



Mitch D. Killough  
Hilcorp Energy Company  
1111 Travis Street  
Houston, TX 77002  
(713) 757-5247  
[mkillough@hilcorp.com](mailto:mkillough@hilcorp.com)

February 28, 2024

New Mexico Oil Conservation Division  
New Mexico Energy, Minerals, and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Liner Inspection Summary and Closure Request**  
**Stedje Gas Com 1, API No. 30-045-09214**  
**San Juan County, New Mexico**  
**Hilcorp Energy Company**  
**NMOCD Incident No. nAPP2334844888**

To Whom it May Concern:

On November 30, 2023 at approximately 2:00 pm (MT), a Hilcorp operator discovered a 48-bbl produced water release at the Stedje Gas Com 1 (API: 30-045-09214) in San Juan County, NM (36.786222, -108.08752). Note: Surface ownership (fee surface, fee mineral). Upon discovery, the well was shut-in and a water truck (operated by CNJ Oilfield Services, LLC (CNJ)) was called out to remove the liquids from within the lined, secondary containment surrounding the storage tanks. After further investigation, it was determined that a hole had formed at the bottom of the 120-bbl Pit Tank (aboveground), most likely from corrosion. No spilled fluids migrated horizontally out of secondary containment or off the pad.

The spill volume was determined by using the metered volume (in bbls) recovered by CNJ on the day of the release. This amount was understood to be 48 bbls by the driver. However, when receiving a copy of the ticket from CNJ, the volume was inaccurately rounded up to 50 bbls.

As required by the New Mexico Oil Conservation Division (NMOCD), Hilcorp provided a 24-hour notification via email on December 1, 2023. Hilcorp followed up this submittal with a Notice of Release and Initial Form C-141 on December 14, 2023, both of which were approved by the NMOCD on the same day. NMOCD assigned the release incident Number nAPP2334844888.

On December 6, 2023 at 8 am (MT), the liner inspection was conducted in accordance with NMAC 19.15.29.11.A.5(a)(ii). This involved exposing the liner by removing the gravel on top of the liner in order for a thorough integrity check to be made. Hilcorp determined that the liner was in satisfactory condition. Upon approval from the NMOCD on December 8, 2023, Hilcorp placed the gravel back on top of the liner. It should be noted that the NMOCD was provided a 48-hour notice prior to commencing the liner inspection; however, no NMOCD representation was present at the time of the scheduled liner inspection.

Based on the findings from the liner inspection discussed above, Hilcorp has determined that the integrity of the liner is satisfactory and had the ability to contain the leak in question. As such, Hilcorp respectfully requests closure for Incident Number nAPP2334844888.

Should any concerns or questions arise, please contact me at (713) 757-5247.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mitch Killough".

Mitch D. Killough  
Environmental Specialist – L48W

Attachments:     Water Hauler Trucking Ticket (dated 11/30/2023)  
                         Spill Volume Justification  
                         NMOCD Correspondence (12/1/2023 – 12/8/2023)  
                         Liner Survey Photos  
                         Site Receptor Map / Site Characterization (provided by Ensolum, LLC)

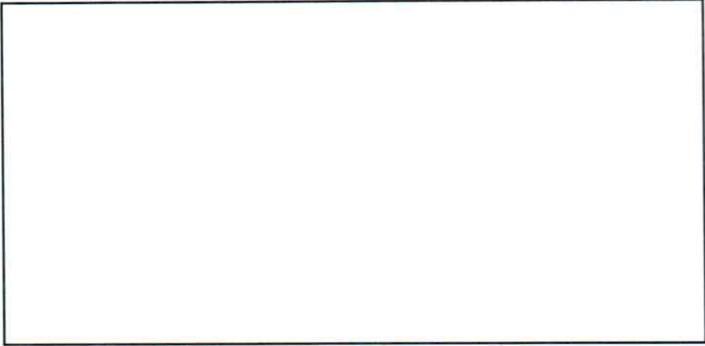
WATER HAULER TRUCKING TICKET (DATED 11/30/2023)



