

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

Form C-141
Revised April 3, 2017

Submit 1 Copy 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 Company | Contact Jennifer Deal |
| Address 382 Road 3100 Aztec, NM 87410 | Telephone No. (505) 324-5128 |
| Facility Name La Plata 8 4 | Facility Type Gas Well |

| | | |
|---------------|-----------------------|----------------------|
| Surface Owner | Mineral Owner Federal | API No. 30-045-31727 |
|---------------|-----------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|---------------|------------|--------------|-----------|--------------------|------------------------|-------------------|---------------------|------------------------|
| Unit Letter I | Section 08 | Township 31N | Range 13W | Feet from the 1978 | North/South Line South | Feet from the 851 | East/West Line East | County San Juan County |
|---------------|------------|--------------|-----------|--------------------|------------------------|-------------------|---------------------|------------------------|

Latitude 36.9129257 Longitude -108.2216949 NAD83

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Produced Water | Volume of Release 20bbls | Volume Recovered 20bbls |
| Source of Release Produced Water Tank | Date and Hour of Occurrence Unknown | Date and Hour of Discovery 5/16/2018 @11:30am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

NMOC

JUN 06 2018

DISTRICT III

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Operator discovered over top spill of produced water potentially caused by vandalism. All water stayed within the berm.

Describe Area Affected and Cleanup Action Taken.*
Hilcorp Energy Company used a vac truck to recover all 20 bbls that was released. Confirmation sampling occurred on May 21, 2018 and analytical results were below the NMOCD regulatory standards – no further action is required. The soil sampling report is attached for review. No further remediation required.

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: <i>Jennifer Deal</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Jennifer Deal | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Title: Environmental Specialist | Approval Date: 6/18/18 | Expiration Date: |
| E-mail Address: jdeal@hilcorp.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 6/4/18 Phone: (505) 324-5128 | | |

* Attach Additional Sheets If Necessary

#NCS 18/4/39 837

9



Hall Environmental Analysis Laboratory
4901 Hawkins NE
Albuquerque, NM 87109
TEL: 505-345-3975 FAX: 505-345-4107
Website: www.hallenvironmental.com

June 04, 2018

Jennifer Deal

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

RE: La Plata 8 #4

OrderNo.: 1805B50

Dear Jennifer Deal:

Hall Environmental Analysis Laboratory received 1 sample(s) on 5/22/2018 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,

A handwritten signature in black ink, appearing to read "Andy Freeman", is written over a light blue horizontal line.

Andy Freeman
Laboratory Manager
4901 Hawkins NE
Albuquerque, NM 87109

Hall Environmental Analysis Laboratory, Inc.

CLIENT: HILCORP ENERGY
 Project: La Plata 8 #4
 Lab ID: 1805B50-001

Client Sample ID: Spill Area
 Collection Date: 5/21/2018 10:30:00 AM
 Received Date: 5/22/2018 6:45:00 AM

Matrix: SOIL

| Analyses | Result | PQL | Qual | Units | DF | Date Analyzed | Batch |
|--|--------|--------|------|-------|----|----------------------|---------------------|
| EPA METHOD 300.0: ANIONS | | | | | | | Analyst: MRA |
| Chloride | 190 | 30 | | mg/Kg | 20 | 5/31/2018 5:40:36 PM | 38410 |
| EPA METHOD 8015M/D: DIESEL RANGE ORGANICS | | | | | | | Analyst: Irm |
| Diesel Range Organics (DRO) | ND | 9.9 | | mg/Kg | 1 | 5/24/2018 8:56:26 PM | 38293 |
| Motor Oil Range Organics (MRO) | ND | 49 | | mg/Kg | 1 | 5/24/2018 8:56:26 PM | 38293 |
| Surr: DNOP | 84.6 | 70-130 | | %Rec | 1 | 5/24/2018 8:56:26 PM | 38293 |
| EPA METHOD 8015D: GASOLINE RANGE | | | | | | | Analyst: NSB |
| Gasoline Range Organics (GRO) | ND | 4.6 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Surr: BFB | 92.8 | 15-316 | | %Rec | 1 | 5/23/2018 3:46:09 PM | 38268 |
| EPA METHOD 8021B: VOLATILES | | | | | | | Analyst: NSB |
| Methyl tert-butyl ether (MTBE) | ND | 0.092 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Benzene | ND | 0.023 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Toluene | ND | 0.046 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Ethylbenzene | ND | 0.046 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Xylenes, Total | ND | 0.092 | | mg/Kg | 1 | 5/23/2018 3:46:09 PM | 38268 |
| Surr: 4-Bromofluorobenzene | 103 | 80-120 | | %Rec | 1 | 5/23/2018 3:46:09 PM | 38268 |

