

Submit 3 Copies To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rs., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-35364
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator Hilcorp Energy Company		6. State Oil & Gas Lease No. FEE
3. Address of Operator 382 Road 3100 Aztec, NM 87410		7. Lease Name or Unit Agreement Name HEATON LS
4. Well Location Unit Letter D Footage 721' FNL & 1221' FWL Section 32 Township 031N Range 011W SAN JUAN COUNTY		8. Well Number 3M
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5822' GR		9. OGRID Number 372171
		10. Pool name or Wildcat DK - BASIN::DAKOTA MV - BLANCO::MESAVERDE

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached incident report and notifications.

Spud Date: **7/27/2012**Rig Released Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tammy Jones TITLE Operations/Regulatory Tech - Sr. DATE 6/20/2024

Type or print name Tammy Jones E-mail address: tajones@hilcorp.com PHONE: 505.324.5185

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Well Name: HEATON LS	Well Location: T31N / R11W / SEC 32 / NWNW / 36.8607967 / -108.0178538	County or Parish/State: SAN JUAN / NM
Well Number: 3M	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: FEE	Unit or CA Name: DKOT - N/2, MV - W/2	Unit or CA Number: NMNM129463, NMNM73338
US Well Number: 3004535364	Operator: HILCORP ENERGY COMPANY	

Subsequent Report

Sundry ID: 2796296

Type of Submission: Subsequent Report	Type of Action: Other
Date Sundry Submitted: 06/20/2024	Time Sundry Submitted: 08:32
Date Operation Actually Began: 06/17/2024	

Actual Procedure: Please see attached incident report and notifications.

SR Attachments

Actual Procedure

Oil_MishandleEVENT_Sundry_Notice_HeatonLS3M_20240620083157.pdf

Well Name: HEATON LS	Well Location: T31N / R11W / SEC 32 / NWNW / 36.8607967 / -108.0178538	County or Parish/State: SAN JUAN / NM
Well Number: 3M	Type of Well: CONVENTIONAL GAS WELL	Allottee or Tribe Name:
Lease Number: FEE	Unit or CA Name: DKOT - N/2, MV - W/2	Unit or CA Number: NMNM129463, NMNM73338
US Well Number: 3004535364	Operator: HILCORP ENERGY COMPANY	

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: TAMMY JONES	Signed on: JUN 20, 2024 08:32 AM
Name: HILCORP ENERGY COMPANY	
Title: Regulatory Compliance Specialist	
Street Address: 382 ROAD 3100	
City: AZTEC	State: NM
Phone: (505) 324-5185	
Email address: TAJONES@HILCORP.COM	

Field

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Accepted	Disposition Date: 06/20/2024
Signature: Kenneth Rennick	

HEATON LS 3M
30-045-35364
Date: 6/19/2024

Reporting Company/Individuals - Hilcorp Energy Company:

Cary Green – Area 3 Production Foreman
Jamie Huffman – San Juan Logistics Foreman
Jamie Olivarez – L48W Regulatory Advisor
Ryan Carreno – San Juan Compliance Reporting Manager

Incident Report: Mishandling of Oil

State Lease No.: FEE

Agreement Name: NMNM73338, NMNM129463

Well Name & No.: HEATON LS 3M

Location: D – Sec. 32 - T31N - R11W, 721'FNL, 1221'FWL

- 5/29/24 Manual Gauge – Top 4' 3"; Btm 0' 3.5" = Total Vol 150.37 bbls; Color Cut 10.32 bbls; Gross Vol 140.05
- 6/17/24 Manual Gauge – Top 1' 5"; Btm 0' 3.5" = Total Vol 50.12 bbls; Color Cut 10.32 bbls; Gross Vol 39.8
- Every 1" volume = 2.948 bbls of fluid (286.00 bbl tank / (8' 1" * 12"))

Est. Volume Removed: 140.05 bbls last known gauge – 39.8 bbls current gauge = **100.25 bbls oil**

Mishandling Event: This serves as written notice to the Federal and New Mexico State agencies of an Oil Loss on the HEATON LS 3M for 06/2024 Production Month for Hilcorp Energy Company (OGRID: 372171). Please be advised of an 'oil theft' type of event that occurred in June 2024 production month. A third party, Three Rivers Trucking Inc., was to haul off water and accidentally pulled approximately 100 bbls of condensate. Our Production Department will be accounting for this event appropriately as AVOIDABLE LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost. State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted departments.