P O Box 568  
Farmington, NM 87499-0568  
(505) 326-2968

**INVOICE**  
Invoice # : 59460  
Date : 11/30/2023  
Customer: HILCORP  
Page 1    **Cons Cd: P49**

**Bill :**    HILCORP SAN JUAN  
             IN CARE OF HILCORP ENERGY  
             PO BOX 61529  
             HOUSTON TX 77208-1529  
             **Telephone :**  
             **Fax :**



Ticket #	Ticket Dt	PO#	Description	BBLS	Bill As	Rate	Amount
<b>Origin: STEDJE GAS COM #1</b>			<b>Destination: AGUAMOSS CROUCH MESA</b>				
JOE HERRERA			PULLED PITS				
280722	11/30/2023	RUN 210	TRUCK 236	50.00	2.50	97.00	242.50
			FUEL SURCHARGE		1.00	14.55	14.55
			ASAP PULLED PIT				
<b>Total BBLS:</b>				<b>50.00</b>	<b>Total</b>	<b>:</b>	<b>\$257.05</b>
<b>Tax :</b>				<b>6.6250 %</b>	<b>Sales Tax</b>	<b>:</b>	<b>\$17.03</b>
				<b>RA</b>	<b>Balance</b>	<b>:</b>	<b>\$274.08</b>

Interest Charged at 1 1/2% per month or 18% annum on accounts not paid within 30 days. All costs and reasonable attorney fees for collection will be paid by purchaser.

59460

P49

Run # 210



P.O. BOX 568  
FARMINGTON, NEW MEXICO 87499  
(505) 326-2968

No 280722

Service For Hilcorp Rig Name \_\_\_\_\_ Customer Rep Joe Herrera  
Lease/Well STEDIE Gas Unit  
Legal Description SECTION \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ RANGE \_\_\_\_\_  
Truck/Trailer 236 Driver Val Haman Date 11-30-23  
From Contaminant To Aqua Moss - Crown Mesa  
Produced Water ☐ Rig Water ☐ KCL ☐ Frac Water ☐ Flowback Water ☐ Fresh Water ☐

	BBLS HAULED	START TIME	STOP TIME	STAND BY TIME	HAUL TIME	LOADED MILES Highway Dirt	WATER SOURCE
<b>RTO</b>	XXX	A.M. P.M.	A.M. P.M.			10 /	← Mileage Out
<b>1</b>	50	3:00 P.M.	5:30 P.M.			29 /	am
<b>2</b>		A.M. P.M.	A.M. P.M.			/	
<b>3</b>		A.M. P.M.	A.M. P.M.			/	
<b>4</b>		A.M. P.M.	A.M. P.M.			/	
<b>5</b>		A.M. P.M.	A.M. P.M.			/	
<b>6</b>		A.M. P.M.	A.M. P.M.			/	
<b>RTI</b>	XXX	A.M. P.M.	A.M. P.M.			39 /	← Mileage In
<b>TOTAL</b>	50		2 1/2			39	← TOTAL TIME

ROAD CONDITIONS: ☒ CLEAR ☐ MUD  
☐ SNOW PACK ☐ EXTRA ROUGH  
☐ EXTRA STEEP ☐ CHAINS REQUIRED

REMARKS: asap  
pulled pit

Total Fluid	Water
Top Gauge _____	_____
Bottom Gauge _____	_____
Seal Off _____	On _____

SIGNED

## SPILL VOLUME JUSTIFICATION

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The spill volume was determined by using the metered volume (in bbls) recovered by CNJ Oilfield Services, LLC (CNJ) on the day of the release. This amount was understood to be 48 bbls by the driver. However, when receiving a copy of the ticket from CNJ, the volume was inaccurately rounded up to 50 bbls.

NMOCD CORRESPONDENCE (12/1/2023 – 12/8/2023)

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Mitch Killough

---

From: Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>  
Sent: Monday, December 4, 2023 8:29 AM  
To: Mitch Killough  
Cc: Christopher Bramwell  
Subject: Re: [EXTERNAL] RE: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Good morning Mitch,

Thank you for the notice.

If an OCD representative is not on-site on the date &/or time given, please sample per 19.15.29 NMAC or from an OCD pre-approved sampling plan. For whatever reason, if the sampling timeframe is altered, please notify the OCD as soon as possible so we may adjust our schedule(s). Failure to notify the OCD of this change may result in the closure sample(s) not being accepted.

