

[illegible]

Note: Upon discovery, the vent rate was determined by accessing Hilcorp's OVS Plot 3.6 software in order to get the daily vent rate. The snippet below is a snapshot of the software that is used to determine vent rates at Hilcorp-operated wells. If additional info is required related to calculation methodologies, please contact Mitch Killough, Environmental Specialist at mkillough@hilcorp.com or via phone at 713-757-5247.

OVS 3.6 @ OVS Plot Quick Login(OVSDSKTOP)

Control Center, WellSummary, SAN JUAN 32-... 15 7/14/2021, SAN JUAN 32-... 9A 7/13/2021, RATTLESNAK... 05 6/23/2021, RATTLESNAK... 105 7/7/2021

July 07, 2021 Bulk

Drag a column header here to group by that column.

Well Name	DateStamp	Area	Route	Controller	DAILY VENT Min	ARR SPEED ft/min	DP SURF BOT psi	AVG EXTR OF Min	Grs Gas (last 24 hours)	Avg Grs Gas (last 30 days)	ODS Grs Gas	Avg. Afterflo	FUND RULE %	MWD VS HR Mscf	WELL VI
SAN JUAN 32-7 UNIT 245H	07/07/2021	AREA-05	0501		0				1246.13	1325.44	0				
REESE MESA 104S	07/07/2021	AREA-05	0501	Fisher 809		101.3		8.4	905.55	766.75	0	178.50	0		0
REESE MESA 7H	07/07/2021	AREA-05	0501	Fisher 107					703.25	646.35	0				
SAN JUAN 32-7 UNIT 247H	07/07/2021	AREA-05	0501	Fisher 107					542.47	549.41	0				
SOUTHERN UTS 702	07/07/2021	AREA-05	0501	Kimray					547.84	547.84	0				
TRAIL CANYON 105	07/07/2021	AREA-05	0501	Fisher 107					535.93	542.61	0				
SAN JUAN 32-7 UNIT 55	07/07/2021	AREA-05	0501			1086.1		-6.9	186.49	180.02	0	64.50	0		
RATTLESNAKE CANYON 105	07/07/2021	AREA-05	0501	Fisher 407	0				187.51	163.42	0				
SAN JUAN 32-8 UNIT 45A	07/07/2021	AREA-05	0501	Fisher 107	0	293.4	4.3	52.5	196.39	160.46	0	16.33	77.76		0
REESE MESA 1	07/07/2021	AREA-05	0501	Fisher 107	0	757.2	1.8	-3.9	161.05	155.06	0	44.86	42.86		0
TRAIL CANYON 100	07/07/2021	AREA-05	0501	Fisher 107	0	622.8	3.8	-2.4	167.57	154.12	0	5.25	0		0
SAN JUAN 32-8 UNIT 46A	07/07/2021	AREA-05	0501	Bristol 3530	0	978.5	6.2	7	174.64	141.71	0	33.69	31.25		
REESE MESA 2	07/07/2021	AREA-05	0501	Fisher 107	2	762.1	1.8	15.4	109.85	114.38	0	31.42	81.67		100
SUSCO 16 STATE 1E	07/07/2021	AREA-05	0501	Fisher 407					108.61	108.62	0				
REESE MESA 8T	07/07/2021	AREA-05	0501	Fisher 407					87.91	88.06	0				
REESE MESA 102	07/07/2021	AREA-05	0501	Kimray	0				69.30	67.82	0				
SUSCO 16 STATE 101	07/07/2021	AREA-05	0501	Fisher 809					48.92	48.59	0				
SAN JUAN 32-7 UNIT 41	07/07/2021	AREA-05	0501	Fisher 107	0	797.9	1.2	35.3	39.91	45.47	0	2.64	0		0
SUSCO 16 STATE 101S	07/07/2021	AREA-05	0501	Fisher 407					5.01	5.77	0				
SUSCO 16 STATE 3	07/07/2021	AREA-05	0501	Fisher 809			0		1.42	1.01	0				0
RATTLESNAKE CANYON 103S	07/07/2021	AREA-05	0501	Fisher 407					0	0	0				
REESE MESA 101S	07/07/2021	AREA-05	0501	Fisher 407	0				0	0	0				
REESE MESA 102S	07/07/2021	AREA-05	0501	Fisher 407					0	0	0				
SAN JUAN 32-8 UNIT 257	07/07/2021	AREA-05	0501	Fisher 107					0	0	0				
WILMER CANYON 102	07/07/2021	AREA-05	0501	Fisher 407					0	0	0				
SAN JUAN 32-8 UNIT 284H	07/07/2021	AREA-05	0501	Fisher 107					0	0	0				

Finished in 0.8 secs

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720**District III**1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 37402

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 37402
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS**Prerequisites**

Any messages presented in this section, will prevent submission of this application. Please resolve these issues before continuing with the rest of the questions.

