District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, 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 Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

8200

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
Existing BGT ☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☒ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Krause WN Federal #1E
API Number: 30-045-24210 OCD Permit Number
U/L or Qtr/Qtr C Section 32 Township 28N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.62368 Longitude 108.03041 NAD: ☐1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19 15.17.11 NMAC
Temporary. ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume. _____bbl Dimensions: L_____ x W_____ x D_____

3
☐ **Closed-loop System:** Subsection H of 19 15.17.11 NMAC
Type of Operation ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 21 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

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5
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

34

6

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☒ Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing

7.

Netting: Subsection E of 19 15 17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☒ Other Expanded metal or solid vaulted top

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15 17 11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required Please refer to 19 15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Administrative approval(s). Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval

☐ Exception(s). Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15 17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No ☒ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society, Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☒ No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17 9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19 15.17.9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19 15.17.11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15 17 13 NMAC

☐ Previously Approved Design (attach copy of design) API Number _____ or Permit Number. _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17 9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19 15 17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15 17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17 9 NMAC and 19.15 17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19 15.17 9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15.17 10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17 11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15 17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17 11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17.9 NMAC and 19 15 17.13 NMAC

14.

Proposed Closure: 19 15.17 13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method
- ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19 15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15 17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19 15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations

☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15 17 13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo, Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended: - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain - FEMA map	☐ Yes ☐ No

18.

On-Site Closure Plan Checklist: (19 15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15 17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17 11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17 11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19 15 17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19 15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print) Kim Champlin Title: Environmental Representative

Signature: Kim Champlin Date: 12-04-08

e-mail address: kim_champlin@xtoenergy.com Telephone: (505) 333-3100

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: [signature] **Approval Date:** 3/15/11

Title: Environmental Engineer **OCD Permit Number:**

21
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☑ **Closure Completion Date:** March 28, 2011

22
Closure Method:

☑ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain

23
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: Disposal Facility Permit Number:

Disposal Facility Name: Disposal Facility Permit Number

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations.

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

☑ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☑ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☑ Disposal Facility Name and Permit Number
☑ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location. Latitude Longitude NAD: ☐1927 ☐1983

25.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): James McDaniel Title: EH&S Specialist

Signature: [signature] Date: 4/5/11

e-mail address: James_McDaniel@xtoenergy.com Telephone: 505-333-3701

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company XTO Energy, Inc.	Contact: James McDaniel
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3701
Facility Name: Krause WN Federal #1E (30-045-24210)	Facility Type: Gas Well (Dakota)

Surface Owner: Federal	Mineral Owner:	Lease No .

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	32	28N	11W	790	FNL	1520	FWL	San Juan

Latitude: 36.62368 **Longitude:** -108.03041

NATURE OF RELEASE

Type of Release Produced Water/ Incidental Oil	Volume of Release Unknown	Volume Recovered None
Source of Release Below Grade Tank/Historical	Date and Hour of Occurrence Unknown	Date and Hour of Discovery: 3/14/2011
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken *
On March 14, 2011, the BGT at the Krause WN Federal #1E was removed. This BGT was not being used, and it was decided that the BGT could be closed A BGT closure sample was collected beneath the tank to be analyzed for TPH via USEPA Methods 418 1 and 8015, for benzene and BTEX via USEPA Method 8021, and for total chlorides The sample returned results above the 100 ppm TPH standard, the 0 2 ppm benzene standard, and the 50 ppm total BTEX standard, confirming that a release had occurred at this location The site was then ranked a 40 pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases, due to an estimated depth to groundwater of less than 50 feet, and a stream running near the location less than 200 feet away This set the closure standard to 100 ppm TPH, 10 ppm benzene, and 50 ppm total BTEX.

Describe Area Affected and Cleanup Action Taken.*
On March 17, 2011, approximately 110 cubic yards of impacted soil was removed to approximate extents of 15' x 15' x 7' deep, where a sandstone layer was encountered A composite sample was collected from each of the four (4) walls of the excavation, and an additional composite sample was collected from the sandstone bottom at 7' Both samples were analyzed for DRO/GRO via USEPA Method 8015, and for BTEX via USEPA Method 8021 Both samples returned results below the regulatory limits determined for this site. No further excavation will be performed Analytical results are attached for your reference All impacted soil was taken to Envirotech for disposal, backfill was brought in from Paul and Son's Pit.

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	OIL CONSERVATION DIVISION	
Printed Name James McDaniel	Approved by District Supervisor	
Title: EH&S Specialist	Approval Date:	Expiration Date
E-mail Address: James_McDaniel@xtoenergy com	Conditions of Approval:	Attached ☐
Date. 4/5/2011 Phone: 505-333-3701		

* Attach Additional Sheets If Necessary

XTO Energy Inc.
San Juan Basin
Below Grade Tank
Closure Report

Lease Name: Krause WN Federal #1E
API No.: 30-045-24210
Description: Unit C, Section 32, Township 28N, Range 11W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
   Closure Date is March 28, 2011

2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17 11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
   Closure Date is March 28, 2011

3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
   Required C-144 Form is attached to this document.

