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FOR IMMEDIATE RELEASE:



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**EMNRD’s Oil Conservation Division settles enforcement action
with Hilcorp Energy Company for failing to remediate
unauthorized releases and not meeting the written operational
and reporting conditions of approval**

Santa Fe, NM – The Energy, Minerals and Natural Resources Department’s (EMNRD) Oil Conservation Division (OCD) announces that it has settled a notice of violation (NOV) issued to Hilcorp Energy Company (Hilcorp) for failing to comply with conditions of approved remediation plans and failure to submit quarterly reporting documentation and remediate at six Soil Vapor Extraction (SVE) sites in northwest, New Mexico. To settle the alleged violations Hilcorp agreed to pay a civil penalty of \$932,500 and to take actions to correct the violations and prevent the violations from occurring again at other sites.

The NOV alleged in October 2019 through September 2021, Hilcorp failed to meet parameters and conditions of approval associated with remediation plans for each SVE Remediation Site listed below.

<u>API</u>	<u>Well Name</u>	<u>Incident ID</u>
30-045-08640	FIFIELD 5 #001	nVF1718155324
30-045-05964	O H RANDEL #005	nVF1602039091
30-045-30747	LAMBE #002C	nVF1836050592
30-045-34887	SCOTT #004M	nCE2003650476
30-039-25660	SAN JUAN 28 7 UNIT #183M	nCS1901627746
30-039-07290	SAN JUAN 28 6 UNIT #031	nVF1816655680

“This settlement reinforces the Oil Conservation Division’s commitment to compliance and environmental remediation,” said OCD Director Adrienne Sandoval. “The settlement not only finalizes a substantial civil penalty that will go into the state’s general fund but establishes a proactive way forward to remediate the sites and manage any future issues.”

In addition to paying the civil penalty and submitting updated corrective action plans, the following actions are required by Hilcorp:

No later than 30 days after the Order is signed by the OCD Director:

- Hilcorp shall maintain 90% run time per quarter based on 24 hours per day for its non-solar powered SVE systems and 90% run time per quarter based on seasonal available daylight hours for its solar SVE systems.
- Install an analog/digital runtime counter which shall be always visible for inspection.
- Submit quarterly reports no later than 15 days follow the last day of each calendar quarter.

No later than 60 days after delivery of equipment ordered on December 14, 2021:

- Install the upgraded blower system at the O H Randell #005 consistent with the updated remediation plan.

The OCD encourages the public to notify the Division about potential violations. Details of violations can be sent to OCD.Enviro@state.nm.us.

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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.

<http://www.emnrd.nm.gov>