

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

QUESTIONS

Action 545016

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 545016
	Action Type: [NOTIFY] Notification Of Release (NOR)

QUESTIONS

Location of Release Source <i>Please answer all the questions in this group.</i>	
Site Name	Lunt FC 11
Date Release Discovered	01/20/2026
Surface Owner	Private

Incident Details <i>Please answer all the questions in this group.</i>	
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 <i>Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.</i>	
Crude Oil Released (bbls) Details	<i>Not answered.</i>
Produced Water Released (bbls) Details	Cause: Equipment Failure Valve Produced Water Released: 2,000 BBL Recovered: 20 BBL Lost: 1,980 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	<i>Not answered.</i>
Natural Gas Vented (Mcf) Details	<i>Not answered.</i>
Natural Gas Flared (Mcf) Details	<i>Not answered.</i>
Other Released Details	<i>Not answered.</i>
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	On 1/20/2026 at 1:22 pm (MT), a HEC operator discovered a 2,000-bbl produced water release at the Lunt FC 11. HEC noticed a reduced flow rate at the Salty Dog SWD 4 injection well on SCADA, which prompted an immediate site visit. It was discovered that a check valve going into the flowline at the Lunt FC 11 had frozen and ruptured, allowing for produced water to backflow from the main pipeline feeding the Salty Dog SWD 4 onto the Lunt FC 11 location. The produced water release occurred at the check valve (aboveground), which is located within secondary containment. Released fluids accumulated around the pit tank and separator. Operations stopped the leak and secured the source by shutting in the flowline before and after the failed check valve. Fluid Management was able to coordinate a vacuum truck on the same day and recovered approximately 20 bbls of fluid from within secondary containment. All remaining released fluids within secondary containment soaked into the underlying soils. Primary cause has been determined to be an equipment failure at a frozen check valve. Corrective actions for the frozen check valve will involve replacement and an additional alarm will be setup in SCADA to allow for earlier detection of flow rate anomalies.

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QUESTIONS (continued)

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Nature and Volume of Release (continued)	
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	
<i>The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury.</i>	
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	<i>Not answered.</i>

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 19.15.29.11(A)(5)(a) NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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ACKNOWLEDGMENTS

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ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I am authorized to submit notification of a release on behalf of my operator.
<input checked="" type="checkbox"/>	I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to my operator) to track the notification(s) and corrective action(s) for a release, pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	I acknowledge that creating a new incident file will require my operator to file subsequent submission(s) of form "C-141, Application for administrative approval of a release notification and corrective action", pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment.
<input checked="" type="checkbox"/>	I acknowledge the fact that the acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment.
<input checked="" type="checkbox"/>	I acknowledge the fact that, in addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
mkillough	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C-141.	1/21/2026