

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

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

Form C-141
Revised April 3, 2017

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Hilcorp Energy Company	Contact Jennifer Deal
Address 9a CR 5793	Telephone No. (505) 324-5128
Facility Name Standard I	Facility Type Gas Well

Surface Owner Federal	Mineral Owner	API No. 30-045-08718
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LOCATION OF RELEASE

Unit Letter J	Section 04	Township 29N	Range 12W	Feet from the 1850	North/South Line South	Feet from the 1500	East/West Line East	County San Juan County
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Latitude 36.7536011 Longitude -108.1002121 NAD83

NATURE OF RELEASE

Type of Release Produced Water/Hydrocarbon	Volume of Release Unknown	Volume Recovered none
Source of Release Dump Line to Tank	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 11/28/17 @ 10:15am

Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Cory Smith & Vanessa Fields & Whitney Thomas
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By Whom? Jennifer Deal	Date and Hour 11/29/17 @ 9:07am
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Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.
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If a Watercourse was Impacted, Describe Fully.*

**OIL CONS. DIV DIST. 3
DEC 08 2017**

Describe Cause of Problem and Remedial Action Taken.*
Operator discovered historic contamination while digging up the dump line to the tank.

Describe Area Affected and Cleanup Action Taken.*
Hilcorp Energy Company will begin delineation by hand auger starting at Monday 12/11 at 8am to assess the soil

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

Signature: <i>Jennifer Deal</i>	OIL CONSERVATION DIVISION	
Printed Name: Jennifer Deal	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Environmental Specialist	Approval Date: <i>12/8/17</i>	Expiration Date:
E-mail Address: jdeal@hilcorp.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 12/6/17 Phone: (505) 324-5128	→	

* Attach Additional Sheets If Necessary #NCS 1735235018

(5)

Smith, Cory, EMNRD

From: Smith, Cory, EMNRD
Sent: Monday, December 18, 2017 10:02 AM
To: 'Jennifer Deal'
Cc: Fields, Vanessa, EMNRD; whitney thomas (l1thomas@blm.gov)
Subject: RE: Initial C-141 for Standard 1
Attachments: C-141 Conditions Standard #1.pdf

Jennifer,

OCD has approved the initial C-141 received on 12/8/17 for the Standard #1 with the attached and following conditions of Approval.

- Per the C-141 delineation was commenced on the week of 12/11/17 HilCorp will provide the OCD the results and HilCorp's plan for remediation. If Excavation and removal is not HilCorp's intended approached a Remediation plan attached with the results and an subsequent C-141 will need to be submitted hard copy for approval by January 12, 2018.
- HilCorp will collect confirmation soil samples for TPH, BTEX, and Benzene
- HilCorp will notify OCD District III at least 48 hours prior to the collection of any confirmation sample for closure.
- HilCorp will initiate remediation by March 9, 2018.

If you have any additional questions please give me a call.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Jennifer Deal [mailto:jdeal@hilcorp.com]
Sent: Monday, December 18, 2017 9:40 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; whitney thomas (l1thomas@blm.gov) <l1thomas@blm.gov>
Subject: RE: Initial C-141 for Standard 1

Hi Cory,

Delineation occurred on 12/11/17. We are currently waiting on lab results from the samples to see what our perimeter is. We should get the lab analysis back sometime this week.

Let me know if you have any other questions.

Thanks,

Jennifer Deal
Environmental Specialist
Hilcorp Energy – L48 West
jdeal@hilcorp.com
Office: (505) 324-5128
Cell: 505-801-6517

From: Smith, Cory, EMNRD [<mailto:Cory.Smith@state.nm.us>]
Sent: Monday, December 18, 2017 9:38 AM
To: Jennifer Deal <jdeal@hilcorp.com>; Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; whitney thomas (l1thomas@blm.gov) <l1thomas@blm.gov>
Subject: RE: Initial C-141 for Standard 1

Good morning Jennifer,

Do you have a status update on the Standard #1?

Thanks,

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Jennifer Deal [<mailto:jdeal@hilcorp.com>]
Sent: Wednesday, December 6, 2017 9:49 AM
To: Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; whitney thomas (l1thomas@blm.gov) <l1thomas@blm.gov>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: Initial C-141 for Standard 1

Good morning,

Please find the attached initial C-141 for the Standard 1. A paper copy will be sent by USPS today. Please let me know if you have any questions.

Thanks,

Jennifer Deal
Environmental Specialist
Hilcorp Energy – L48 West
jdeal@hilcorp.com
9a Road 5793
Farmington, NM 87401
Office: (505) 324-5128
Cell: (505) 801-6517

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 12/8/17 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number NCS17352368 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District III office in Aztec on or before N/A. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) if groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3465
jim.griswold@state.nm.us