



December 19, 2024

New Mexico Oil Conservation Division

New Mexico Energy, Minerals, and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Response to NMOCD Rejection of C-141, Application ID 384581

Delhi Com 300
San Juan County, New Mexico
Hilcorp Energy Company
NMOCD Incident No: nAPP2419831640

Mr. Hamlet:

Ensolum, LLC (Ensolum), on behalf of Hilcorp Energy Company (Hilcorp), is submitting this response to address comments presented in the New Mexico Oil Conservation Division (NMOCD) email dated October 18, 2024, regarding the *Sampling Report and Closure Request* dated September 18, 2024 and submitted to the NMOCD via the online E-Permitting website.

Email Comment 1: *The Remediation Closure Report is Denied. The OCD does not accept groundwater calculations adjusted to elevation. The common assumption is that the aquifers stay lateral, and 50 feet of additional elevation increases the DTW by 50 feet. In some cases that is true and others not. Geologic layers curve up and down. Bedding planes tend to bend with forces pushing against each other (i.e. plates colliding) or they move up or down (i.e. strike slip fault). Without hard data closer to the spill site there's no alternative, but to use the DTW from nearby or surrounding wells within ½ mile radius of the spill. One possibility would be to drill a borehole near the spill site to the desired depth to prove groundwater depth and wait 72 hours to see if water is present. If no water was present, we would except the driller's log as evidence;*

- Based on the local geology and well logs in the area, we believe that groundwater at the Site is likely greater than 100 feet below ground surface. However, because the analytical data are complaint with the most stringent closure criteria, we believe drilling a borehole to further assess depth to water is unnecessary in this specific case. As an alternative, we propose to change the language within the "Site Closure Criteria" section of the report to state the following: "Based on the information presented above, depth to groundwater at the Site is likely greater than 100 feet below ground surface. However, Hilcorp will use the most stringent closure criteria of 100 mg/kg TPH and 600 mg/kg chloride for this release in lieu of drilling a boring to further assess depth to water. If a future release occurs at the Site, a depth to water boring may be drilled to determine Site specific conditions in order to use less stringent closure criteria".

Email Comment 2: *Additionally, a variance request for an alternative sampling plan needs to be submitted by operator/environmental consultant and reviewed/approved by an OCD Environmental Specialist. This needs to be approved and logged into the incident page for future reference/verification. Please collect confirmation samples, representing no more than 200 ft². Sidewall/Edge samples should be delineated/excavated to 600 mg/kg for chlorides and 100 mg/kg for TPH to define the edge of the release. All off pad areas must meet reclamation standards set forth in the OCD Spill Rule;*

- After the release occurred and the initial samples were collected on June 10, 2024, Mr. Nelson Velez, Environmental Specialist with the NMOCD, was contacted to discuss the site, analytical data, and a sampling approach for collecting confirmation/closure samples. After the discussion, the attached sampling plan, included as Appendix B of the report, was submitted to Mr. Velez (and subsequently approved) prior to conducting the final soil sampling at the site. In 19.15.29.12.D(1)(b) NMAC, it states that "The responsible party may submit a composite and grab sample plan for the division's review and approval separately or with the remediation plan." We believe the approved sampling plan and analytical results meet the rule and request additional clarification on your comment.

Email Comment 3: *Also, the box on the Initial C-141 was checked "No" on the part of the form that asks, "Is the concentration of total dissolved solids (TDS) in the produced water >10,000 mg/l". The OCD Spill Rule says, "if the responsible party contends the fluid is less than 10,000 mg/l, the responsible party must provide current sample results to the division". The OCD will need a water sample taken from the water source. Please provide these results in the resubmission. The work will need to occur in 90 days after the work plan has been reviewed;*

- To clarify, the produced water question in 19.15.29 NMAC is asking if dissolved chloride is greater than 10,000 mg/L and not TDS, is that correct? We will provide results for the site when resubmitting the closure request.

If you should have any questions or comments regarding this document, please contact the undersigned.

Sincerely,

Ensolum, LLC



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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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CONDITIONS

Action 414419

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 414419
	Action Type: [REPORT] Alternative Remediation Report (C-141AR)

CONDITIONS

Created By	Condition	Condition Date
nvez	This alternative remediation application (ARA) was used incorrectly. The sole purpose of ARA is to allow operators to submit reports that are required from an approved remediation plan (e.g. SVE quarterly monitoring). However, OCD will approve this report as a clarification toward the remediation closure report rejection; therefore, this application has been accepted for the record only. Hilcorp has 90-days (November 26, 2025) to submit to OCD its appropriate or final remediation closure report using the C-141 portal.	8/28/2025