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

| | | |
|--------------------|---|---|
| Qualifiers: | * Value exceeds Maximum Contaminant Level. | B Analyte detected in the associated Method Blank |
| | D Sample Diluted Due to Matrix | E Value above quantitation range |
| | H Holding times for preparation or analysis exceeded | J Analyte detected below quantitation limits |
| | ND Not Detected at the Reporting Limit | P Sample pH Not In Range |
| | PQL Practical Quantitative Limit | RL Reporting Detection Limit |
| | S % Recovery outside of range due to dilution or matrix | W Sample container temperature is out of limit as specified |

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1805B50

04-Jun-18

Client: HILCORP ENERGY

Project: La Plata 8 #4

| | | | | | | | | | | |
|------------|------------------|----------------|------------------|-------------|---------------------------------|----------|--------------|------|----------|------|
| Sample ID | MB-38410 | SampType: | mblk | TestCode: | EPA Method 300.0: Anions | | | | | |
| Client ID: | PBS | Batch ID: | 38410 | RunNo: | 51634 | | | | | |
| Prep Date: | 5/31/2018 | Analysis Date: | 5/31/2018 | SeqNo: | 1685046 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride | ND | 1.5 | | | | | | | | |

| | | | | | | | | | | |
|------------|------------------|----------------|------------------|-------------|---------------------------------|----------|--------------|------|----------|------|
| Sample ID | LCS-38410 | SampType: | lcs | TestCode: | EPA Method 300.0: Anions | | | | | |
| Client ID: | LCSS | Batch ID: | 38410 | RunNo: | 51634 | | | | | |
| Prep Date: | 5/31/2018 | Analysis Date: | 5/31/2018 | SeqNo: | 1685047 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride | 14 | 1.5 | 15.00 | 0 | 94.6 | 90 | 110 | | | |

Qualifiers:

- | | |
|---|---|
| * Value exceeds Maximum Contaminant Level. | B Analyte detected in the associated Method Blank |
| D Sample Diluted Due to Matrix | E Value above quantitation range |
| H Holding times for preparation or analysis exceeded | J Analyte detected below quantitation limits |
| ND Not Detected at the Reporting Limit | P Sample pH Not In Range |
| PQL Practical Quantitative Limit | RL Reporting Detection Limit |
| S % Recovery outside of range due to dilution or matrix | W Sample container temperature is out of limit as specified |

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1805B50

04-Jun-18

Client: HILCORP ENERGY

Project: La Plata 8 #4

| | | | | | | | | | | |
|--------------------------------|------------------|----------------|------------------|-------------|--|----------|--------------|------|----------|------|
| Sample ID | MB-38293 | SampType: | MBLK | TestCode: | EPA Method 8015M/D: Diesel Range Organics | | | | | |
| Client ID: | PBS | Batch ID: | 38293 | RunNo: | 51500 | | | | | |
| Prep Date: | 5/23/2018 | Analysis Date: | 5/24/2018 | SeqNo: | 1678871 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO) | ND | 10 | | | | | | | | |
| Motor Oil Range Organics (MRO) | ND | 50 | | | | | | | | |
| Surr. DNOP | 12 | | 10.00 | | 123 | 70 | 130 | | | |

