

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 Department

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

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

|                |                |
|----------------|----------------|
| Incident ID    | nAPP2206056316 |
| District RP    |                |
| Facility ID    |                |
| Application ID |                |

## Release Notification

### Responsible Party

|  |                                |
|--|--------------------------------|
| Responsible Party Hilcorp Energy Company                         | OGRID 372171                   |
| Contact Name Mitch Killough                                      | Contact Telephone 713-757-5247 |
| Contact email mkillough@hilcorp.com                              | Incident # nAPP2206056316      |
| Contact mailing address 1111 Travis Street, Houston, Texas 77002 |                                |

### Location of Release Source

Latitude 36.95101 \_\_\_\_\_ Longitude -108.04544 \_\_\_\_\_  
(NAD 83 in decimal degrees to 5 decimal places)

|   |                   |
|---|-------------------|
| Site Name Moore LS 6B                             | Site Type Well    |
| Date Release Discovered: 2/14/2022 @ 07:30am (MT) | API# 30-045-30564 |

| Unit Letter | Section | Township | Range | County   |
|-------------|---------|----------|-------|----------|
| O           | 25      | 32N      | 12W   | San Juan |

Surface Owner:  State  Federal  Tribal  Private (Name: Marcotte, Thomas ET UX)

### 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) 42 bbls   | Volume Recovered (bbls) 0 bbls                           |
| <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 approximately 42 bbls condensate was released from two holes in the condensate production storage tank that occurred as a result of two bullet holes at approximately 1 ft 8 inches above the bottom of the storage tank. The released fluids drained downgradient from the storage tank and pooled immediately around the BGT within secondary containment. Despite all fluids remaining on location and inside the bermed area, no fluids could be recovered due to soaking into the ground surface. OCD will be notified 48 hours prior to sampling.

The spill amount was determined by operator's monthly tank gauging data.

|                |                |
|----------------|----------------|
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|  |  |
|--|--|
| Was this a major release as defined by 19.15.29.7(A) NMAC?<br><br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | If YES, for what reason(s) does the responsible party consider this a major release?<br><br>The spill amount exceeded 25 bbls. |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?<br><br>Mitch Killough notified the NMOCD via 24-hour email notification on 02/15/2022 at 07:52 am CT. |  |

### Initial Response

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

|  |
|--|
| <input checked="" type="checkbox"/> The source of the release has been stopped.<br><input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment.<br><input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.<br><input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.   |
| If all the actions described above have <u>not</u> been undertaken, explain why:<br><br>In the case of this release, the spilled fluids soaked vertically into the ground surface near the BGT. If any free liquids could have been recovered, Hilcorp would have certainly done so.   |
| 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: <u>Mitch Killough</u> Title: <u>Environmental Specialist</u>   |
| Signature:  Date: <u>03/01/2022</u>   |
| email: <u>mkillough@hilcorp.com</u> Telephone: <u>713-757-5247</u>   |
| <b><u>OCD Only</u></b><br>Received by: <u>Nelson Velez</u> Date: <u>03/02/2022</u>   |