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

Regards,

Nelson Velez • Environmental Specialist - Adv  
Environmental Bureau | EMNRD - Oil Conservation Division  
1000 Rio Brazos Road | Aztec, NM 87410  
(505) 469-6146 | [nelson.velez@emnrd.nm.gov](mailto:nelson.velez@emnrd.nm.gov)  
<http://www.emnrd.state.nm.us/OCD/>



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From: Mitch Killough <mkillough@hilcorp.com>  
Sent: Monday, December 4, 2023 7:19 AM  
To: Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>  
Cc: Christopher Bramwell <cbramwell@hilcorp.com>  
Subject: [EXTERNAL] RE: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

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

Morning Nelson.

After speaking with operations, they will be conducting the liner inspection at the Stedje Gas Com 1 on Wednesday, December 6 at 8 am MT. If you need any additional information, please let me know.

Thanks.

Mitch Killough  
Hilcorp Energy Company  
713-757-5247 (Office)  
281-851-2338 (Mobile)

---

From: Mitch Killough  
Sent: Friday, December 1, 2023 5:32 AM  
To: Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>  
Cc: Matt Henderson <mhenderson@hilcorp.com>  
Subject: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

Hi Nelson.

On 11/30/2023 at approx. 2:00 pm (MT), a Hilcorp operator discovered a 48-bbl produced water release at the Stedje Gas Com 1 (API: 30-045-09214) in San Juan County, NM (36.786222, -108.08752). Surface ownership (fee surface, fee mineral) and site location info shown below. Upon discovery, the well was shut-in and a water truck was called out to remove the liquids from within the lined, secondary containment surrounding the storage tanks. After further investigation, it was determined that a hole had formed at the bottom of the 120-bbl Pit Tank (aboveground), most likely from corrosion. No spilled fluids migrated horizontally out of secondary containment or off the pad.

An initial C-141 will be submitted to the NMOCD no later than 12/15/2023.

Note: Since this release occurred in secondary containment with a liner, Hilcorp will follow NMAC 19.15.29.11(A)(5) NMAC to demonstrate liner integrity. I'll follow-up with a 48-hour notice once I get a date/time from operations.

Thanks.



First Delivery - Well Info			
Property ID:	<input type="text" value="30045092140000"/>	<input type="button" value="Unlock"/>	<input type="button" value="Update Property"/>
Asset Code:	<input type="text" value="3004509214"/>	<input type="button" value="Unlock"/>	
Property Type:	<input type="text" value="WELL"/>		<input type="button" value="Enertia Record by API"/>
			<input type="button" value="Enertia record by Name"/>
Well Name/Num	<input type="text" value="STEDJE GAS COM"/>	<input type="text" value="1"/>	PID <input type="text" value="4127"/>
Lease Num	<input type="text" value="FEE"/>	Type <input type="text" value="Fee"/>	State Code <input type="text" value="30"/>
Well Pad ID	<input type="text"/>	<input type="button" value="Multi-well pad: N"/>	County Code <input type="text" value="045"/>
Well Pad Type	<input type="text"/>		Township <input type="text" value="030N"/>
SAP Well Cd	<input type="text" value="036046"/>		Range <input type="text" value="012W"/>
Enertia Cd	<input type="text" value="30.1039.1374"/>	<input type="button" value="Enertia Lkup"/>	Section <input type="text" value="27"/>
EAM Sys ID	<input type="text" value="3004509214"/>	<input type="button" value="EAM Lookup"/>	Unit Letter <input type="text" value="F"/>
State Facility	<input type="text"/>	<input type="text"/>	Footage <input type="text" value="1730' FNL &amp; 1770' FWL"/>
OperatorCd	<input type="text" value="HEC"/>	Spud Date <input type="text" value="10/10/1961"/>	Elevation <input type="text" value="5464"/>
Foreman Area	<input type="text" value="02"/>	Christopher Bramw <input type="text" value="505.326.9749"/>	Latitude <input type="text" value="36.786222"/>
Route Number	<input type="text" value="0210"/>	Joe Herrera <input type="text" value="505.635.0369"/>	Longitude <input type="text" value="-108.08752"/>
Commingled	<input type="checkbox"/>	Dual Meters <input type="checkbox"/>	Lat/Lon Datum <input type="text" value="NAD 1927"/>
2 Gram HP/Hr	<input type="checkbox"/>	H2S Location <input type="checkbox"/>	City Limit <input type="text"/>
Water Disp Method	<input type="text" value="Trucked"/>		Reservation <input type="text"/>
Water Hauled Vendor	<input type="text"/>		Restrictions <input type="text"/>
Primary Disposal	<input type="text" value="AGUA MOSS (SUNCO 1) SWD"/>		
Secondary Disposal	<input type="text" value="BASIN SWD (public disposal) SWD"/>		