| | | | | | | | | | | |
|-----------------------------|------------------|----------------|------------------|-------------|--|----------|--------------|------|----------|------|
| Sample ID | LCS-38293 | SampType: | LCS | TestCode: | EPA Method 8015M/D: Diesel Range Organics | | | | | |
| Client ID: | LCSS | Batch ID: | 38293 | RunNo: | 51500 | | | | | |
| Prep Date: | 5/23/2018 | Analysis Date: | 5/24/2018 | SeqNo: | 1678940 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO) | 50 | 10 | 50.00 | 0 | 99.5 | 70 | 130 | | | |
| Surr. DNOP | 6.0 | | 5.000 | | 119 | 70 | 130 | | | |

Qualifiers:

- | | |
|---|---|
| * Value exceeds Maximum Contaminant Level. | B Analyte detected in the associated Method Blank |
| D Sample Diluted Due to Matrix | E Value above quantitation range |
| H Holding times for preparation or analysis exceeded | J Analyte detected below quantitation limits |
| ND Not Detected at the Reporting Limit | P Sample pH Not In Range |
| PQL Practical Quantitative Limit | RL Reporting Detection Limit |
| S % Recovery outside of range due to dilution or matrix | W Sample container temperature is out of limit as specified |

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1805B50

04-Jun-18

Client: HILCORP ENERGY

Project: La Plata 8 #4

| | | | | | | | | | | |
|-------------------------------|------------------|----------------|------------------|-------------|---|----------|--------------|------|----------|------|
| Sample ID | MB-38268 | SampType: | MBLK | TestCode: | EPA Method 8015D: Gasoline Range | | | | | |
| Client ID: | PBS | Batch ID: | 38268 | RunNo: | 51480 | | | | | |
| Prep Date: | 5/22/2018 | Analysis Date: | 5/23/2018 | SeqNo: | 1676691 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Gasoline Range Organics (GRO) | ND | 5.0 | | | | | | | | |
| Surr: BFB | 890 | | 1000 | | 89.2 | 15 | 316 | | | |

| | | | | | | | | | | |
|-------------------------------|------------------|----------------|------------------|-------------|---|----------|--------------|------|----------|------|
| Sample ID | LCS-38268 | SampType: | LCS | TestCode: | EPA Method 8015D: Gasoline Range | | | | | |
| Client ID: | LCSS | Batch ID: | 38268 | RunNo: | 51480 | | | | | |
| Prep Date: | 5/22/2018 | Analysis Date: | 5/23/2018 | SeqNo: | 1676692 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Gasoline Range Organics (GRO) | 28 | 5.0 | 25.00 | 0 | 112 | 75.9 | 131 | | | |
| Surr: BFB | 1000 | | 1000 | | 103 | 15 | 316 | | | |

Qualifiers:

- | | |
|---|---|
| * Value exceeds Maximum Contaminant Level. | B Analyte detected in the associated Method Blank |
| D Sample Diluted Due to Matrix | E Value above quantitation range |
| H Holding times for preparation or analysis exceeded | J Analyte detected below quantitation limits |
| ND Not Detected at the Reporting Limit | P Sample pH Not In Range |
| PQL Practical Quantitative Limit | RL Reporting Detection Limit |
| S % Recovery outside of range due to dilution or matrix | W Sample container temperature is out of limit as specified |