Individual discovered incident: Wayne Peace – Hilcorp Energy, San Juan Area 3 Lead Operator

Date and time of discovery: 6/17/2024 at 11:36 AM MST

Incident Reported to Agencies: Verbal phone call notice given to – Bureau of Land Management, Farmington Field Office via Cement Line on 6/17/2024. Verbal phone call notice given to – New Mexico Oil Conservation Division, North District on 6/17/2024; voicemail left with Monica Kuehling, Compliance Office Supervisor. Email notification given to New Mexico State Land Office on 6/19/2024; Dilia Borunda, Royalty Revenue Processing Manager and Estevan Armijo, Royalty Revenue Accountant. Email notification given to New Mexico Taxation & Revenue Department on 6/19/2024; JudyAnn Abeyta (see attached emailed notices).

From: Ryan Carreno
Sent: Wednesday, June 19, 2024 8:09 AM
To: JudyAnn.Abeyta@state.nm.us; Armijo, Estevan A.; Borunda, Dilia
Cc: Ashley Williams; Jamie Olivarez
Subject: Hilcorp- Oil Event
Attachments: Heaton LS 3M.pdf

Good morning,

I hope all is well with you.

This email is being sent to notify New Mexico State agencies of an Oil Loss on the HEATON LS 3M for 06/2024 Production Month for Hilcorp Energy Company (OGRID: 372171). Please be advised of an 'oil theft' type of event that occurred in June 2024 production month. A third party, Three Rivers Trucking Inc., was to haul off water and accidentally pulled approximately 100 bbls of condensate. Our Production Department will be accounting for this event appropriately as AVOIDABLE LOST once additional information is received from the field and operations groups on the exact barrels of Oil Lost. State Royalties and Taxes will be paid on these loss volumes. Please forward this notice to any impacted departments within SLO and TRD.

Please let me know if you have any questions or need additional information.

Thanks,

Ryan Carreno

San Juan Compliance Reporting Manager

Hilcorp Energy Company

1111 Travis Street

Houston, TX 77002

Office: (346) 237 2033

Cell: (817) 736 5932

Email: ryan.carreno@hilcorp.com

It is important to note that Hilcorp does not agree with the as stated gauges in the Remarks section of ticket #950220. Our last manual gauging reflected a top gauge of 4' 3" with 0' 3.5" color cut. By calculating the differential between our last known gauges, we calculate 100.25 bbls of oil removed from the lease.

OIL & WATER HAULING
NMSCC 3561

THREE RIVERS TRUCKING, INC.

P.O. BOX 2728
FARMINGTON, NEW MEXICO 87499
(505) 632-5300

R 302
950220

CUSTOMER Hilcorp LEASE Hester LS WELL 3M
TRUCK NO. 143/203 DRIVER Kyle D. Smith DATE 6-1-24
RIG WATER ☐ FRAC WATER ☐ OIL ☐ PITS ☒ OTHER Lionel Gleason
FROM 286 BBL Tank TO Basin

BBLS. HAULED	STARTING TIME	STOP TIME	OFF DUTY HOURS	STAND-BY HOURS	HAUL HOURS	RECEIVED BY
1. Road Time Out	Starting Time	A.M. Stop Time	A.M. P.M.			
2. BBLS. Hauled	Starting Time <u>9:30</u>	A.M. Stop Time	A.M. P.M.			
3. BBLS. Hauled <u>110</u>	Starting Time	A.M. Stop Time <u>11:30</u>	A.M. P.M.			
4. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			<u>2</u>
5. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
6. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
7. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
8. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
9. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
0. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
1. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
2. BBLS. Hauled	Starting Time	A.M. Stop Time	A.M. P.M.			
3. ROAD TIME IN <u>XXXXX</u>	Starting Time	A.M. Stop Time	A.M. P.M.			
TOTAL BBLS. <u>110</u>			XXXXX XXXXX			<u>2</u> TOTAL HOUR

ROAD CONDITIONS: CLEAR ☒ ICE ☐ SNOWING ☐ RAINING ☐ MUD ☐ CHAINS REQ. ☐

REMARKS: Top 3' 10" Dec 1'

FUEL _____ KEY NUMBER OR TANK _____

(OFFICE USE ONLY: CHECKED BY _____) SIGNED Kyle D. Smith



199113

SEAL CHANGE NOTIFICATION

DATE 6-17-24WELL NAME/NO. HEATON LS 3MTANK NO. WNR 13280 FOREMAN _____SEAL OFF 0201799 SEAL OFF _____SEAL ON 239051 SEAL ON _____

SEAL LOCATION:

