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EMNRD's Oil Conservation Division issues civil penalties to Hilcorp Energy Company

Penalties include failing to remediate unauthorized releases and not meeting the written operational and reporting conditions of approval

Santa Fe, NM – Today the Energy, Minerals and Natural Resources Department's (EMNRD) Oil Conservation Division (OCD) announces that it issued a notice of violation (NOV) and associated administrative civil penalties of \$1,620,000 to Hilcorp Energy Company (Hilcorp) for failing to remediate unauthorized releases and for not meeting the operational and reporting conditions of approval at six active remediation sites. The OCD considers failing to comply with the required terms, conditions, and provisions of a permit, administrative order, authorization, or approval to be a serious violation. Such violations undermine the OCD's ability to ensure that a release is promptly managed and remediated to ensure that human health and the environment are protected.

In August 2021, the OCD conducted a compliance review of all active Hilcorp Soil Vapor Extraction (SVE) remediation sites. SVE is a technique where remediation is performed directly on the site without excavating soil contaminants or causing disturbance to the soil structure. SVE is commonly used to remove volatile and some semi-volatile compounds such as petroleum and chlorinated products. During the investigation, OCD inspectors discovered that the SVE remediation systems at six sites were out of compliance with their approved plans and written conditions of approval. Based on the approved plans, Hilcorp was required to maintain a minimum sanctioned SVE run-time, collect initial and annual gas samples, and submit regular status reports to the OCD. Hilcorp failed to comply with the outlined terms, conditions, and provisions of their approved plans.

“Thanks to the good work of our inspectors, the OCD is able to issue our largest civil penalty since our ability to assess penalties was reinstated in 2020, which sends the message that we take our compliance obligations seriously,” said OCD Director Adrienne Sandoval. “Failure to comply with remediation plans and reporting requirements is a serious violation as it makes it difficult for the OCD to ensure that human health and the environment are being protected. The OCD remains committed to ensuring compliance of the Oil and Gas Act by operators in New Mexico.”

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The operator now has the opportunity to discuss an informal resolution with OCD. If an informal resolution is not reached, OCD will hold a hearing on November 10, 2021.

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

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