

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-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- Type of action: [ ] Below grade tank registration
[ ] Permit of a pit or proposed alternative method
BGT1 Closure [X] Closure of a pit, below-grade tank, or proposed alternative method
Report [ ] Modification to an existing permit/or registration
[ ] Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name: Scott E Federal 23 42
API Number: 30-045-28516 OCD Permit Number:
U/L or Qtr/Qtr H Section 23 Township 27N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.56345 Longitude -107.96492 NAD27
Surface Owner: [X] Federal [ ] State [ ] Private [ ] Tribal Trust or Indian Allotment

2. [ ] Pit: Subsection F, G or J of 19.15.17.11 NMAC
Temporary: [ ] Drilling [ ] Workover
[ ] Permanent [ ] Emergency [ ] Cavitation [ ] P&A [ ] Multi-Well Fluid Management Low Chloride Drilling Fluid [ ] yes [ ] no
[ ] Lined [ ] Unlined Liner type: Thickness mil [ ] LLDPE [ ] HDPE [ ] PVC [ ] Other
[ ] String-Reinforced
Liner Seams: [ ] Welded [ ] Factory [ ] Other Volume: bbl Dimensions: L x W x D

3. [X] Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: Produced Water
Tank Construction material: Metal
[ ] Secondary containment with leak detection [X] Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
[ ] Visible sidewalls and liner [ ] Visible sidewalls only [ ] Other
Liner type: Thickness mil [ ] HDPE [ ] PVC [X] Other Unspecified

4. [ ] Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5. Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)
[ ] Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)
[ ] Four foot height, four strands of barbed wire evenly spaced between one and four feet
[ ] Alternate. Please specify

6.  
**Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)  
 Screen  Netting  Other \_\_\_\_\_  
 Monthly inspections (If netting or screening is not physically feasible)

7.  
**Signs:** Subsection C of 19.15.17.11 NMAC  
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
 Signed in compliance with 19.15.16.8 NMAC

8.  
**Variations and Exceptions:**  
 Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.  
**Please check a box if one or more of the following is requested, if not leave blank:**  
 Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.  
 Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.  
**Siting Criteria (regarding permitting):** 19.15.17.10 NMAC  
*Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.*

| <b><u>General siting</u></b>  |  |
|---|--|
| <b><u>Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.</u></b><br>- <input type="checkbox"/> NM Office of the State Engineer - iWATERS database search; <input type="checkbox"/> USGS; <input type="checkbox"/> Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input checked="" type="checkbox"/> NA |
| <b><u>Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.</u></b><br>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input checked="" type="checkbox"/> NA |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. <b>(Does not apply to below grade tanks)</b><br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality                              | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| Within the area overlying a subsurface mine. <b>(Does not apply to below grade tanks)</b><br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division  | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| Within an unstable area. <b>(Does not apply to below grade tanks)</b><br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map  | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| Within a 100-year floodplain. <b>(Does not apply to below grade tanks)</b><br>- FEMA map  | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| <b><u>Below Grade Tanks</u></b>   |  |
| Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption.<br>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                |
| <b><u>Temporary Pit using Low Chloride Drilling Fluid</u></b> (maximum chloride content 15,000 mg/liter)  |  |
| Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)<br>- Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image   | <input type="checkbox"/> Yes <input type="checkbox"/> No   |
| Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.<br>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No   |

Within 100 feet of a wetland.  
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site  Yes  No

**Temporary Pit Non-low chloride drilling fluid**

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  
 - Topographic map; Visual inspection (certification) of the proposed site  Yes  No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  Yes  No

Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;  
 - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site  Yes  No

Within 300 feet of a wetland.  
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site  Yes  No

**Permanent Pit or Multi-Well Fluid Management Pit**

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  
 - Topographic map; Visual inspection (certification) of the proposed site  Yes  No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  
 - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  Yes  No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.  
 - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site  Yes  No

Within 500 feet of a wetland.  
 - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site  Yes  No

10.  
**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.*

- Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
  - Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
  - Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
  - Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
  - Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
  - Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_ or Permit Number: \_\_\_\_\_

11.  
**Multi-Well Fluid Management Pit Checklist:** Subsection B of 19.15.17.9 NMAC  
*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.*

- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
  - Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
  - A List of wells with approved application for permit to drill associated with the pit.
  - Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
  - Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
  - Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_ or Permit Number: \_\_\_\_\_

12.

**Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC

*Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.*

- Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.

**Proposed Closure:** 19.15.17.13 NMAC

*Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.*

- Type:  Drilling  Workover  Emergency  Cavitation  P&A  Permanent Pit  Below-grade Tank  Multi-well Fluid Management Pit  
 Alternative
- Proposed Closure Method:  Waste Excavation and Removal  
 Waste Removal (Closed-loop systems only)  
 On-site Closure Method (Only for temporary pits and closed-loop systems)  
 In-place Burial  On-site Trench Burial  
 Alternative Closure Method

14.

**Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.

**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

*Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.*

|   |   |
|---|---|
| Ground water is less than 25 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site                        | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet of a wetland.<br>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |

|   |  |
|---|--|
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within the area overlying a subsurface mine.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within an unstable area.<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map     | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within a 100-year floodplain.<br>- FEMA map   | <input type="checkbox"/> Yes <input type="checkbox"/> No |

16.  
**On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.  
**Operator Application Certification:**  
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

18. Report  
**OCD Approval:**  Permit Application (including closure plan)  Closure Plan (only)  OCD Conditions (see attachment)

**OCD Representative Signature:** Jaelyn Burdine **Approval Date:** 07/29/2022

**Title:** Environmental Specialist-A **OCD Permit Number:** BGT1

19.  
**Closure Report (required within 60 days of closure completion):** 19.15.17.13 NMAC  
*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

**Closure Completion Date:** 3/31/2022

20.  
**Closure Method:**  
 Waste Excavation and Removal  On-Site Closure Method  Alternative Closure Method  Waste Removal (Closed-loop systems only)  
 If different from approved plan, please explain.