WATER DRAIN ☐LOAD LINE ☒FILL LINE ☐EQUALIZER LINE ☐OTHER _____ ☐

SEAL LOCATION:

WATER DRAIN ☐LOAD LINE ☐FILL LINE ☐EQUALIZER LINE ☐OTHER _____ ☐

REASON CHANGED:

BS & W DRAIN ☐VALVE REPLACE/REPAIR ☐TANK MAINT ☐HOT OIL/TREAT ☐OTHER THEFT ☒

REASON CHANGED:

BS & W DRAIN ☐VALVE REPLACE/REPAIR ☐TANK MAINT ☐HOT OIL/TREAT ☐OTHER _____ ☐GAUGE: BEFORE 4 FT 3 IN ☒GAUGE: AFTER 1 FT 5 IN ☒WATER: BEFORE 0 FT 3 IN 2WATER: AFTER 0 FT 3 IN 2

GAUGE: BEFORE _____ FT _____ IN _____

GAUGE: AFTER _____ FT _____ IN _____

WATER: BEFORE _____ FT _____ IN _____

WATER: AFTER _____ FT _____ IN _____

REMARKS: Water hauler broke seal pulled oil tank not produced water tankSignature [Signature]

WHITE - Regional Accounting

YELLOW - Originator

SAN JUAN PRINTING 0319441

Tank List	Tank Detail	Strap Version	Straps	Connections	Seals
TK530WNR13280	HEATON LS 3M - 286BBL - O				
Install Date: 07/01/2017 Monthly Close Using: <input type="radio"/> Tickets <input checked="" type="radio"/> Statements Product: COND - BBL Condensate - Barrels Component: Increment/inch: 1/4 Quarter Inch Increment Cone Volume: 0.0000 Default Shrink Factor: 0.00000000 Capacity: 286.00					

Tank for Entity HEATON LS 3M - 286BBL - O

Tank List	Tank Detail	Strap Version	Straps	Connections	Seals
TK530WNR13280	HEATON LS 3M - 286BBL - O				
Strap Version: 530WNR13280 HEATON LS 3M TK (30045) Effective Date: 07/01/2017 Strap Ft/Inch/Frac: 8 1 0 /4 Increments: 388 Volume Factor: 0.73711340 Strap Volume: 286.00000					

Tank Gauge for Entity HEATON LS 3M - 286BBL - O

Tank Gauge List

Tank Gauge Detail

TK530wNR13280

HEATON LS 3M - 286BBL - O

<>06/16/2024-0 Days

Date06/17/2024 12:00 AM

Top Gauge150/4

COND Volume39.80 bbl

Obs Temp0.00

Feet Inch Frac

Color Cut032/4

COND Gauge01-01-24

Feet Inch Frac

Color Cut Volume10.32 bbl

Date/Time	Gauge	Volume	Top Gauge	Color Cut	CCut Volume	Product	UOM	UOM Syst	Obs. Temp	Last Update ID	Last Updated
06/17/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/16/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/15/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/14/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/13/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/12/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/11/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/10/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:30 PM
06/09/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/08/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/07/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/06/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/05/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/04/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/03/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:29 PM
06/02/2024 12:00 AM	01-01-24	39.80	01-05-04	00-03-24	10.32	COND	BBL	IMPRL	0	LDIEP	06/17/2024 04:28 PM
06/01/2024 12:00 AM	03-11-24	140.05	04-03-04	00-03-24	10.32	COND	BBL	IMPRL	0	Carryforward	06/01/2024 01:00 AM
05/31/2024 12:00 AM	03-11-24	140.05	04-03-04	00-03-24	10.32	COND	BBL	IMPRL	0	Carryforward	05/31/2024 01:00 AM
05/30/2024 12:00 AM	03-11-24	140.05	04-03-04	00-03-24	10.32	COND	BBL	IMPRL	0	Carryforward	05/30/2024 01:01 AM
05/29/2024 12:00 AM	03-11-24	140.05	04-03-04	00-03-24	10.32	COND	BBL	IMPRL	0	ch7274	05/29/2024 07:11 PM
05/28/2024 12:00 AM	03-07-04	126.78	03-10-04	00-03-04	8.85	COND	BBL	IMPRL	0	Carryforward	05/28/2024 01:01 AM

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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 356290

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 356290
	Action Type: [C-103] Sub. General Sundry (C-103Z)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	ACCEPTED FOR RECORD ONLY	7/5/2024
dmcclure	Report volume appropriately on Form C-115	7/5/2024