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

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Mitch Killough

---

From: Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>  
Sent: Friday, December 8, 2023 8:39 AM  
To: Mitch Killough  
Cc: Christopher Bramwell  
Subject: Re: [EXTERNAL] RE: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

**CAUTION:** External sender. DO NOT open links or attachments from UNKNOWN senders.

Good morning Mitch,

Thank you for your inquiry.

OCD accepts your replacement of the gravel at your time of choosing.

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

Regards,

**Nelson Velez** • Environmental Specialist - Adv  
Environmental Bureau | EMNRD - Oil Conservation Division  
1000 Rio Brazos Road | Aztec, NM 87410  
(505) 469-6146 | [nelson.velez@emnrd.nm.gov](mailto:nelson.velez@emnrd.nm.gov)  
<http://www.emnrd.state.nm.us/OCD/>



---

From: Mitch Killough <mkillough@hilcorp.com>  
Sent: Thursday, December 7, 2023 3:12 PM  
To: Velez, Nelson, EMNRD <Nelson.Velez@emnrd.nm.gov>  
Cc: Christopher Bramwell <cbramwell@hilcorp.com>  
Subject: [EXTERNAL] RE: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

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Hi Nelson.

I wanted to loop back on the email below. As stated prior, we pulled back the gravel on top of the liner and exposed it for a thorough integrity check. Based on the assessment by operations (photos attached), it appears to be in



satisfactory shape. I realize that follow-up documentation is required to close this release out; however, we would like to go ahead and place the gravel back on Monday of next week. Can you confirm if this is acceptable by the NMOCD?

Thanks!

Mitch Killough  
Hilcorp Energy Company  
713-757-5247 (Office)  
281-851-2338 (Mobile)

---

From: Mitch Killough  
Sent: Monday, December 4, 2023 8:20 AM  
To: Velez, Nelson, EMNRD <[Nelson.Velez@emnrd.nm.gov](mailto:Nelson.Velez@emnrd.nm.gov)>  
Cc: Christopher Bramwell <[cbramwell@hilcorp.com](mailto:cbramwell@hilcorp.com)>  
Subject: RE: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

Morning Nelson.

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Thanks.

Mitch Killough  
Hilcorp Energy Company  
713-757-5247 (Office)  
281-851-2338 (Mobile)

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From: Mitch Killough  
Sent: Friday, December 1, 2023 5:32 AM  
To: Velez, Nelson, EMNRD <[Nelson.Velez@emnrd.nm.gov](mailto:Nelson.Velez@emnrd.nm.gov)>  
Cc: Matt Henderson <[mhenderson@hilcorp.com](mailto:mhenderson@hilcorp.com)>  
Subject: Hilcorp Energy Company - 24-Hour Release Notification - Stedje Gas Com 1

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An initial C-141 will be submitted to the NMOCD no later than 12/15/2023.

Note: Since this release occurred in secondary containment with a liner, Hilcorp will follow NMAC 19.15.29.11(A)(5) NMAC to demonstrate liner integrity. I'll follow-up with a 48-hour notice once I get a date/time from operations.

Thanks.



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Enertia Cd	<input type="text" value="30.1039.1374"/>	<input type="button" value="Enertia Lkup"/>	Section <input type="text" value="27"/>
EAM Sys ID	<input type="text" value="3004509214"/>	<input type="button" value="EAM Lookup"/>	Unit Letter <input type="text" value="F"/>
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2 Gram HP/Hr	<input type="checkbox"/>	H2S Location <input type="checkbox"/>	City Limit <input type="text"/>
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Water Hauled Vendor	<input type="text"/>		Restrictions <input type="text"/>
Primary Disposal	<input type="text" value="AGUA MOSS (SUNCO 1) SWD"/>		
Secondary Disposal	<input type="text" value="BASIN SWD (public disposal) SWD"/>		

Mitch Killough  
 Environmental Specialist  
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## LINER SURVEY PHOTOS

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# Site Photographs (12/6/2023)



Photograph 1 (dated 12/6/2023) – View of lease sign.