21.  
**Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- Proof of Closure Notice (surface owner and division)
- Proof of Deed Notice (required for on-site closure for private land only)
- Plot Plan (for on-site closures and temporary pits)
- Confirmation Sampling Analytical Results (if applicable)
- Waste Material Sampling Analytical Results (required for on-site closure)
- Disposal Facility Name and Permit Number
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD:  1927  1983

22.

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Amanda Walker Title: Operations/Regulatory Technician – Sr

Signature:  Date: 6/2/2022

e-mail address: mwalker@hilcorp.com Telephone: (346) 237-2177

Hilcorp Energy Company  
San Juan Basin  
Below Grade Tank Closure Report

Lease Name: Scott E Federal 23 42

API No.: 30-045-28516

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure of the below-grade tank referenced above. All proper documentation regarding closure activities is being included with the C-144.

General Plan:

1. HILCORP shall close a below-grade tank within 60 days of cessation of operations per Subsection G.4 of 19.15.17.13 NMAC. This will include a) below-grade tanks that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; b) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, HILCORP will file the C144 Closure Report as required.

The below-grade tank referenced above was permitted and closed within 60 days of cessation of the below-grade tanks operation.

2. HILCORP shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005), JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) and Envirotech Land Farm (Permit #NM-01-011). The liner after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.

All recovered liquids were disposed of at Basin Disposal (Permit #NM-01-005) and any sludge or soil required to be removed to facilitate closure was hauled to Envirotech Land Farm (Permit #NM-01-011) and JFJ Landfarm % IEI (Permit #NM-01-0010B). The liner was cleaned per Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC was disposed of at the San Juan County Regional Landfill located on CR 3100.

3. HILCORP will receive prior approval to remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.

The below-grade tank was disposed of in a division-approved manner.

4. If there is any on-site equipment associated with a below-grade tank, then HILCORP shall remove the equipment, unless the equipment is required for some other purpose.

All on-site equipment associated with the below-grade tank was removed.

5. HILCORP will test the soils beneath the below-grade tank to determine whether a release has occurred. HILCORP shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyzed for the constituents listed in Table I of 19.15.17.13 NMAC. Hilcorp shall notify the division of its results on form C-141.

6/2/2022

A five point composite sample was taken of the below-grade tank using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached). Form C-141 is attached.

| Components | Tests Method              | Limit (mg/kg) |
|------------|---------------------------|---------------|
| Benzene    | EPA SW-846 8021B or 8260B | 0.2           |
| BTEX       | EPA SW-846 8021B or 8260B | 50            |
| TPH        | EPA SW-846 418.1          | 100           |
| Chlorides  | EPA 300.0                 | 250           |

6. If HILCORP or the division determines that a release has occurred, then HILCORP shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

A release **was** determined for the above referenced well.

7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Table I of 19.15.17.13 NMAC, then HILCORP shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.

The below-grade tank area passed all requirements of Paragraph (4) of Subsection E of 19.15.17.13 NMAC and was backfilled with compacted, non-waste containing, earthen material.

8. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
  - i. Operator's name
  - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.

Notification is attached.

9. The surface owner shall be notified of HILCORP's closing of the below-grade tank 72 hours, but not more than one week, prior to closure as per the approved closure plan via certified mail, return receipt requested.

The closure process notification to the landowner was sent via **email**. (See Attached) (Well located on Federal Land, certified mail is not required for Federal Land per BLM/OCD MOU.)

10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be place in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.

The below-grade tank area was re-contoured to match fit, shape, line, form and texture of the surrounding area. Re-shaping including drainage control, to prevent ponding and erosion. Natural drainages were unimpeded and water bars and/or silt traps were placed in areas where needed to prevent erosion on a large scale. Final recontour has a uniform appearance with smooth surface, fitting the natural landscape.

11. HILCORP shall seed the disturbed areas the first favorable growing season following closure of a below-grade tank. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM stipulated seed mixes will be used on federally regulated lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private lands. A uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. Hilcorp will repeat seeding or planting will be continued until successful vegetative growth occurs.

Provision 13 was accomplished through complying with BLM seeding requirements as allowed by the BLM/OCD MOU.

12. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material, with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0, to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

The below-grade tank area will be backfilled and more than four feet of cover will be achieved and the cover will include one foot of suitable material to establish vegetation at the site after remediation.

13. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:

- Soil Backfilling and Cover Installation (See Report)
- Re-vegetation application rates and seeding techniques (See Report)
- Photo documentation of the site reclamation (Included as an attachment)
- Confirmation Sampling Results (Included as an attachment)
- Proof of closure notice (Included as an attachment)

6/2/2022

Mandi Walker

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From: Mandi Walker  
 Sent: Tuesday, March 29, 2022 6:28 AM  
 To: Brandon Sinclair; Clara Cardoza; Eufrazio Trujillo; Kandis Roland; Kate Kaufman; Keri Hutchins; I1thomas@blm.gov; Mandi Walker; Ryan Joyner; Victoria Venegas  
 Cc: Freddie Garcia; Roman Lucero; Dirk Scanlan; Joe Corbin  
 Subject: Scott E Federal 23 42 - 72 hr BGT Closure Notice  
 Attachments: 3004528516\_40\_Scott E Federal 23 42\_BGT Permit\_OCD Appvd.pdf

Follow Up Flag: Follow up  
 Due By: Monday, May 2, 2022 3:00 PM  
 Flag Status: Flagged

The subject well has a below-grade tank that will be permanently removed. The BGT Permit is attached. Please contact me at any time if you have any questions or concerns.