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1805B50

04-Jun-18

Client: HILCORP ENERGY

Project: La Plata 8 #4

| Sample ID | MB-38268 | SampType: | MBLK | TestCode: | EPA Method 8021B: Volatiles | | | | | |
|--------------------------------|------------------|----------------|------------------|-------------|------------------------------------|----------|--------------|------|----------|------|
| Client ID: | PBS | Batch ID: | 38268 | RunNo: | 51480 | | | | | |
| Prep Date: | 5/22/2018 | Analysis Date: | 5/23/2018 | SeqNo: | 1676733 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Methyl tert-butyl ether (MTBE) | ND | 0.10 | | | | | | | | |
| Benzene | ND | 0.025 | | | | | | | | |
| Toluene | ND | 0.050 | | | | | | | | |
| Ethylbenzene | ND | 0.050 | | | | | | | | |
| Xylenes, Total | ND | 0.10 | | | | | | | | |
| Surr: 4-Bromofluorobenzene | 1.0 | | 1.000 | | 99.9 | 80 | 120 | | | |

| Sample ID | LCS-38268 | SampType: | LCS | TestCode: | EPA Method 8021B: Volatiles | | | | | |
|--------------------------------|------------------|----------------|------------------|-------------|------------------------------------|----------|--------------|------|----------|------|
| Client ID: | LCSS | Batch ID: | 38268 | RunNo: | 51480 | | | | | |
| Prep Date: | 5/22/2018 | Analysis Date: | 5/23/2018 | SeqNo: | 1676734 | Units: | mg/Kg | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Methyl tert-butyl ether (MTBE) | 0.93 | 0.10 | 1.000 | 0 | 93.0 | 70.1 | 121 | | | |
| Benzene | 0.95 | 0.025 | 1.000 | 0 | 95.1 | 77.3 | 128 | | | |
| Toluene | 0.96 | 0.050 | 1.000 | 0 | 96.1 | 79.2 | 125 | | | |
| Ethylbenzene | 0.95 | 0.050 | 1.000 | 0 | 95.5 | 80.7 | 127 | | | |
| Xylenes, Total | 2.9 | 0.10 | 3.000 | 0 | 97.0 | 81.6 | 129 | | | |
| Surr: 4-Bromofluorobenzene | 1.0 | | 1.000 | | 102 | 80 | 120 | | | |

Qualifiers:

- | | |
|---|---|
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| H Holding times for preparation or analysis exceeded | J Analyte detected below quantitation limits |
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Hall Environmental Analysis Laboratory
 4901 Hawkins NE
 Albuquerque, NM 87109
 TEL: 505-345-3975 FAX: 505-345-4107
 Website: www.hallenvironmental.com

Sample Log-In Check List

Client Name: HILCORP ENERGY FAR

Work Order Number: 1805B50

RcptNo: 1

Received By: Anne Thorne 5/22/2018 6:45:00 AM

Completed By: Michelle Garcia 5/22/2018 9:42:06 AM

Reviewed By: MW 5/22/18
 LB: ENM

Anne Thorne
Michelle Garcia

Chain of Custody

1. Is Chain of Custody complete? Yes No Not Present
 2. How was the sample delivered? Courier

Log In

3. Was an attempt made to cool the samples? Yes No NA
 4. Were all samples received at a temperature of >0° C to 6.0°C Yes No NA
 5. Sample(s) in proper container(s)? Yes No
 6. Sufficient sample volume 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 NA
 9. VOA vials have zero headspace? Yes No No VOA Vials
 10. Were any sample containers received broken? Yes No
 11. Does paperwork match bottle labels? Yes No
 (Note discrepancies on chain of custody)
 12. Are matrices correctly identified on Chain of Custody? Yes No
 13. Is it clear what analyses were requested? Yes No
 14. Were all holding times able to be met? Yes No
 (If no, notify customer for authorization.)

ENM 5/22/18
 # of preserved bottles checked for pH: _____
 (2 of 12 unless noted)
 Checked by: _____

Special Handling (if applicable)

15. Was client notified of all discrepancies with this order? Yes No NA

Person Notified: _____ Date: _____
 By Whom: _____ Via: eMail Phone Fax In Person
 Regarding: _____
 Client Instructions: _____

16. Additional remarks:

17. Cooler Information

| Cooler No | Temp °C | Condition | Seal Intact | Seal No | Seal Date | Signed By |
|-----------|---------|-----------|-------------|---------|-----------|-----------|
| 1 | 1.0 | Good | Yes | | | |