Photograph 2 (dated 12/6/2023) – View looking SE at secondary containment with the liner exposed.

# Site Photographs (12/6/2023)



Photograph 3 (dated 12/6/2023) – Close-up view of liner near a storage tank.



Photograph 4 (dated 12/6/2023) – View looking E at the exposed liner between the storage tank and pit tank.



# Site Photographs (12/6/2023)



Photograph 5 (dated 12/6/2023) – View looking S at the exposed liner near the storage tank.



Photograph 6 (dated 12/6/2023) – View looking W at exposed liner near the pit tank.

SITE RECEPTOR MAP / SITE CHARACTERIZATION (PROVIDED BY  
ENSOLUM, LLC)

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New Mexico Site Characterization				
REFERENCE		SITE INFORMATION		COMMENTS
C-141		Site Name:	Stedje Gas Com 1	
C-141		Coordinates:	36.786222, -108.087520	
C-141		Incident Number:	nAPP2334844888	
C-141		Land Owner:	Private	
NMOCD O&G Map		Site Elevation (ft):	5,464	
		CLOSEST SIGNIFICANT WATER SOURCE		
NMOCD O&G Map,		Type:	River	
USGS dashed blue line,		Distance (ft):	125	
aerials		Direction:	North	
		SITE RECEPTORS		
C-141	Distance	NA Did this release impact groundwater or surface water?		
NMOCD O&G Map	0.6 miles	≤ 200 ft of any lakebed, sinkhole, or playa lake?		
NMOCD O&G Map	125 ft	≤ 300 ft of a continuously flowing watercourse or any other significant watercourse?		
Aerials	150 ft	≤ 300 ft of an occupied permanent residence, school, hospital, institution, or church?		
FEMA map	3 miles	Incorporated municipal boundaries or a defined municipal fresh water field		
Wetlands map	20 ft	≤ 300 ft of a wetland?		
NMOSE	357 ft	≤ 500 ft of a spring or a private water well used by < 5 houses for domestic or stock watering?		
NMOSE/USGS map	357 ft	≤ 1,000 ft of any other fresh water well or spring?		
FEMA map	90 ft	Distance to nearest 100-year floodplain		
NMOCD O&G Map	>5 miles	overlying unstable geology (HIGH KARST)? Distance to High Karst area		
NMOCD O&G Map	>5 miles	karst potential		
		DTW INFORMATION		
Cross reference USGS Map, NMOCD Map, and NMOSE/USGS Database	Closest Well			
	FALSE			
	Name:	SJ-02829		
	Distance from Site (ft):	357		
	Direction from Site:	East-Northeast		
	Elevation:	5,460		
	DTW (ft):	10		
	Total Depth (ft):	26		
	Coordinates:	36.78586, -108.09211		



## Site Receptor Map

Hilcorp Energy Company  
Stedje Gas Com 1  
Incident Number: nAPP2334844888  
Unit F, Sec 27 T 30N, R 12W  
San Juan County, New Mexico, United States

## FIGURE

1



**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

QUESTIONS  
  
Action 318434

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 318434
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2334844888
Incident Name	NAPP2334844888 STEDJE GAS COM 1 @ 30-045-09214
Incident Type	Produced Water Release
Incident Status	Remediation Closure Report Received
Incident Well	[30-045-09214] STEDJE GAS COM #001

Location of Release Source	
Please answer all the questions in this group.	
Site Name	Stedje Gas Com 1
Date Release Discovered	11/30/2023
Surface Owner	Private

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

Nature and Volume of Release	
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.	
Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Cause: Corrosion   Tank (Any)   Produced Water   Released: 48 BBL   Recovered: 48 BBL   Lost: 0 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	The 24-hour notification was submitted to the NMOCD via email on 12/1/2023 at 5:32 am (CT). Since this release occurred in secondary containment with a liner, Hilcorp followed NMAC 19.15.29.11(A)(5) to demonstrate liner integrity. NMOCD was provided a 48-notice on 12/4/2023 and the survey took place on 12/6/2023. The liner was determined to be in satisfactory condition. The gravel has since been placed back over the liner. A follow-up report will be provided to the NMOCD.