Well Name: SCOTT E FEDERAL 23 42  
 API#: 3004528516  
 Location: H,23,27N,11W  
 Footages: 1620' FNL & 330' FEL  
 Operator: HEC (permitted by XTO)  
 Surface Owner: BLM  
 Scheduled Date & Time of Start: **March 31<sup>st</sup> @ 9 am**

**\*\*Please Note Required Photos for Closure\*\***

Well site placard  
 Photos of the BGT prior to closure  
 The sample location or, more preferred, photos of actual sample collection  
 Final state of the area after closure.  
 Photos will require captioning including direction of photo, date and time of photo and a description of the image contents.

*Mandi Walker*

*San Juan North/South (6,7) Regulatory Technician*  
*Hilcorp Energy*  
 346.237.2177  
[mwalker@hilcorp.com](mailto:mwalker@hilcorp.com)

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    |  |
| District RP    |  |
| Facility ID    |  |
| Application ID |  |

# I Release Notification

## Responsible Party

|  |                                 |
|--|---------------------------------|
| Responsible Party Hilcorp Energy                           | OGRID 372171                    |
| Contact Name: Kate Kaufman                                 | Contact Telephone: 346-237-2275 |
| Contact email: kkaufman@hilcorp.com                        | Incident # (assigned by OCD)    |
| Contact mailing address: 1111 Travis St. Houston, TX 77471 |                                 |

## Location of Release Source

Latitude 36.563554 \_\_\_\_\_ Longitude -107.964782 \_\_\_\_\_  
(NAD 83 in decimal degrees to 5 decimal places)

|                                   |                                   |
|-----------------------------------|-----------------------------------|
| Site Name: Scott E Federal 23 #42 | Site Type: Well Site              |
| Date Release Discovered: 4/8/2022 | API# (if applicable) 30-045-28516 |

| Unit Letter | Section | Township | Range | County   |
|-------------|---------|----------|-------|----------|
| H           | 23      | 27N      | 011W  | 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 type="checkbox"/> Condensate  | Volume Released (bbls)   | Volume Recovered (bbls)                                  |
| <input type="checkbox"/> Natural Gas   | Volume Released (Mcf)  | Volume Recovered (Mcf)                                   |
| <input checked="" type="checkbox"/> Other (describe)<br>Historic Hydrocarbon | Volume/Weight Released (provide units)<br>Unknown                              | Volume/Weight Recovered (provide units)                  |

Cause of Release

Historic contamination was discovered during BGT permit closure operations. See attached notes for additional details.

State of New Mexico  
Oil Conservation Division

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

|   |  |
|---|--|
| Was this a major release as defined by 19.15.29.7(A) NMAC?<br><br><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)?<br>N/A                   |  |

### Initial Response

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

|  |
|--|
| <input type="checkbox"/> The source of the release has been stopped.<br><input type="checkbox"/> The impacted area has been secured to protect human health and the environment.<br><input type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.<br><input 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>This is a historic release and there was no active source at the time of discovery.  |
| 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> Kate Kaufman </u> Title: <u> Environmental Specialist </u><br>Signature: <u>  </u> Date: <u> 5/11/2022 </u><br>email: <u> kkaufman@hilcorp.com </u> Telephone: <u> 346-237-2275 </u>  |
| <b><u>OCD Only</u></b><br><br>Received by: _____ Date: _____   |



Hall Environmental Analysis Laboratory  
4901 Hawkins NE  
Albuquerque, NM 87109  
TEL: 505-345-3975 FAX: 505-345-4107  
Website: [www.hallenvironmental.com](http://www.hallenvironmental.com)

April 07, 2022

Fasho Trujillo  
HILCORP ENERGY  
PO Box 4700  
Farmington, NM 87499  
TEL: (505) 564-0733  
FAX:

RE: Scott E Fed 23 42 BGT Closure P and A

OrderNo.: 2204003

Dear Fasho Trujillo:

Hall Environmental Analysis Laboratory received 1 sample(s) on 4/1/2022 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to [www.hallenvironmental.com](http://www.hallenvironmental.com) or the state specific web sites. In order to properly interpret your results, it is imperative that you review this report in its entirety. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. When necessary, data qualifiers are provided on both the sample analysis report and the QC summary report, both sections should be reviewed. All samples are reported, as received, unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

ADHS Cert #AZ0682 -- NMED-DWB Cert #NM9425 -- NMED-Micro Cert #NM0901

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Freeman', is written in a cursive style.