4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
   Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B
   Soil contaminated by exempt petroleum hydrocarbons
   Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes
   Basin Disposal Permit No. NM01-005
   Produced water
   All liquids and sludge were removed from the tank prior to closure activities.

5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.
   XTO will reuse, reclaim, or recycle this tank in a manner approved by the NMOCD.

6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
All on-site equipment will be used for the continued production of oil and gas from this location.

7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

A five point composite sample was taken of the pit using sampling tools and all samples tested per *Subsection B of 19.15.17.1 3(B)(1)(b).* (Sample results attached).

Components	Test Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	**54 mg/kg**
BTEX	EPA SW-846 8021B or 8260B	50	**1377 mg/kg**
TPH	EPA SW-846 418.1	100	**23,000**
Chlorides	EPA 300.1	250 or background	**ND**

8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
Due to TPH, benzene and BTEX results above the 'Pit Rule' spill confirmation standards, a spill is confirmed to have occurred at this location. The spill was cleaned up pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spill and Releases. The attached C-141 report outlines the spill cleanup activities.

9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
The pit cellar was backfilled using compacted, non-waste containing earthen material, with a division prescribed soil cover.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.
The notification will include the following:
    i. Operator's name
    ii. Well Name and API Number
    iii. Location by Unit Letter, Section, Township, and Range

Notification was provided to Mr. Brandon Powell with the Aztec office of the OCD via email on March 23, 2011; see attached email printout.

The surface owner shall be notified of XTO's proposal to close the BGT as per the approved closure plan using certified mail, return receipt requested.
The surface owner was notified on March 25, 2011; see attached letter and return receipt.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
The site will continue to be used for oil and gas exploration and production operations. The site will be recontoured upon the plugging and abandoning of this well location.

12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
The site has been backfilled to match these specifications.

13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.
The location will continue to be used for daily operations pertaining to oil and gas exploration and production activities. The site will be reclaimed pursuant to surface owner and OCD specifications upon the plugging and abandoning of this well location.

14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank Closure report will be filed on form C-144 and incorporate the following:
    i. Proof of closure notice to division and surface owner; **attached**
    ii. Details on capping and covering, where applicable; **per OCD Specifications**
    iii. Inspection reports; **attached**
    iv. Confirmation sampling analytical results; **attached**
    v. Disposal facility name(s) and permit number(s); **see above**
    vi. Soil backfilling and cover installation; **per OCD Specifications**
    vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable); **NA**
    viii. Photo documentation of the site reclamation. **NA**

HALL
ENVIRONMENTAL
ANALYSIS
LABORATORY

COVER LETTER

Friday, March 18, 2011

James McDaniel
XTO Energy
382 County Road 3100
Aztec, NM 87410

TEL: (505) 787-0519
FAX (505) 333-3280

RE: Krause WN Federal #1E

Order No.: 1103603

Dear James McDaniel:

Hall Environmental Analysis Laboratory, Inc. received 1 sample(s) on 3/15/2011 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. Below is a list of our accreditations. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites.

Reporting limits are determined by EPA methodology.

Please do not hesitate to contact HEAL for any additional information or clarifications.

Sincerely,

Andy Freeman, Laboratory Manager

NM Lab # NM9425 NM0901
AZ license # AZ0682
ORELAP Lab # NM100001
Texas Lab# T104704424-08-TX

4901 Hawkins NE ■ Suite D ■ Albuquerque, NM 87109
505.345.3975 ■ Fax 505.345.4107
www.hallenvironmental.com

Hall Environmental Analysis Laboratory, Inc. Date: *18-Mar-11*

CLIENT:	XTO Energy
Project:	Krause WN Federal #1E
Lab Order:	1103603

CASE NARRATIVE

Analytical Comments for METHOD 8015DRO_S, SAMPLE 1103603-01A: DNOP not recovered due to dilution

Hall Environmental Analysis Laboratory, Inc.