Incident Well	[30-045-29943] RATTLESNAKE CANYON #105
Incident Facility	Not answered.

Determination of Reporting Requirements

Answer all questions that apply. The Reason(s) statements are calculated based on your answers and may provide additional guidance.

Was or is this venting and/or flaring caused by an emergency or malfunction	Yes
Did or will this venting and/or flaring last eight hours or more cumulatively within any 24-hour period from a single event	Yes
Is this considered a submission for a notification of a major venting and/or flaring	Yes, minor venting and/or flaring of natural gas.
An operator shall file a form C-141 instead of a form C-129 for a release that, includes liquid during venting and/or flaring that is or may be a major or minor release under 19.15.29.7 NMAC.	
Was there or will there be at least 50 MCF of natural gas vented and/or flared during this event	Yes
Did this venting and/or flaring result in the release of ANY liquids (not fully and/or completely flared) that reached (or has a chance of reaching) the ground, a surface, a watercourse, or otherwise, with reasonable probability, endanger public health, the environment or fresh water	No
Was the venting and/or flaring within an incorporated municipal boundary or withing 300 feet from an occupied permanent residence, school, hospital, institution or church in existence	Not answered.

Equipment Involved

Primary Equipment Involved	Well
Additional details for Equipment Involved. Please specify	Wellhead tubing

Representative Compositional Analysis of Vented or Flared Natural Gas

Please provide the mole percent for the percentage questions in this group.

Methane (CH4) percentage	93
Nitrogen (N2) percentage, if greater than one percent	0
Hydrogen Sulfide (H2S) PPM, rounded up	0
Carbon Dioxide (CO2) percentage, if greater than one percent	7
Oxygen (O2) percentage, if greater than one percent	0

If you are venting and/or flaring because of Pipeline Specification, please provide the required specifications for each gas.

Methane (CH4) percentage quality requirement	Not answered.
Nitrogen (N2) percentage quality requirement	Not answered.
Hydrogen Sulfide (H2S) PPM quality requirement	Not answered.
Carbon Dioxide (CO2) percentage quality requirement	Not answered.
Oxygen (O2) percentage quality requirement	Not answered.

Date(s) and Time(s)

Date venting and/or flaring was discovered or commenced	06/17/2021
Time venting and/or flaring was discovered or commenced	10:09 AM
Time venting and/or flaring was terminated	11:06 AM
Cumulative hours during this event	24

Measured or Estimated Volume of Vented or Flared Natural Gas

Natural Gas Vented (Mcf) Details	Cause: Equipment Failure Well Natural Gas Vented Released: 480 Mcf Recovered: 0 Mcf Lost: 480 Mcf]
----------------------------------	---

Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Additional details for Measured or Estimated Volume(s). Please specify	Hilcorp discovered a hole in tubing on 7/7/2021 and determined that the venting event from the tubing string to the water tank began on 6/17/2021. A 20-day duration at a vent rate of 24 mcf/day.
Is this a gas only submission (i.e. only significant Mcf values reported)	Yes, according to supplied volumes this appears to be a "gas only" report.

Venting or Flaring Resulting from Downstream Activity

Was or is this venting and/or flaring a result of downstream activity	Not answered.
Date notified of downstream activity requiring this venting and/or flaring	Not answered.
Time notified of downstream activity requiring this venting and/or flaring	Not answered.

Steps and Actions to Prevent Waste

For this event, the operator could not have reasonably anticipated the current event and it was beyond the operator's control.	True
Please explain reason for why this event was beyond your operator's control	Hilcorp discovered a hole in tubing on 7/7/2021 and determined that the venting event from the tubing string to the water tank began on 6/17/2021. A 20-day duration at a vent rate of 24 mcf/day.
Steps taken to limit the duration and magnitude of venting and/or flaring	Upon discovery, Hilcorp personnel shut-in the tubing string and is currently only producing from the casing.
Corrective actions taken to eliminate the cause and reoccurrence of venting and/or flaring	Upon discovery, Hilcorp personnel shut-in the tubing string and is currently only producing from the casing. A downhole workover will be required to repair the hole in tubing. However, at this time, the tubing remains shut-in.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 37402

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 37402
	Action Type: [C-129] Venting and/or Flaring (C-129)

CONDITIONS

Created By	Condition	Condition Date
system	If the information provided in this report requires an amendment, submit a [C-129] Request to Amend Venting and/or Flaring Incident, utilizing your incident number from this event.	7/22/2021