Andy Freeman  
Laboratory Manager  
4901 Hawkins NE  
Albuquerque, NM 87109

**Analytical Report**

Lab Order **2204003**

Date Reported: **4/7/2022**

**Hall Environmental Analysis Laboratory, Inc.**

**CLIENT:** HILCORP ENERGY

**Client Sample ID:** BGT Closure

**Project:** Scott E Fed 23 42 BGT Closure P and A

**Collection Date:** 3/31/2022 9:08:00 AM

**Lab ID:** 2204003-001

**Matrix:** MEOH (SOIL)

**Received Date:** 4/1/2022 8:00:00 AM

| Analyses   | Result | RL       | Qual | Units | DF | Date Analyzed        | Batch               |
|--|--------|----------|------|-------|----|----------------------|---------------------|
| <b>EPA METHOD 300.0: ANIONS</b>                  |        |          |      |       |    |                      | Analyst: <b>MRA</b> |
| Chloride   | ND     | 60       |      | mg/Kg | 20 | 4/4/2022 2:36:06 PM  | 66597               |
| <b>EPA METHOD 8015M/D: DIESEL RANGE ORGANICS</b> |        |          |      |       |    |                      | Analyst: <b>JME</b> |
| Diesel Range Organics (DRO)                      | 38     | 10       |      | mg/Kg | 1  | 4/4/2022 1:09:41 PM  | 66578               |
| Motor Oil Range Organics (MRO)                   | 150    | 50       |      | mg/Kg | 1  | 4/4/2022 1:09:41 PM  | 66578               |
| Surr: DNOP                                       | 93.3   | 51.1-141 |      | %Rec  | 1  | 4/4/2022 1:09:41 PM  | 66578               |
| <b>EPA METHOD 8015D: GASOLINE RANGE</b>          |        |          |      |       |    |                      | Analyst: <b>CCM</b> |
| Gasoline Range Organics (GRO)                    | ND     | 3.7      |      | mg/Kg | 1  | 4/1/2022 12:17:00 PM | B86911              |
| Surr: BFB  | 95.4   | 37.7-212 |      | %Rec  | 1  | 4/1/2022 12:17:00 PM | B86911              |
| <b>EPA METHOD 8021B: VOLATILES</b>               |        |          |      |       |    |                      | Analyst: <b>CCM</b> |
| Benzene  | ND     | 0.019    |      | mg/Kg | 1  | 4/1/2022 12:17:00 PM | C86911              |
| Toluene  | ND     | 0.037    |      | mg/Kg | 1  | 4/1/2022 12:17:00 PM | C86911              |
| Ethylbenzene                                     | ND     | 0.037    |      | mg/Kg | 1  | 4/1/2022 12:17:00 PM | C86911              |
| Xylenes, Total                                   | ND     | 0.075    |      | mg/Kg | 1  | 4/1/2022 12:17:00 PM | C86911              |
| Surr: 4-Bromofluorobenzene                       | 77.8   | 70-130   |      | %Rec  | 1  | 4/1/2022 12:17:00 PM | C86911              |

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

|                    |  |   |
|--------------------|--|---|
| <b>Qualifiers:</b> | * Value exceeds Maximum Contaminant Level.                           | B Analyte detected in the associated Method Blank |
|                    | D Sample Diluted Due to Matrix                                       | E Estimated value                                 |
|                    | H Holding times for preparation or analysis exceeded                 | J Analyte detected below quantitation limits      |
|                    | ND Not Detected at the Reporting Limit                               | P Sample pH Not In Range                          |
|                    | PQL Practical Quantitative Limit                                     | RL Reporting Limit                                |
|                    | S % Recovery outside of range due to dilution or matrix interference |   |

# QC SUMMARY REPORT

## Hall Environmental Analysis Laboratory, Inc.

WO#: 2204003

07-Apr-22

**Client:** HILCORP ENERGY  
**Project:** Scott E Fed 23 42 BGT Closure P and A

| Sample ID: <b>MB-66597</b> | SampType: <b>mblk</b>          | TestCode: <b>EPA Method 300.0: Anions</b> |                     |             |      |          |           |      |          |      |
|----------------------------|--------------------------------|---|---------------------|-------------|------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>      | Batch ID: <b>66597</b>         | RunNo: <b>86968</b>                       |                     |             |      |          |           |      |          |      |
| Prep Date: <b>4/4/2022</b> | Analysis Date: <b>4/4/2022</b> | SeqNo: <b>3073845</b>                     | Units: <b>mg/Kg</b> |             |      |          |           |      |          |      |
| Analyte                    | Result                         | PQL                                       | SPK value           | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride                   | ND                             | 1.5                                       |                     |             |      |          |           |      |          |      |

| Sample ID: <b>LCS-66597</b> | SampType: <b>lcs</b>           | TestCode: <b>EPA Method 300.0: Anions</b> |                     |             |      |          |           |      |          |      |
|-----------------------------|--------------------------------|---|---------------------|-------------|------|----------|-----------|------|----------|------|
| Client ID: <b>LCSS</b>      | Batch ID: <b>66597</b>         | RunNo: <b>86968</b>                       |                     |             |      |          |           |      |          |      |
| Prep Date: <b>4/4/2022</b>  | Analysis Date: <b>4/4/2022</b> | SeqNo: <b>3073846</b>                     | Units: <b>mg/Kg</b> |             |      |          |           |      |          |      |
| Analyte                     | Result                         | PQL                                       | SPK value           | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Chloride                    | 14                             | 1.5                                       | 15.00               | 0           | 90.5 | 90       | 110       |      |          |      |

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

# QC SUMMARY REPORT

## Hall Environmental Analysis Laboratory, Inc.

WO#: 2204003

07-Apr-22

**Client:** HILCORP ENERGY  
**Project:** Scott E Fed 23 42 BGT Closure P and A

| Sample ID: <b>MB-66578</b>     | SampType: <b>MBLK</b>          |     | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |             |                     |          |           |      |          |      |
|--------------------------------|--------------------------------|-----|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>          | Batch ID: <b>66578</b>         |     | RunNo: <b>86952</b>  |             |                     |          |           |      |          |      |
| Prep Date: <b>4/1/2022</b>     | Analysis Date: <b>4/4/2022</b> |     | SeqNo: <b>3072997</b>                                      |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                        | Result                         | PQL | SPK value  | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO)    | ND                             | 10  |  |             |                     |          |           |      |          |      |
| Motor Oil Range Organics (MRO) | ND                             | 50  |  |             |                     |          |           |      |          |      |
| Surr: DNOP                     | 8.2                            |     | 10.00  |             | 81.8                | 51.1     | 141       |      |          |      |

