype: LC	S	Tes	tCode: El	PA Method	8015M/D: Die	esel Range	e Organics	
Client ID: LCSS	3	Batch	n ID: 67	242	F	RunNo: 8	7710				
Prep Date: 5/4/2	2022	Analysis D	ate: 5/	4/2022	5	SeqNo: 3	107011	Units: mg/K	g		
Analyte		Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics	s (DRO)	51	10	50.00	0	102	68.9	135			
Surr: DNOP		3.9		5.000		78.7	51.1	141			
Sample ID: MB-6	7242	SampT	ype: ME	BLK	Tes	tCode: El	PA Method	8015M/D: Die	esel Range	e Organics	
Client ID: PBS		Batch	n ID: 67	242	F	RunNo: 8	7710				
Prep Date: 5/4/2	2022	Analysis D	ate: 5/	4/2022	5	SeqNo: 3	107013	Units: mg/K	g		
Analyte		Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics	s (DRO)	ND	10								
Motor Oil Range Organ	nics (MRO)	ND	50								
Surr: DNOP		7.6		10.00		76.4	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

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2205136

10-May-22

WO#:

QC SUMMARY REPORT Hall Environmental Analysis Laboratory, Inc.

Client:	HILCORE	' ENERG	Y								
Project:	Picway 2										
Sample ID: 2.5ug g	gro Ics	SampT	Гуре: LC	S	Tes	tCode: EF	PA Method	8015D: Gasc	line Rang	e	
Client ID: LCSS		Batc	h ID: A8	7721	F	RunNo: 8 7	7721				
Prep Date:		Analysis E	Date: 5/	4/2022	S	SeqNo: 31	106765	Units: mg/K	g		
Analyte		Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organic	s (GRO)	25	5.0	25.00	0	99.1	72.3	137			
Surr: BFB		2200		1000		216	37.7	212			S
Sample ID: mb		SampT	Type: ME	BLK	Tes	tCode: EF	PA Method	8015D: Gasc	line Rang	e	
Client ID: PBS		Batc	h ID: A8	7721	F	RunNo: 87	7721				
Prep Date:		Analysis D	Date: 5/	4/2022	S	SeqNo: 31	106766	Units: mg/K	g		
Analyte		Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organic	s (GRO)	ND	5.0								
Surr: BFB		1000		1000		101	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

2205136

10-May-22

WO#:

Picway 2

Client:

Project:

Sample ID: 100ng btex Ics

QC SUMMARY REPORT Hall Environmental Analysis Laboratory, Inc.

SampType: LCS

HILCORP ENERGY

* Value exceeds Maximum Contaminant Level.

Qualifiers:

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

Page 5 of 5

WO#: 2205136

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10-May-22

Client ID: LCSS	Batcl	h ID: B8	7721	R	RunNo: 8	7721				
Prep Date:	Analysis D	Date: 5/4	4/2022	S	SeqNo: 3	106776	Units: mg/K	g		
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.83	0.025	1.000	0	83.5	80	120			
Toluene	0.85	0.050	1.000	0	85.0	80	120			
Ethylbenzene	0.85	0.050	1.000	0	85.0	80	120			
Xylenes, Total	2.5	0.10	3.000	0	84.9	80	120			
Surr: 4-Bromofluorobenzene	0.84		1.000		84.5	70	130			
Sample ID: mb	SampT	ype: ME	BLK	Tes	tCode: El	PA Method	8021B: Volat	iles		
Client ID: PBS	Batcl	n ID: B8	7721	R	RunNo: 8	7721				
Prep Date:	Analysis D	Date: 5/4	4/2022	S	SeqNo: 3	106777	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	0.83		1.000		82.6	70	130			

