

District I
25 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 Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

| | |
|----------------|--|
| Incident ID | |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|----------------------------------|
| Responsible Party Hilcorp Energy Company | OGRID 372171 |
| Contact Name Jennifer Deal | Contact Telephone 505-801-6517 |
| Contact email jdeal@hilcorp.com | Incident # NVF 1836050592 |
| Contact mailing address 382 Road 3100, Aztec NM 87410 | |

NMOC

DEC 24 2018

DISTRICT III

Location of Release Source

Latitude 36.88592353 _____ Longitude -107.8994293 _____
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|--|--------------------|
| Site Name Lambe 2C | Site Type Gas Well |
| Date Release Discovered 12/17/18 @ 10:30am | API# 30-045-30747 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|----------|
| H | 20 | 31N | 10W | San Juan |

Surface Owner: State Federal Tribal Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

| | | |
|--|---|--|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| | Is the concentration of dissolved chloride in the produced water > 10,000 mg/l? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> Condensate | Volume Released (bbls) 97 | Volume Recovered (bbls) 0 |
| <input type="checkbox"/> Natural Gas | Volume Released (Mcf) | Volume Recovered (Mcf) |
| <input type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release

A release of ~97bbls of oil/condensate was released due to corrosion on the tank. MSO arrived on location and noticed oil in oil tank containment. MSO inspected tank and found corrosion on the bottom of the tank and a hole where the oil was leak was shut in and tank was taken out of service. Release remained inside the berm.

| | |
|----------------|--|
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| | |
|---|---|
| Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, for what reason(s) does the responsible party consider this a major release? This is a major release as the amount is >25bbbls |
|---|---|

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
 Immediate notification was given by Jennifer Deal by email on 12/17/2018 @ 1:02pm to Cory Smith, Vanessa Fields, and Jim Griswold with NMOCD, and Whitney Thomas and Emmanuel with BLM.

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

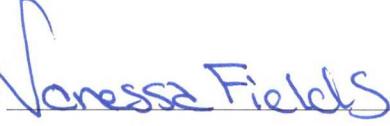
- The source of the release has been stopped.
- The impacted area has been secured to protect human health and the environment.
- Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
- All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

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

Printed Name: Jennifer Deal Title: Environmental Specialist
 Signature:  Date: 12/21/2018
 email: jdeal@hilcorp.com Telephone: 505-801-6517

OCD Only
 Received by:  Date: 12/24/2018