

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
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	NAPP2215443701
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Hilcorp Energy	OGRID 3721717
Contact Name Clara Cardoza	Contact Telephone 505.564.0733
Contact email ccardoza@hilcorp.com	Incident # (assigned by OCD) napp2215443701
Contact mailing address 382 CR 3100 Aztec NM 87410	

Location of Release Source

Latitude 36.731601 Longitude -107.967801
(NAD 83 in decimal degrees to 5 decimal places)

Site Name San Juan Gas Plant	Site Type Gas Plant
Date Release Discovered 5/27/2022	API# (if applicable) N/A

Unit Letter	Section	Township	Range	County
D	14	29N	11W	San Juan

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: City of Bloomfield)

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 type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Natural Gas	Volume Released (Mcf) 321	Volume Recovered (Mcf) 0
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

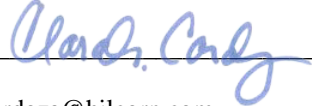
Cause of Release Gasket failure on the demethanizer reboiler caused a release of natural gas liquids. No liquids reached the ground as it turned to vapor before anything accumulated.

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Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

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.
<input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment.
N/A Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
N/A 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: three actions are not applicable to a natural gas release.
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>Clara Cardoza</u> Title: <u>Environmental Specialist</u>
Signature: <u></u> Date: <u>6/9/2022</u>
email: <u>ccardoza@hilcorp.com</u> Telephone: <u>505.564.0733</u>
<u>OCD Only</u>
Received by: <u>Jocelyn Harimon</u> Date: <u>06/09/2022</u>

Incident ID	NAPP2215443701
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Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

☒ A scaled site and sampling diagram as described in 19.15.29.11 NMAC

N/A Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)

N/A Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
✓✓ - 06/23/2022

☒ Description of remediation activities

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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Clara Cardoza

Title: Environmental Specialist

Signature: 

Date: 6/9/2022

email: ccardoza@hilcorp.com

Telephone: 505.564.0733

OCD Only

Received by: _____

Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by:  Date: 06/23/2022

Printed Name: Nelson Velez

Title: Environmental Specialist - Adv

Executive Summary

On May 27th at 1:30 a.m. an alarm for gas detection went off in the control room indicating the presence of gas in the atmosphere in the processing area. The operator working went out to investigate and found that the source was the demethanizer reboiler. The vessel was isolated and taken out of service because the release originated from a gasket and would require replacement. Natural Gas Liquid (NGLs) were release vaporizing before they reached the ground. An email was sent to NMOCD at 3:08 p.m. on Friday, May 27th reporting a potential major release in accordance with NMAC 19.15.29.7.A.3 because the volume was unknown at that time and would require the gasket to be removed in order to make the final calculation. Once the calculations were made it was determined that the release was 321 mcf. The gasket was replaced and put back into service.



Date: 6/8/2022
Scale: 1:2,257 mi
0 0.01 0.03 0.04 0.06
N

© OpenStreetMap (and) contributors, CC-BY-SA



Date: 6/8/2022
Scale: 1:2,257 mi
0 0.01 0.03 0.04 0.06
N

Volume Calculations

Line Leak Calc	
Orifice Diameter	0.677 inches
Pressure	350 psig
Time/date Discovered	5/27/2022 1:30
Time/date Isolated	5/27/2022 3:30
Total Hours Blown	2.00 hours
Area of Orifice	0.360 sq. inches
Lost Gas From Line Leak	320.830 Mcf
Blowdown Calc	
Length	0 feet
Actual Pipe OD	0.000 inches
Wall Thickness	0 inches
Pressure	0 psig
Lost Gas From Blowdown	0.000 Mcf
Total Gas Loss	320.83 Mcf

Lost Gas=(Orifice Diameter)²*Pressure*Time Blown

Lost Gas=(Inside Diameter)²*Pressure*Length*0.372/1000000

Agency Correspondence

Clara Cardoza

From: Velez, Nelson, EMNRD <Nelson.Velez@state.nm.us>
Sent: Wednesday, June 1, 2022 7:55 AM
To: Clara Cardoza
Cc: Matt Henderson; Bratcher, Mike, EMNRD
Subject: RE: [EXTERNAL] San Juan Gas Plant Release

Good morning Clara,

Thank you for the update. Please keep a copy of this communication for inclusion within the appropriate report submittal.

The OCD requires a copy of all correspondence relative to remedial activities be included in all proposals and/or final closure reports. Correspondence required to be included in reports may include, but not limited to, notifications for liner inspections, sample events, spill/release/fire, and request for time extensions or variances.

Regards

Nelson Velez • Environmental Specialist - Adv
Environmental Bureau | EMNRD - Oil Conservation Division
1000 Rio Brazos Road | Aztec, NM 87410
(505) 469-6146 | nelson.velez@state.nm.us

Hrs.: 7:00–11:00 am & 12:00–3:30 pm Mon.–Thur.
7:00–11:00 am & 12:00–4:00 pm Fri.