TestCode: EPA Method 8021B: Volatiles

Page	21	0	£ 27	
I uge		v	41	

ANALYSIS LABORATORY		Hall Environm TEL: 505-345- Website: ww	Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109 TEL: 505-345-3975 FAX: 505-345-4107 Website: www.hallenvironmental.com		ample Log-In Check List	
Client Name: HIL	CORP ENERGY	Work Order Nun	nber: 2205136		RcptNo: 1	
Received By: Tr	acy Casarrubias	5/4/2022 7:05:00 /	٩M			
Completed By: Tra	acy Casarrubias	5/4/2022 7:54:04 /	AM			
Reviewed By:	5-4-72					
Chain of Custod	Z					
1. Is Chain of Custod	ly complete?		Yes 🗸	No 🗌	Not Present	
2. How was the same	ble delivered?		Courier			
<u>Log In</u>						
3. Was an attempt ma	ade to cool the sample	s?	Yes 🔽	No 🗌		
4. Were all samples re	eceived at a temperatu	re of >0° C to 6.0°C	Yes 🔽	No 🗌		
5. Sample(s) in prope	r container(s)?		Yes 🔽	No 🗌		
6. Sufficient sample vo	olume for indicated test	(s)?	Yes 🔽	No 🗌		
7. Are samples (except VOA and ONG) properly preserved?			Yes 🔽	No 🗌		
8. Was preservative added to bottles?			Yes 🗌	No 🔽		
9. Received at least 1 vial with headspace <1/4" for AQ VOA?			Yes 🗌	No 🗌		
10. Were any sample containers received broken?		ken?	Yes	No 🔽	#_f	
11. Does paperwork match bottle labels? (Note discrepancies on chain of custody)			Yes 🔽	No 🗌	bottles checked for pH:	notod
2. Are matrices correct	ly identified on Chain o	f Custody?	Yes 🔽	No 🗌	Adjusted?	noted)
3. Is it clear what analy	ses were requested?		Yes 🔽	No 🗌		ſ
4. Were all holding times able to be met? (If no, notify customer for authorization.)			Yes 🔽	No 🗌	Checked by: JN 51	112
pecial Handling (I	if applicable)			-		
15. Was client notified o	of all discrepancies with	this order?	Yes	No 🗌	NA 🔽	
Person Notifie	ed:	Date:	Γ			
By Whom: Via:		eMail Ph	one 🗌 Fax			
Regarding:						
Client Instruct	ions:					
16. Additional remarks:					1	
7. Cooler Information	n					
Cooler No Ter	np °C Condition S	eal Intact Seal No	Seal Date S	Signed By		
1 3.7	Good Ye	S	LON TRACTORING TO STREET	3a by		

Page 1 of 1

Received by OCD: $6/28/20$	2:39:10 PM	Page 22 of 27
TOL		tion of the second seco
MEI RA		alytical r
BON 5-410		the and
LLA LLA 1 tue, 1 1 tue, 2 1 tue	Total Coliform (Present/Absent)	C C O D
Normer S Solution S Res	(AOV-im92) 0528	
Albuc Invirc	8360 (1/00)	
L I L I L I L I L I L I L I L I L I L I		
IAL Num Is Ni 5-39	PAHs by 8310 or 8270SIMS	Contraction of the second seco
awkii A H	EDB (Method 504.1)	
01 H	8081 Pesticides/8082 PCB's	
± 49	(ОЯМ / DRO / DRO / MRO)	arks arks
	BTEX / MTBE / TMB's (8021)	
2-0ay	496 	001 201 Pate Time 5/4/22 7:05 Date Time S/4/22 7:05
d Time: d	ager:	Via Via Via Courve
Turn-Aroun □ Standar Project Nan Project #: /	Project Man M , f_C Sampler: β_V On Ice: # of Coolers Cooler Tem Cooler Tem Type and #	P 02 Jar
Client: Client: Hilcorp Mailing Address: Phone #:	email or Fax#: hrakdon. S in clair Q hill or p. com QA/QC Package: Calard Level 4 (Full Validation) Accreditation: D Az Compliance Calard D Az Compliance Calard D Az Compliance D Clipe Calard Cal	5-3 910 50% Botton Comp and " 910 50% Botton Comp and " 100 20% Botton Co

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Picway #2

Pit Closure Pictures.

Picway #2 06/03/22



Released to Imaging: 7/28/2022 11:05:10 AM



View Looking North

View Looking South





View Looking West

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

District IV 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

Operator:	OGRID:	
HILCORP ENERGY COMPANY	372171	
1111 Travis Street	Action Number:	
Houston, TX 77002	121141	
	Action Type:	
	[C-144] Below Grade Tank Plan (C-144B)	

CONDITIONS

Created By Condition Condition Date jburdine None 7/28/2022

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Action 121141