

cBZH2526540205

Compliance

Achievement and

Closure

Documentation and

cBZH2526540158

Correspondence

Documentation

From: OCD.Engineer@emnrd.nm.gov
To: [Jamie Olivarez](#)
Cc: [SJ Regulatory Notices](#); [Matt Vicenik](#); [Hall, Brittany, EMNRD](#)
Subject: [EXTERNAL] Pre Enforcement Notification for iBZH2526228133
Date: Monday, September 22, 2025 11:14:02 AM

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State Of New Mexico

Energy, Minerals and Natural Resources Department

22-Sep-25

HILCORP ENERGY COMPANY
1111 Travis Street
Houston, TX 77002

Pre Enforcement Notification

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the Compliance Officer copied on this letter, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

[nAPP2526148806] San Juan 29-7 #563S		OGRID: 372171	C-24-29N-07W
Inspection Date	Type Inspection	Inspector	Inspection No.
9/18/2025	Initial Inspection	[BZH] Brittany Hall	iBZH2526228133
			Corrective

Violation	Title	Action Due
cBZH2526230962	19.15.10.8 Safety Procedures for Drilling and Production Fire Hazard <i>(Weeds around wellheads and equipment need to be removed.)</i>	12/17/2025
cBZH2526540158	19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Permitting or Registration <i>(Registration documents indicate that the BGT was not constructed within a 100-year floodplain. FEMA Map included in the registration has BGT location marked north of where the BGT was constructed, outside of the floodplain. Inspection performed on 9/18/2025, confirmed location of BGT is on the well pad and within the 100-year floodplain.)</i>	10/17/2025
cBZH2526540205	19.15.17 Pits, Closed-Loop Systems, Below Grade Tanks and Sumps Noncompliance with Requirements (Construction, Operations or Closure) <i>(Pursuant to 19.15.17.11 I. (3) NMAC effective 6/16/2008, The operator shall construct a below-grade tank to prevent overflow and the collection of surface water run-on. Inspection was prompted by landowner complaint as the BGT overflowed due to a precipitation event.)</i>	10/17/2025

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

From: [Hall, Brittany, EMNRD](#)
To: [Priscilla Shorty](#)
Cc: [Tammy Jones](#); [Kate Kaufman](#); [Ben Mitchell](#); [Velez, Nelson, EMNRD](#)
Subject: RE: [EXTERNAL] FW: SAN JUAN 29-7 UNIT 5635 - INC - cBZH2526540205
Date: Friday, October 17, 2025 8:18:00 AM

Good morning Priscilla,

Thank you for the photos. **cBZH2526540205** has been closed.

Please include me and Nelson Velez (Nelson.Velez@emnrd.nm.gov) on the notification that is sent to the Environmental Permitting Group of when the BGT(s) are being pulled and sampled. OCD is requiring witnessing of the pulling and sampling of the BGT(s) due to the open compliances.

You will be receiving an approval for an application shortly. The application I am creating will include a copy of this email chain and the photos of the berm, ditch, and culvert work. This is to document the closure of **cBZH2526540205** and to document the approval of the extension and witnessing requirements for **cBZH2526540158**.

Thank you,

Brittany Hall ● Environmental Field Compliance Supervisor
Environmental Field Compliance Group
EMNRD - Oil Conservation Division
1000 Rio Brazos Road | Aztec, NM 87410
505.517.5333 | Brittany.Hall@emnrd.nm.gov
<http://www.emnrd.nm.gov/ocd/>

Effective 12/1/2024: OCD has updated guidance on karst potential occurrence zones. This notice can be found at: <https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/> under "2024 OCD ANNOUNCEMENTS AND NOTIFICATIONS".

The Digital C-141 guidance documents can be found at <https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/> or <https://www.emnrd.nm.gov/ocd/ocd-forms/>.

From: Priscilla Shorty <pshorty@hilcorp.com>
Sent: Friday, October 17, 2025 5:19 AM
To: Hall, Brittany, EMNRD <Brittany.Hall@emnrd.nm.gov>
Cc: Tammy Jones <tajones@hilcorp.com>; Kate Kaufman <kkaufman@hilcorp.com>; Ben Mitchell <bemitchell@hilcorp.com>
Subject: RE: [EXTERNAL] FW: SAN JUAN 29-7 UNIT 5635 - INC - cBZH2526540205

Good morning Brittany,

We appreciate the due date extension to 12/17/2025 for cBZH2526540158. Please see the attached photos for cBZH2526540205 and let us know if these are enough to close the compliance.

Thank you,

Priscilla Shorty
Operations Regulatory Technician
Hilcorp Energy Company
505-324-5188
pshorty@hilcorp.com

From: Hall, Brittany, EMNRD <Brittany.Hall@emnrd.nm.gov>
Sent: Thursday, October 16, 2025 3:40 PM
To: Priscilla Shorty <pshorty@hilcorp.com>
Cc: Tammy Jones <tajones@hilcorp.com>; Kate Kaufman <kkaufman@hilcorp.com>
Subject: RE: [EXTERNAL] FW: SAN JUAN 29-7 UNIT 5635 - INC - cBZH2526540205

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Priscilla,

I did speak to Kate today about this. I will not be able to close cBZH2526540158 regarding the BGT being constructed in the floodplain until the BGT is removed. I extended the due date out to give Hilcorp time to complete the necessary steps to remove the BGT. Once the BGT closure is approved, I can close the compliance. The new due date for this compliance is 12/17/2025.