| Sample ID: <b>MB-66578</b>     | SampType: <b>MBLK</b>          |     | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |             |                     |          |           |      |          |      |
|--------------------------------|--------------------------------|-----|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>          | Batch ID: <b>66578</b>         |     | RunNo: <b>86966</b>  |             |                     |          |           |      |          |      |
| Prep Date: <b>4/1/2022</b>     | Analysis Date: <b>4/4/2022</b> |     | SeqNo: <b>3073003</b>                                      |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                        | Result                         | PQL | SPK value  | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO)    | ND                             | 10  |  |             |                     |          |           |      |          |      |
| Motor Oil Range Organics (MRO) | ND                             | 50  |  |             |                     |          |           |      |          |      |
| Surr: DNOP                     | 9.1                            |     | 10.00  |             | 91.4                | 51.1     | 141       |      |          |      |

| Sample ID: <b>MB-66578</b>     | SampType: <b>MBLK</b>          |     | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |             |                     |          |           |      |          |      |
|--------------------------------|--------------------------------|-----|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>          | Batch ID: <b>66578</b>         |     | RunNo: <b>86951</b>  |             |                     |          |           |      |          |      |
| Prep Date: <b>4/1/2022</b>     | Analysis Date: <b>4/4/2022</b> |     | SeqNo: <b>3073032</b>                                      |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                        | Result                         | PQL | SPK value  | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO)    | ND                             | 10  |  |             |                     |          |           |      |          |      |
| Motor Oil Range Organics (MRO) | ND                             | 50  |  |             |                     |          |           |      |          |      |
| Surr: DNOP                     | 8.9                            |     | 10.00  |             | 89.4                | 51.1     | 141       |      |          |      |

| Sample ID: <b>LCS-66578</b> | SampType: <b>LCS</b>           |     | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |             |                     |          |           |      |          |      |
|-----------------------------|--------------------------------|-----|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>LCSS</b>      | Batch ID: <b>66578</b>         |     | RunNo: <b>86951</b>  |             |                     |          |           |      |          |      |
| Prep Date: <b>4/1/2022</b>  | Analysis Date: <b>4/4/2022</b> |     | SeqNo: <b>3073034</b>                                      |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                     | Result                         | PQL | SPK value  | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO) | 57                             | 10  | 50.00  | 0           | 114                 | 68.9     | 135       |      |          |      |
| Surr: DNOP                  | 3.9                            |     | 5.000  |             | 78.5                | 51.1     | 141       |      |          |      |

| Sample ID: <b>MB-66578</b>     | SampType: <b>MBLK</b>          |     | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |             |                     |          |           |      |          |      |
|--------------------------------|--------------------------------|-----|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>          | Batch ID: <b>66578</b>         |     | RunNo: <b>86986</b>  |             |                     |          |           |      |          |      |
| Prep Date: <b>4/1/2022</b>     | Analysis Date: <b>4/5/2022</b> |     | SeqNo: <b>3073803</b>                                      |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                        | Result                         | PQL | SPK value  | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Diesel Range Organics (DRO)    | ND                             | 10  |  |             |                     |          |           |      |          |      |
| Motor Oil Range Organics (MRO) | ND                             | 50  |  |             |                     |          |           |      |          |      |
| Surr: DNOP                     | 5.8                            |     | 10.00  |             | 58.1                | 51.1     | 141       |      |          |      |

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

# QC SUMMARY REPORT

## Hall Environmental Analysis Laboratory, Inc.

WO#: 2204003

07-Apr-22

**Client:** HILCORP ENERGY  
**Project:** Scott E Fed 23 42 BGT Closure P and A

| Sample ID: <b>LCS-66611</b> | SampType: <b>LCS</b>           | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |                    |             |      |          |           |      |          |      |
|-----------------------------|--------------------------------|--|--------------------|-------------|------|----------|-----------|------|----------|------|
| Client ID: <b>LCSS</b>      | Batch ID: <b>66611</b>         | RunNo: <b>87027</b>  |                    |             |      |          |           |      |          |      |
| Prep Date: <b>4/4/2022</b>  | Analysis Date: <b>4/5/2022</b> | SeqNo: <b>3075308</b>                                      | Units: <b>%Rec</b> |             |      |          |           |      |          |      |
| Analyte                     | Result                         | PQL  | SPK value          | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Surr: DNOP                  | 5.1                            |  | 5.000              |             | 102  | 51.1     | 141       |      |          |      |

| Sample ID: <b>MB-66611</b> | SampType: <b>MBLK</b>          | TestCode: <b>EPA Method 8015M/D: Diesel Range Organics</b> |                    |             |      |          |           |      |          |      |
|----------------------------|--------------------------------|--|--------------------|-------------|------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>      | Batch ID: <b>66611</b>         | RunNo: <b>87027</b>  |                    |             |      |          |           |      |          |      |
| Prep Date: <b>4/4/2022</b> | Analysis Date: <b>4/5/2022</b> | SeqNo: <b>3075310</b>                                      | Units: <b>%Rec</b> |             |      |          |           |      |          |      |
| Analyte                    | Result                         | PQL  | SPK value          | SPK Ref Val | %REC | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Surr: DNOP                 | 9.4                            |  | 10.00              |             | 93.7 | 51.1     | 141       |      |          |      |