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QUESTIONS, Page 2

Action 318434

**QUESTIONS (continued)**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:	372171
	Action Number:	318434
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS**

<b>Nature and Volume of Release (continued)</b>	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.	

**Initial Response**

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

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

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Mitch Killough Title: Environmental Specialist Email: mkillough@hilcorp.com Date: 12/14/2023
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QUESTIONS, Page 3

Action 318434

**QUESTIONS (continued)**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:	372171
	Action Number:	318434
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS****Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Less than or equal 25 (ft.)
What method was used to determine the depth to ground water	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No
<b>What is the minimum distance, between the closest lateral extents of the release and the following surface areas:</b>	
A continuously flowing watercourse or any other significant watercourse	Between 100 and 200 (ft.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between ½ and 1 (mi.)
An occupied permanent residence, school, hospital, institution, or church	Between 100 and 200 (ft.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between 300 and 500 (ft.)
Any other fresh water well or spring	Between 300 and 500 (ft.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Between 1 and 5 (mi.)
A wetland	Between 1 and 100 (ft.)
A subsurface mine	Greater than 5 (mi.)
An (non-karst) unstable area	Greater than 5 (mi.)
Categorize the risk of this well / site being in a karst geology	None
A 100-year floodplain	Between 1 and 100 (ft.)
Did the release impact areas not on an exploration, development, production, or storage site	No

**Remediation Plan**

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	Yes
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.	
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.	
On what estimated date will the remediation commence	11/30/2023
On what date will (or did) the final sampling or liner inspection occur	12/06/2023
On what date will (or was) the remediation complete(d)	11/30/2023
What is the estimated surface area (in square feet) that will be remediated	1750
What is the estimated volume (in cubic yards) that will be remediated	0
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.	
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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QUESTIONS, Page 4

Action 318434

**QUESTIONS (continued)**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:
	372171
	Action Number:
	318434
Action Type:	
[C-141] Remediation Closure Request C-141 (C-141-v-Closure)	

**QUESTIONS**

<b>Remediation Plan (continued)</b>	
<i>Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.</i>	
<b>This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:</b>	
<i>(Select all answers below that apply.)</i>	
Is (or was) there affected material present needing to be removed	Yes
Is (or was) there a power wash of the lined containment area (to be) performed	Yes
OTHER (Non-listed remedial process)	Yes
Other Non-listed Remedial Process. Please specify	After fully removing the spilled produced water from within secondary containment, the gravel was pulled back on the day of the scheduled inspection. After performing the liner survey on 12/6/2023, the gravel was placed back.
<i>Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.</i>	
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.	
I hereby agree and sign off to the above statement	Name: Mitch Killough Title: Environmental Specialist Email: mkillough@hilcorp.com Date: 02/29/2024
<i>The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.</i>	

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Action 318434

**QUESTIONS (continued)**

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:	372171
	Action Number:	318434
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS**

<b>Liner Inspection Information</b>	
Last liner inspection notification (C-141L) recorded	<b>318518</b>
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	<b>12/06/2023</b>
Was all the impacted materials removed from the liner	<b>Yes</b>
What was the liner inspection surface area in square feet	<b>1750</b>

**Remediation Closure Request**

*Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.*

Requesting a remediation closure approval with this submission	<b>Yes</b>
Have the lateral and vertical extents of contamination been fully delineated	<b>Yes</b>
Was this release entirely contained within a lined containment area	<b>Yes</b>
What was the total surface area (in square feet) remediated	<b>1750</b>
What was the total volume (cubic yards) remediated	<b>0</b>
Summarize any additional remediation activities not included by answers (above)	<b>No other remediation activities were commenced.</b>

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

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

I hereby agree and sign off to the above statement	Name: Mitch Killough Title: Environmental Specialist Email: mkillough@hilcorp.com Date: 02/29/2024
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CONDITIONS  
  
Action 318434

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 318434
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

Created By	Condition	Condition Date
nvelez	Liner inspection approved. Release resolved.	4/24/2024