As for cBZH2526540158, I appreciate the map that was included in your email depicting the location of the berm, ditch, and culvert but were photos taken after the berm, ditch, and culvert were worked on? If so, please send me those photos and I will close out cBZH2526540205.

Thank you,

Brittany Hall ● Environmental Field Compliance Supervisor
Environmental Field Compliance Group
EMNRD - Oil Conservation Division
1000 Rio Brazos Road | Aztec, NM 87410
505.517.5333 | Brittany.Hall@emnrd.nm.gov
<http://www.emnrd.nm.gov/ocd/>

Effective 12/1/2024: OCD has updated guidance on karst potential occurrence zones. This notice can be found at: <https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/>

[and-notifications/](#) under “2024 OCD ANNOUNCEMENTS AND NOTIFICATIONS”.

The Digital C-141 guidance documents can be found at <https://www.emnrd.nm.gov/ocd/ocd-announcements-and-notifications/> or <https://www.emnrd.nm.gov/ocd/ocd-forms/>.

From: Priscilla Shorty <pshorty@hilcorp.com>
Sent: Thursday, October 16, 2025 2:13 PM
To: Hall, Brittany, EMNRD <Brittany.Hall@emnrd.nm.gov>
Cc: Tammy Jones <tajones@hilcorp.com>; Kate Kaufman <kkaufman@hilcorp.com>
Subject: [EXTERNAL] FW: SAN JUAN 29-7 UNIT 563S - INC - cBZH2526540205
Importance: High

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Brittany ~

I believe Kate has notified you that the BGT will be removed on the San Juan 29-7 Unit 563S. This should resolve cBZH2526540158 and cBZH2526540205. The due date for these is tomorrow, 10/17/2025. Is this enough information to close these? Thanks.

INC #	Well	Action	Due Date	Hilcorp Comment
cBZH2526230962	29-7 563S	Weeds around wellheads and equipment need to be removed	12/17/2025	Pending input from Jamie and/or Ben.
cBZH2526540158		Registration documents indicate that the BGT was not constructed within a 100-year floodplain. FEMA Map included in the registration has BGT location marked north of where the BGT was constructed, outside of the floodplain. Inspection performed on 9/18/2025, confirmed location of BGT is on the well pad and within the 100-year floodplain	10/17/2025	Hilcorp will remove the BGT in accordance with the procedures outlined in NMAC 19.15.17.13.
cBZH2526540205		Pursuant to 19.15.17.11 I. (3) NMAC effective 6/16/2008, The operator shall construct a below-grade tank to prevent overflow and the collection of surface water run-on. Inspection was prompted by landowner complaint as the BGT overflowed due to a precipitation event.)	10/17/2025	Hilcorp will remove the BGT in accordance with the procedures outlined in NMAC 19.15.17.13. In addition, Hilcorp installed flood mitigation features to minimize impacts due to precipitation and flooding events. A ditch was established upstream of the existing berm and the existing culvert was cleaned out. The ditch is approximately 2' deep. The berm was reestablished with 8 loads of material and is approximately 3' tall. Figure attached for reference.

Priscilla Shorty
Operations Regulatory Technician
Hilcorp Energy Company
505-324-5188
pshorty@hilcorp.com

From: Priscilla Shorty <pshorty@hilcorp.com>
Sent: Monday, September 22, 2025 11:36 AM
To: Riley Roberts - (C) <Riley.Roberts@hilcorp.com>; Mitch Killough <mkillough@hilcorp.com>; Clara Cardoza <ccardoza@hilcorp.com>; Brandon Sinclair <Brandon.Sinclair@hilcorp.com>; Kate Kaufman <kkaufman@hilcorp.com>; Bryan Hall <bhall@hilcorp.com>; Jamie Huffman <jhuffman@hilcorp.com>; Mark McKnight <mmcknight@hilcorp.com>; Priscilla Shorty <pshorty@hilcorp.com>; Tammy Jones <tajones@hilcorp.com>; Trey Sullivan <tsullivan@hilcorp.com>
Subject: SAN JUAN 29-7 UNIT 563S - INC - cBZH2526540205
Importance: High

Today's Date:	9/22/2025
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Well Name:	SAN JUAN 29-7 UNIT 563S	Location:	Sec: 24	TwN: 029N	Rng: 007W	UL: C
API Number:	30.039.27428	Footage:	790' FNL & 1640' FWL			
Operator:	Hilcorp Energy Company	Area/Run/MSO:	10	1002	Riley Roberts	
Meter #:	29733002		Pipeline:	HEC		
INC Number:	cBZH2526540205	Agency:	OCD	Inspector:	Brittany Hall	
Type of INC:	Verbal	Photos Required:	Yes	Due Date:	10/17/2025	
Issue of Concern:	Pursuant to 19.15.17.11 I. (3) NMAC effective 6/16/2008, The operator shall construct a below-grade tank to prevent overflow and the collection of surface water run-on. Inspection was prompted by landowner complaint as the BGT overflowed due to a precipitation event.					

Priscilla Shorty

Operations Regulatory Technician

Hilcorp Energy Company

505-324-5188

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Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 516459

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 516459
	Action Type: [IM-SD] Well File Support Doc (ENV) (IM-BWF)

CONDITIONS

Created By	Condition	Condition Date
bhall	None	10/17/2025