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

# QC SUMMARY REPORT

## Hall Environmental Analysis Laboratory, Inc.

WO#: 2204003

07-Apr-22

**Client:** HILCORP ENERGY  
**Project:** Scott E Fed 23 42 BGT Closure P and A

| Sample ID: <b>2.5ug gro lcs</b> | SampType: <b>LCS</b>           |     | TestCode: <b>EPA Method 8015D: Gasoline Range</b> |             |                     |          |           |      |          |      |
|---------------------------------|--------------------------------|-----|---|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>LCSS</b>          | Batch ID: <b>B86911</b>        |     | RunNo: <b>86911</b>                               |             |                     |          |           |      |          |      |
| Prep Date:                      | Analysis Date: <b>4/1/2022</b> |     | SeqNo: <b>3073837</b>                             |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                         | Result                         | PQL | SPK value   | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Gasoline Range Organics (GRO)   | 26                             | 5.0 | 25.00   | 0           | 105                 | 72.3     | 137       |      |          |      |
| Surr: BFB                       | 2100                           |     | 1000  |             | 215                 | 37.7     | 212       |      |          | S    |

| Sample ID: <b>mb</b>          | SampType: <b>MBLK</b>          |     | TestCode: <b>EPA Method 8015D: Gasoline Range</b> |             |                     |          |           |      |          |      |
|-------------------------------|--------------------------------|-----|---|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>         | Batch ID: <b>B86911</b>        |     | RunNo: <b>86911</b>                               |             |                     |          |           |      |          |      |
| Prep Date:                    | Analysis Date: <b>4/1/2022</b> |     | SeqNo: <b>3073838</b>                             |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                       | Result                         | PQL | SPK value   | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Gasoline Range Organics (GRO) | ND                             | 5.0 |   |             |                     |          |           |      |          |      |
| Surr: BFB                     | 1000                           |     | 1000  |             | 100                 | 37.7     | 212       |      |          |      |

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit

# QC SUMMARY REPORT

## Hall Environmental Analysis Laboratory, Inc.

WO#: 2204003

07-Apr-22

**Client:** HILCORP ENERGY  
**Project:** Scott E Fed 23 42 BGT Closure P and A

| Sample ID: <b>2204003-001ams</b> | SampType: <b>MS</b>            |       | TestCode: <b>EPA Method 8021B: Volatiles</b> |             |                     |          |           |      |          |      |
|----------------------------------|--------------------------------|-------|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>BGT Closure</b>    | Batch ID: <b>C86911</b>        |       | RunNo: <b>86911</b>                          |             |                     |          |           |      |          |      |
| Prep Date:                       | Analysis Date: <b>4/1/2022</b> |       | SeqNo: <b>3070904</b>                        |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                          | Result                         | PQL   | SPK value                                    | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Benzene                          | 0.73                           | 0.019 | 0.7496                                       | 0           | 97.4                | 68.8     | 120       |      |          |      |
| Toluene                          | 0.73                           | 0.037 | 0.7496                                       | 0           | 97.5                | 73.6     | 124       |      |          |      |
| Ethylbenzene                     | 0.72                           | 0.037 | 0.7496                                       | 0           | 96.7                | 72.7     | 129       |      |          |      |
| Xylenes, Total                   | 2.1                            | 0.075 | 2.249  | 0           | 95.4                | 75.7     | 126       |      |          |      |
| Surr: 4-Bromofluorobenzene       | 0.54                           |       | 0.7496                                       |             | 72.5                | 70       | 130       |      |          |      |

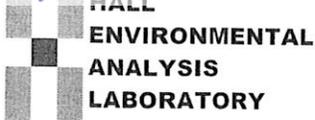
| Sample ID: <b>2204003-001amsd</b> | SampType: <b>MSD</b>           |       | TestCode: <b>EPA Method 8021B: Volatiles</b> |             |                     |          |           |      |          |      |
|-----------------------------------|--------------------------------|-------|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>BGT Closure</b>     | Batch ID: <b>C86911</b>        |       | RunNo: <b>86911</b>                          |             |                     |          |           |      |          |      |
| Prep Date:                        | Analysis Date: <b>4/1/2022</b> |       | SeqNo: <b>3070905</b>                        |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                           | Result                         | PQL   | SPK value                                    | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Benzene                           | 0.69                           | 0.019 | 0.7496                                       | 0           | 92.2                | 68.8     | 120       | 5.41 | 20       |      |
| Toluene                           | 0.69                           | 0.037 | 0.7496                                       | 0           | 92.3                | 73.6     | 124       | 5.41 | 20       |      |
| Ethylbenzene                      | 0.69                           | 0.037 | 0.7496                                       | 0           | 91.9                | 72.7     | 129       | 5.06 | 20       |      |
| Xylenes, Total                    | 2.0                            | 0.075 | 2.249  | 0           | 90.9                | 75.7     | 126       | 4.82 | 20       |      |
| Surr: 4-Bromofluorobenzene        | 0.56                           |       | 0.7496                                       |             | 74.2                | 70       | 130       | 0    | 0        |      |

| Sample ID: <b>100ng btex lcs</b> | SampType: <b>LCS</b>           |       | TestCode: <b>EPA Method 8021B: Volatiles</b> |             |                     |          |           |      |          |      |
|----------------------------------|--------------------------------|-------|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>LCSS</b>           | Batch ID: <b>C86911</b>        |       | RunNo: <b>86911</b>                          |             |                     |          |           |      |          |      |
| Prep Date:                       | Analysis Date: <b>4/1/2022</b> |       | SeqNo: <b>3073839</b>                        |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                          | Result                         | PQL   | SPK value                                    | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Benzene                          | 0.84                           | 0.025 | 1.000  | 0           | 83.9                | 80       | 120       |      |          |      |
| Toluene                          | 0.87                           | 0.050 | 1.000  | 0           | 87.2                | 80       | 120       |      |          |      |
| Ethylbenzene                     | 0.89                           | 0.050 | 1.000  | 0           | 88.7                | 80       | 120       |      |          |      |
| Xylenes, Total                   | 2.6                            | 0.10  | 3.000  | 0           | 88.0                | 80       | 120       |      |          |      |
| Surr: 4-Bromofluorobenzene       | 0.83                           |       | 1.000  |             | 83.1                | 70       | 130       |      |          |      |

