

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	nAPP2331719355
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 # nAPP2331719355
Contact mailing address 1111 Travis Street, Houston, Texas 77002	

### Location of Release Source

Latitude 36.846577 Longitude -108.102394  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name L C Kelly 3G	Site Type Well
Date Release Discovered: 11/2/2023 @ 03:00 pm (MT)	API# 30-045-33237

Unit Letter	Section	Township	Range	County
B	4	30N	12W	San Juan

Surface Owner: ☐ State ☒ Federal ☐ Tribal ☐ Private

### 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 checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 40 bbls	Volume Recovered (bbls) 39 bbls (refer to note below)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (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:

On 11/2/2023 at approx. 3:00 pm (MT), a Hilcorp operator discovered produced water fluid standing in the wooden cribbing surrounding the 120-bbl BGT. Upon discovery, the well was shut-in pending repairs. The operator called in a water truck to remove all standing fluid from within the cribbing. Spill volume was determined to be 40 bbls produced water. After further investigation, it was determined that a hole had formed at the bottom of the BGT, most likely from corrosion. The wooden cribbing prevented spilled fluids from migrating horizontally off the pad surface.

The spill amount was determined by operator's production data.


## Oil Conservation Division

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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?  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)?  Mitch Killough notified the NMOCD and BLM-FFO via 24-hour email notification on 11/3/2023 at 03:44 pm 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. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <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:  Note: Hilcorp had 40 bbls of fluid recovered via water hauler from within the wooden cribbing, per the water hauler's ticket. However, Hilcorp acknowledges that this amount on the water hauling ticket is not exact and was most likely rounded up. For this C-141 submittal, Hilcorp is assuming that at least 1 bbl of fluid soaked into the ground surface and could not be recovered.	
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: <u></u> Date: <u>11/17/2023</u>	
email: <u>mkillough@hilcorp.com</u> Telephone: <u>713-757-5247</u>	
<b><u>OCD Only</u></b>	
Received by: <u>Shelly Wells</u> Date: <u>11/20/2023</u>	

Mitch Killough

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From: Mitch Killough  
Sent: Friday, November 3, 2023 3:44 PM  
To: Velez, Nelson, EMNRD; Adeloye, Abiodun A  
Cc: Matt Henderson  
Subject: Hilcorp Energy Company - 24-Hour Release Notification - L C Kelly 3G

Hi Nelson/Emmanuel.

On 11/2/2023 at approx. 3:00 pm (MT), a Hilcorp operator discovered produced water fluid standing in the wooden cribbing surrounding the 120-bbl BGT at the L C Kelly 3G (API: 30-045-33237) in San Juan County, NM (36.846566, -108.101757). Upon discovery, the well was shut-in. The operator called in a water truck to remove all standing fluid from within the cribbing. Spill volume was determined to be 40 bbls produced water (also equals the volume recovered from the cribbing). After further investigation, it was determined that a hole had formed at the bottom of the BGT, most likely from corrosion. Next steps are ensuring that all agency notifications are in and a sundry request has been submitted to the BLM-FFO for moving the BGT. No spilled fluids migrated horizontally off the pad.

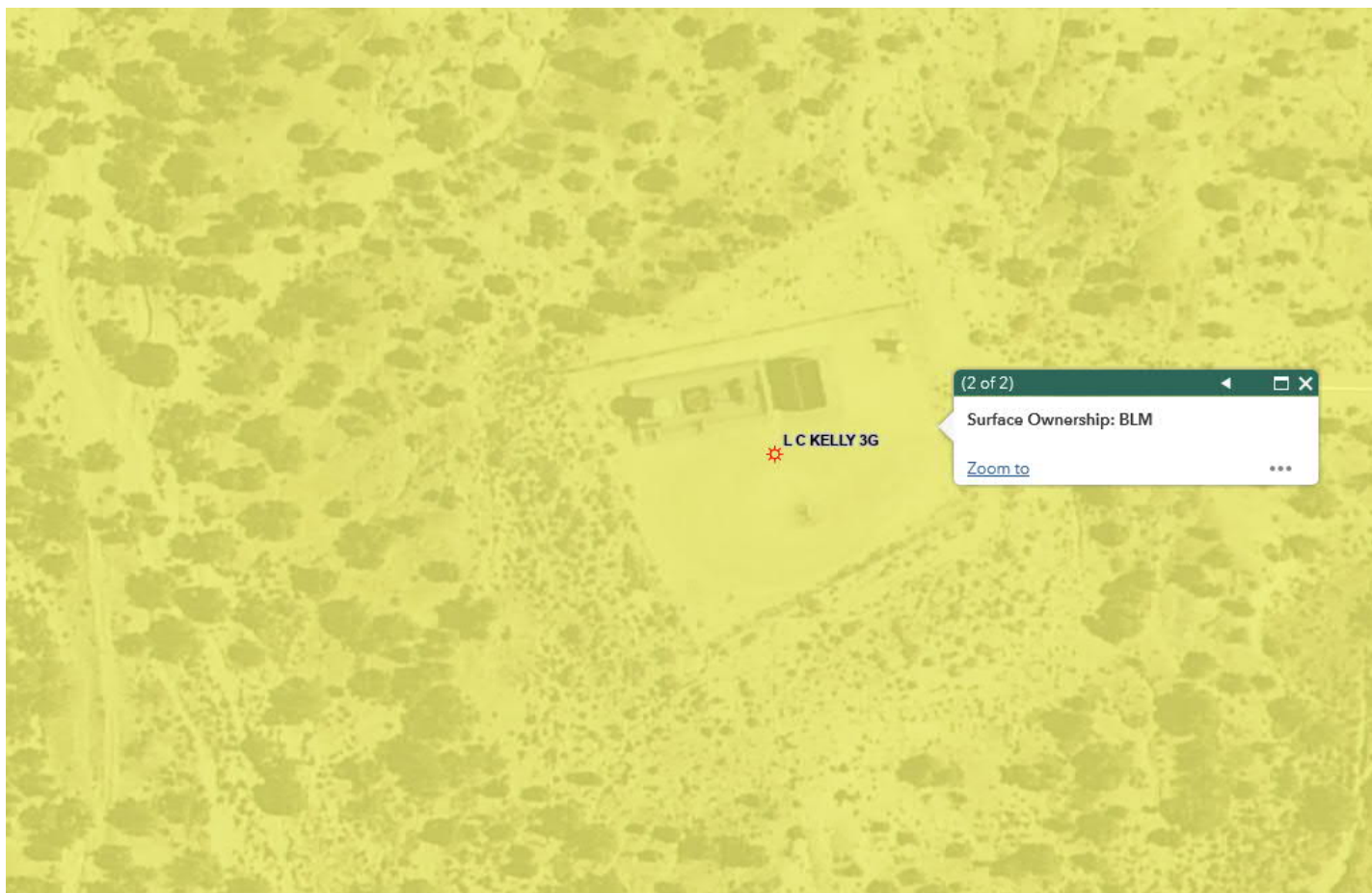
An initial C-141 will be submitted to the NMOCD no later than 11/17/2023.

**Emmanuel** – This release occurred in the Glade Run. I am working on a MUE report to be submitted via sundry here shortly.

Thanks guys.







Mitch Killough  
Environmental Specialist  
Hilcorp Energy Company  
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Houston, TX 77002  
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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 286878

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 286878
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
scwells	None	11/20/2023