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Tuesday, May 31, 2022 3:33 PM
To: Velez, Nelson, EMNRD <Nelson.Velez@state.nm.us>
Cc: Matt Henderson <mhenderson@hilcorp.com>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Subject: RE: [EXTERNAL] San Juan Gas Plant Release

Good afternoon Nelson. Just wanted to provide an update. The final volume calculated falls in the minor release category. I will file a C 141 in accordance with NMAC 19.15.29.10.B.

Thank you,
Clara

From: Velez, Nelson, EMNRD <Nelson.Velez@state.nm.us>
Sent: Tuesday, May 31, 2022 7:59 AM
To: Clara Cardoza <ccardoza@hilcorp.com>
Cc: Matt Henderson <mhenderson@hilcorp.com>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Subject: RE: [EXTERNAL] San Juan Gas Plant Release

Good morning Clara,

Thank you for the notice. Please provide OCD with the amount of gas released once the repairs have been completed.

Nelson Velez • Environmental Specialist - Adv
Environmental Bureau | EMNRD - Oil Conservation Division
1000 Rio Brazos Road | Aztec, NM 87410
(505) 469-6146 | nelson.velez@state.nm.us

Hrs.: 7:00–11:00 am & 12:00–3:30 pm Mon.–Thur.
7:00–11:00 am & 12:00–4:00 pm Fri.

From: Clara Cardoza <ccardoza@hilcorp.com>
Sent: Friday, May 27, 2022 3:08 PM
To: Velez, Nelson, EMNRD <Nelson.Velez@state.nm.us>
Cc: Matt Henderson <mhenderson@hilcorp.com>
Subject: [EXTERNAL] San Juan Gas Plant Release

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon Nelson. I wanted to inform you of a release that occurred at the Hilcorp San Juan Gas Plant (1001 Arizona St, Bloomfield NM) today at 1:30 a.m. A gasket on the demethanizer reboiler developed a leak causing a release of LNG. There was no visible sign of liquids where the release occurred. The plant is in the process of removing/repairing the gasket so we haven't been able to quantify the amount of vapor that was release. In order to prevent a missed notification in the event that this is a "major" release we have opted to send an email. Please let me know if you have any questions or require additional information at this time.

Thank you,

Clara M Cardoza
Environmental Compliance L48W
505-564-0733 (O)
505-793-2784 (C)



Please consider the environment before printing this e-mail

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

QUESTIONS

Action 113470

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 113470
	Action Type: [NOTIFY] Notification Of Release (NOR)

QUESTIONS

Location of Release Source	
<i>Please answer all of the questions in this group.</i>	
Site Name	San Juan Gas Plant
Date Release Discovered	05/27/2022
Surface Owner	Private

Incident Details	
<i>Please answer all of the questions in this group.</i>	
Incident Type	Natural Gas Release
Did this release result in a fire or is the result of a fire	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
<i>Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.</i>	
Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Not answered.
Is the concentration of dissolved chloride in the produced water >10,000 mg/l	Not answered.
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Cause: Equipment Failure Gasket Natural Gas Vented Released: 320 Mcf Recovered: 0 Mcf Lost: 320 Mcf
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Not answered.

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QUESTIONS, Page 2

Action 113470

QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 113470
	Action Type: [NOTIFY] Notification Of Release (NOR)

QUESTIONS

Nature and Volume of Release (continued)	
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.
Was this a major release as defined by 19.15.29.7(A) NMAC	No, minor release.
Reasons why this would be considered a submission for a notification of a major release	
If YES, was immediate notice given to the OCD, by whom	<i>Not answered.</i>
If YES, was immediate notice given to the OCD, to whom	<i>Not answered.</i>
If YES, was immediate notice given to the OCD, when	<i>Not answered.</i>
If YES, was immediate notice given to the OCD, by what means (phone, email, etc.)	<i>Not answered.</i>
<i>With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.</i>	

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	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	<i>Not answered.</i>
All free liquids and recoverable materials have been removed and managed appropriately	<i>Not answered.</i>
If all the actions described above have not been undertaken, explain why	<i>Not answered.</i>

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 prepare and attach a narrative of actions to date in the follow-up C-141 submission. 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 prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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ACKNOWLEDGMENTS

Action 113470

ACKNOWLEDGMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 113470
	Action Type: [NOTIFY] Notification Of Release (NOR)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I am authorized to submit notification of a releases on behalf of my operator.
<input checked="" type="checkbox"/>	I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to my operator) to track the notification(s) and corrective action(s) for a release, pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	I acknowledge that creating a new incident file will require my operator to file subsequent submission(s) of form "C-141, Application for administrative approval of a release notification and corrective action", pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	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.
<input checked="" type="checkbox"/>	I acknowledge the fact that 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.
<input checked="" type="checkbox"/>	I acknowledge the fact that, 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.

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CONDITIONS

Action 113470

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 113470
	Action Type: [NOTIFY] Notification Of Release (NOR)

CONDITIONS

Created By	Condition	Condition Date
ccardoza	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C-141.	6/3/2022

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COMMENTS

Action 115438

COMMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 115438
	Action Type: [C-141] Release Corrective Action (C-141)

COMMENTS

Created By	Comment	Comment Date
jharimon	Initial to closure	6/9/2022

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CONDITIONS

Action 115438

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 115438
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	6/23/2022