| Sample ID: <b>mb</b>       | SampType: <b>MBLK</b>          |       | TestCode: <b>EPA Method 8021B: Volatiles</b> |             |                     |          |           |      |          |      |
|----------------------------|--------------------------------|-------|--|-------------|---------------------|----------|-----------|------|----------|------|
| Client ID: <b>PBS</b>      | Batch ID: <b>C86911</b>        |       | RunNo: <b>86911</b>                          |             |                     |          |           |      |          |      |
| Prep Date:                 | Analysis Date: <b>4/1/2022</b> |       | SeqNo: <b>3073840</b>                        |             | Units: <b>mg/Kg</b> |          |           |      |          |      |
| Analyte                    | Result                         | PQL   | SPK value                                    | SPK Ref Val | %REC                | LowLimit | HighLimit | %RPD | RPDLimit | Qual |
| Benzene                    | ND                             | 0.025 |  |             |                     |          |           |      |          |      |
| Toluene                    | ND                             | 0.050 |  |             |                     |          |           |      |          |      |
| Ethylbenzene               | ND                             | 0.050 |  |             |                     |          |           |      |          |      |
| Xylenes, Total             | ND                             | 0.10  |  |             |                     |          |           |      |          |      |
| Surr: 4-Bromofluorobenzene | 0.82                           |       | 1.000  |             | 82.0                | 70       | 130       |      |          |      |

**Qualifiers:**

- \* Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- PQL Practical Quantitative Limit
- S % Recovery outside of range due to dilution or matrix interference
- B Analyte detected in the associated Method Blank
- E Estimated value
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Limit



Hall Environmental Analysis Laboratory  
4901 Hawkins NE  
Albuquerque, NM 87109  
TEL: 505-345-3975 FAX: 505-345-4107  
Website: www.hallenvironmental.com

# Sample Log-In Check List

Client Name: HILCORP ENERGY Work Order Number: 2204003 RcptNo: 1

Received By: Cheyenne Cason 4/1/2022 8:00:00 AM *CC*  
Completed By: Cheyenne Cason 4/1/2022 8:25:58 AM *CC*  
Reviewed By: *IO* 4/1/22

### Chain of Custody

- 1. Is Chain of Custody complete? Yes  No  Not Present
- 2. How was the sample delivered? Courier

### Log In

- 3. Was an attempt made to cool the samples? Yes  No  NA
- 4. Were all samples received at a temperature of >0° C to 6.0°C Yes  No  NA
- 5. Sample(s) in proper container(s)? Yes  No
- 6. Sufficient sample volume for indicated test(s)? Yes  No
- 7. Are samples (except VOA and ONG) properly preserved? Yes  No
- 8. Was preservative added to bottles? Yes  No  NA
- 9. Received at least 1 vial with headspace <1/4" for AQ VOA? Yes  No  NA
- 10. Were any sample containers received broken? Yes  No
- 11. Does paperwork match bottle labels? (Note discrepancies on chain of custody) Yes  No
- 12. Are matrices correctly identified on Chain of Custody? Yes  No
- 13. Is it clear what analyses were requested? Yes  No
- 14. Were all holding times able to be met? (If no, notify customer for authorization.) Yes  No

# of preserved bottles checked for pH:   
 (<2 or >12 unless noted)

Adjusted?   
 Checked by: *KPG 4/1/22*

### Special Handling (if applicable)

- 15. Was client notified of all discrepancies with this order? Yes  No  NA

Person Notified: \_\_\_\_\_ Date: \_\_\_\_\_  
 By Whom: \_\_\_\_\_ Via:  eMail  Phone  Fax  In Person  
 Regarding: \_\_\_\_\_  
 Client Instructions: \_\_\_\_\_

16. Additional remarks:

### 17. Cooler Information

| Cooler No | Temp °C | Condition | Seal Intact | Seal No | Seal Date | Signed By |
|-----------|---------|-----------|-------------|---------|-----------|-----------|
| 1         | 5.5     | Good      | Yes         |         |           |           |

### Chain-of-Custody Record

Client: Hilcorp Energy  
 Mailing Address: 382 CR3100  
Artec NM 87410  
 Phone #: \_\_\_\_\_

email or Fax#: KKaufman@hilcorp.com  
 QA/QC Package: FTrujillo@hilcorp.com  
 Standard  Level 4 (Full Validation)

Accreditation:  Az Compliance  
 NELAC  Other  
 EDD (Type) \_\_\_\_\_

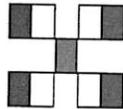
Date: 3/31/22 9:08  
 Matrix: Soil  
 Sample Name: BoT Closure

Turn-Around Time:  
 Standard  Rush By 4/14/22  
 Project Name: Scott E Fed 23-42  
BoT Closure P1A  
 Project #: \_\_\_\_\_

Project Manager:  
Fasho Trujillo

Sampler: Trujillo  
 On Ice:  Yes  No  
 # of Coolers: 1

Cooler Temp (including CF): 4.5.5-0-5.5 (°C)  
 Container Type and #: 4oz glass / 1  
 Preservative Type: —  
 HEAL No.: 2204003  
001



### HALL ENVIRONMENTAL ANALYSIS LABORATORY

www.hallenvironmental.com

4901 Hawkins NE - Albuquerque, NM 87109

Tel. 505-345-3975 Fax 505-345-4107

#### Analysis Request

|  |  |
|--|--|
| BTEX / MTBE / TMB's (8021)   | <input checked="" type="checkbox"/>                        |
| TPH:8015D(GRO / DRO / MRO)   | <input checked="" type="checkbox"/>                        |
| 8081 Pesticides/8082 PCB's   |  |
| EDB (Method 504.1)   |  |
| PAHs by 8310 or 8270SIMS   |  |
| RCRA 8 Metals  |  |
| Cl, F, Br, NO <sub>3</sub> , NO <sub>2</sub> , PO <sub>4</sub> , SO <sub>4</sub> |  |
| 8260 (VOA)   |  |
| 8270 (Semi-VOA)  |  |
| Total Coliform (Present/Absent)  | <input checked="" type="checkbox"/> <u>Chlorides 300.0</u> |

