

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  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

OIL CONS. DIV DIST. 3  
NOV 13 2017

Form C-141  
Revised April 3, 2017

Submit to appropriate District Office in accordance with 19.15.29 NMAC.

### Release Notification and Corrective Action

#### OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Hilcorp Energy	Contact Clara Cardoza
Address 9a CR 5793	Telephone No. 505-564-0733
Facility Name Ludwick LS 16	Facility Type Well

Surface Owner Federal	Mineral Owner Federal	API No. 30-045-09019
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#### LOCATION OF RELEASE

Unit Letter G	Section 31	Township 30N	Range 10W	Feet from the 1810	North/South Line North	Feet from the 1750	East/West Line East	County San Juan
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Latitude 36.770649 Longitude -107.9223633 NAD83

#### NATURE OF RELEASE

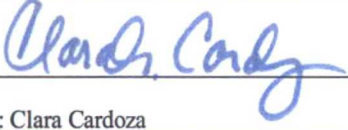
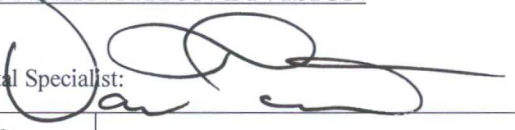
Type of Release Hydrocarbon/Produced Water	Volume of Release 2 bbl condensate - 1 bbl produced water	Volume Recovered none
Source of Release Separator	Date and Hour of Occurrence 10/24/2017 03:50 a.m. (estimated using SCADA)	Date and Hour of Discovery 10/31/2017 4:00 p.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Vanessa Fields & Whitney Thompson	
By Whom? Clara Cardoza	Date and Hour 11/01/2017 11:04 a.m. (NMOCD) / 11:07 a.m. (BLM)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
The separator on location was found to have catastrophically failed. The contents of the separator misted the location and the gas loss was minimal because it logged off. The exact cause of the failure is under investigation and separators of similar manufacture, manufacture date and producing formation are being inspected.

Describe Area Affected and Cleanup Action Taken.\*  
An area approximately 75' in diameter was impacted with overspray/mist. A hydrovac truck will clean up any impacted soil and gravel.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Clara Cardoza	Approved by Environmental Specialist: 	
Title: Environmental Specialist	Approval Date: 11/3/18	Expiration Date:
E-mail Address: ccardoza@hilcorp.com	Conditions of Approval: Sample Area	Attached <input type="checkbox"/>
Date: 11/08/2017 Phone: 505-564-0733	8015/8021/Chlorides	

\* Attach Additional Sheets If Necessary

Provide OCD 24 Hour Notification Prior to Sampling  
NVE1730640894