Mitch Killough

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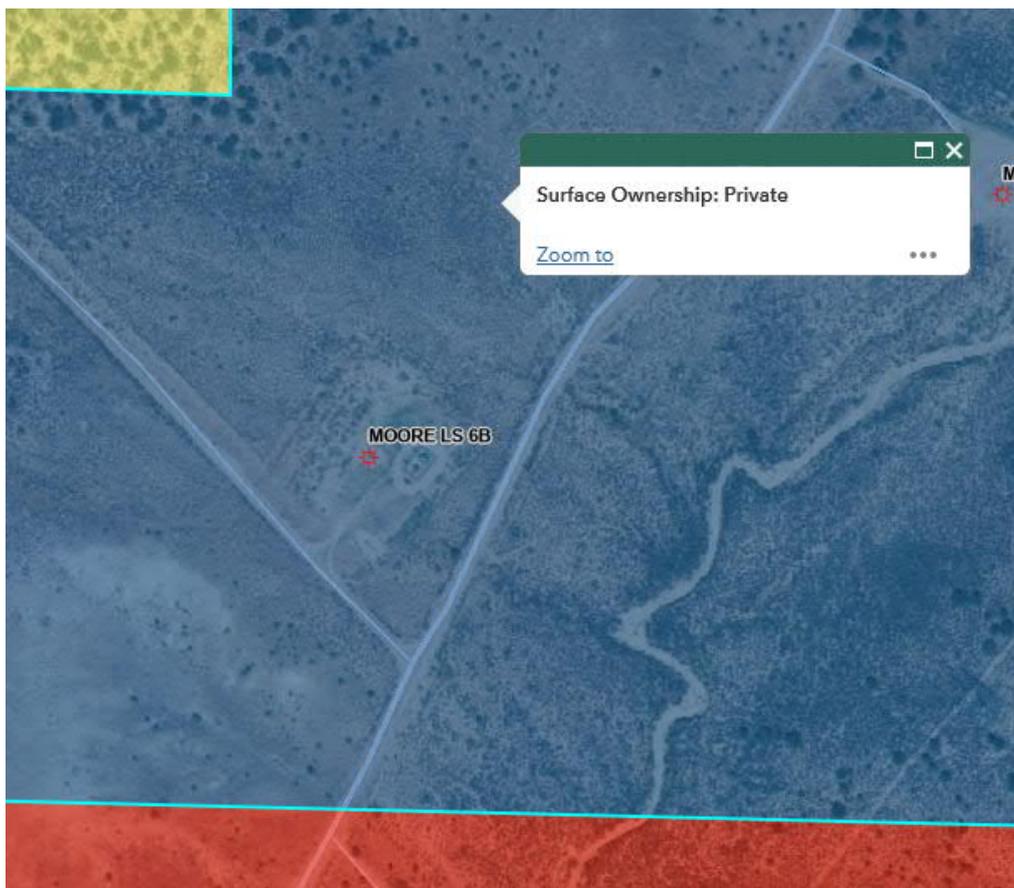
From: Mitch Killough  
Sent: Tuesday, February 15, 2022 7:52 AM  
To: Velez, Nelson, EMNRD  
Cc: Matt Henderson; OCD.Enviro@state.nm.us  
Subject: Hilcorp 24-Hour Release Notification - Moore LS 6B

Tracking: Recipient Delivery  
Velez, Nelson, EMNRD  
Matt Henderson Delivered: 2/15/2022 7:52 AM  
OCD.Enviro@state.nm.us

Morning Nelson.

On 2/14/2022 at approximately 7:30 am (MT), Hilcorp Energy Company (Hilcorp) discovered a 42-bbl release of condensate at the Moore LS 6B in San Juan County, NM (36.95101, -108.04544). Based on initial assessments conducted by Hilcorp personnel, the cause of the release was determined to be vandalism. Two bullet holes were found in the 268-bbl condensate storage tank about 1' 8" from the bottom of the tank. Site remains active, but the tank is currently OOS. Condensate leaked from the storage tank into the adjacent BGT area. Impacted soil is about 40' x 25' with an unknown vertical depth at this time. However, all spilled fluids remained within the pad's boundary and did not migrate horizontally off of the surface location. Holes in the condensate storage tank have been plugged and remaining oil will be transferred. The condensate tank is currently being surveyed for repair.

An initial C-141 will be submitted to the NMOCD no later than 3/1/2022. Please contact me if you have any questions.



Sincerely,

Mitch Killough  
Environmental Specialist  
Hilcorp Energy Company  
1111 Travis Street  
Houston, TX 77002  
713-757-5247 (office)  
281-851-2338 (cell)  
[mkillough@hilcorp.com](mailto:mkillough@hilcorp.com)

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**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 85414

**CONDITIONS**

|  |   |
|--|---|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171  |
|  | Action Number:<br>85414                                   |
|  | Action Type:<br>[C-141] Release Corrective Action (C-141) |

**CONDITIONS**

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| nvelez     | None      | 3/2/2022       |