Remarks:

Date: 3/31/22 1458 Relinquished by: [Signature]  
 Date: 3/31/22 1820 Relinquished by: [Signature]  
 Received by: [Signature] Date: 3/31/22 1455  
 Received by: [Signature] Date: 4/1/22 0800

|                                   |             | Scott E Federal 23 #42 Laboratory Results |                  |                    |                    |                    |                   |                          |                 |                 |                      |                      |                    |
|-----------------------------------|-------------|---|------------------|--------------------|--------------------|--------------------|-------------------|--------------------------|-----------------|-----------------|----------------------|----------------------|--------------------|
| Sample Name                       | Sample Date | Field VOCs by PID (ppm)                   | Chloride (mg/kg) | TPH as DRO (mg/kg) | TPH as GRO (mg/kg) | TPH as MRO (mg/kg) | Total TPH (mg/kg) | TPH as GRO + DRO (mg/kg) | Benzene (mg/kg) | Toluene (mg/kg) | Ethylbenzene (mg/kg) | Total Xylene (mg/kg) | Total BTEX (mg/kg) |
| 19.15.17 Table 1 Closure Criteria |             |   | 20,000           | -                  | -                  | -                  | 2,500             | 1,000                    | 10              | -               | -                    | -                    | 50                 |
| BGT Permit Closure Criteria       |             |   | 250              | -                  | -                  | -                  | 100               | -                        | 0.2             | -               | -                    | -                    | 50                 |
| BGT Closure Sample                | 03/31/22    | -   | ND               | 38                 | 150                | ND                 | 188               | ND                       | ND              | ND              | ND                   | ND                   | ND                 |

Analytical results showed TPH levels that exceeded BGT permit criteria, but are below closure criteria in Table 1 of 19.15.17.

Hilcorp requests a variance from the BGT permit closure standards, as adherence to current regulatory standards offers equal or better protection of water resources.

SCOTT E. FEDERAL 23 #42

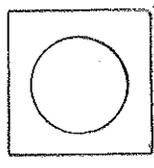
API # - 30-045-28516

BGT SAMPLING DIAGRAM

TAKEN 3-21-22 AT 9:20AM



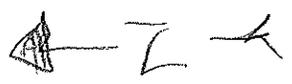
PIC#1



PIC#4

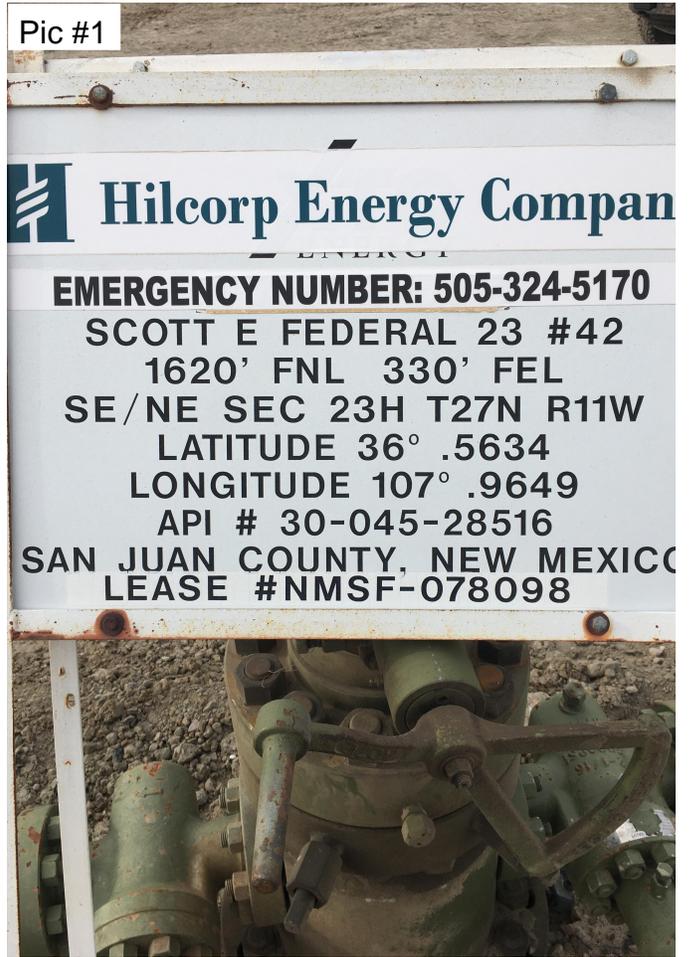
PIC#2

PIC#3





Pic #4



Pic #1



Pic #2



Pic #3

**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 112949

**CONDITIONS**

|  |  |
|--|--|
| Operator:<br>HILCORP ENERGY COMPANY<br>1111 Travis Street<br>Houston, TX 77002 | OGRID:<br>372171                                       |
|  | Action Number:<br>112949                               |
|  | Action Type:<br>[C-144] Below Grade Tank Plan (C-144B) |

**CONDITIONS**

| Created By | Condition   | Condition Date |
|------------|---|----------------|
| jburdine   | Closure report shows that release was confirmed. Variance requested as the limits stayed within the 19.15.29 and 19.15.17 NMAC table limits for remediation requirements. Variance granted. All other closure protocols were met BGT Closure report approved. | 8/10/2022      |