Date: *18-Mar-11*

CLIENT:	XTO Energy	**Client Sample ID:**	BGT Closure Composite
Lab Order:	1103603	**Collection Date:**	3/14/2011 2:25:00 PM
Project:	Krause WN Federal #1E	**Date Received:**	3/15/2011
Lab ID:	1103603-01	**Matrix:**	SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: **JB**
Diesel Range Organics (DRO)	1300	100		mg/Kg	10	3/17/2011 1:09:10 PM
Surr: DNOP	0	81.8-129	S	%REC	10	3/17/2011 1:09:10 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: **DAM**
Gasoline Range Organics (GRO)	6700	500		mg/Kg	100	3/17/2011 1:43:37 PM
Surr: BFB	168	89.7-125	S	%REC	100	3/17/2011 1:43:37 PM
EPA METHOD 8021B: VOLATILES						Analyst: **DAM**
Benzene	45	5.0		mg/Kg	100	3/17/2011 1:43:37 PM
Toluene	580	10		mg/Kg	200	3/17/2011 3:13:42 PM
Ethylbenzene	72	5.0		mg/Kg	100	3/17/2011 1:43:37 PM
Xylenes, Total	680	10		mg/Kg	100	3/17/2011 1:43:37 PM
Surr: 4-Bromofluorobenzene	119	85.3-139		%REC	100	3/17/2011 1:43:37 PM
EPA METHOD 300.0: ANIONS						Analyst: **LJB**
Chloride	ND	15		mg/Kg	10	3/16/2011 6:42:55 PM
EPA METHOD 418.1: TPH						Analyst: **JB**
Petroleum Hydrocarbons, TR	23000	2000		mg/Kg	100	3/17/2011

Qualifiers:

*	Value exceeds Maximum Contaminant Level	B	Analyte detected in the associated Method Blank
E	Estimated value	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	MCL	Maximum Contaminant Level
NC	Non-Chlorinated	ND	Not Detected at the Reporting Limit
PQL	Practical Quantitation Limit	S	Spike recovery outside accepted recovery limits

QA/QC SUMMARY REPORT

Client: XTO Energy
Project: Krause WN Federal #1E **Work Order:** 1103603

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 300.0: Anions											
Sample ID: MB-25996		*MBLK*				Batch ID: **25996**		Analysis Date:	3/16/2011 6:08:06 PM		
Chloride	ND	mg/Kg	1.5								
Sample ID: LCS-25996		*LCS*				Batch ID: **25996**		Analysis Date:	3/16/2011 6:25:30 PM		
Chloride	14.01	mg/Kg	1.5	15	0	93.4	90	110			
Method: EPA Method 418.1: TPH											
Sample ID: MB-25990		*MBLK*				Batch ID **25990**		Analysis Date:		3/17/2011	
Petroleum Hydrocarbons, TR	ND	mg/Kg	20								
Sample ID: LCS-25990		*LCS*				Batch ID. **25990**		Analysis Date:		3/17/2011	
Petroleum Hydrocarbons, TR	97.42	mg/Kg	20	100	0	97.4	81.4	118			
Sample ID: LCSD-25990		*LCSD*				Batch ID: **25990**		Analysis Date:		3/17/2011	
Petroleum Hydrocarbons, TR	96 02	mg/Kg	20	100	0	96 0	81 4	118	1.45	8.58	
Method: EPA Method 8015B: Diesel Range Organics											
Sample ID: MB-25991		*MBLK*				Batch ID. **25991**		Analysis Date:	3/17/2011 9:11:59 AM		
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Motor Oil Range Organics (MRO)	ND	mg/Kg	50								
Sample ID: LCS-25991		*LCS*				Batch ID. **25991**		Analysis Date:	3/17/2011 9.46:08 AM		
Diesel Range Organics (DRO)	50.57	mg/Kg	10	50	0	101	66.2	120			
Sample ID: LCSD-25991		*LCSD*				Batch ID. **25991**		Analysis Date:	3/17/2011 10:20:00 AM		
Diesel Range Organics (DRO)	51 60	mg/Kg	10	50	0	103	66.2	120	2.02	14.3	
Method: EPA Method 8015B: Gasoline Range											
Sample ID: MB-26008		*MBLK*				Batch ID: **26008**		Analysis Date:	3/17/2011 1:13:31 PM		
Gasoline Range Organics (GRO)	ND	mg/Kg	5 0								
Sample ID: LCS-26008		*LCS*				Batch ID. **26008**		Analysis Date.	3/17/2011 2 43:46 PM		
Gasoline Range Organics (GRO)	26.58	mg/Kg	5.0	25	0	106	88.8	124			
Method: EPA Method 8021B: Volatiles											
Sample ID: MB-26008		*MBLK*				Batch ID. **26008**		Analysis Date:	3/17/2011 1:13:31 PM		
Benzene	ND	mg/Kg	0.050								
Toluene	ND	mg/Kg	0.050								
Ethylbenzene	ND	mg/Kg	0.050								
Xylenes, Total	ND	mg/Kg	0.10								
Sample ID: LCS-26008		*LCS*				Batch ID: **26008**		Analysis Date:	3/18/2011 3:49:25 AM		
Benzene	1.012	mg/Kg	0 050	1	0	101	83.3	107			
Toluene	0 9613	mg/Kg	0.050	1	0 005	95 6	74.3	115			
Ethylbenzene	1 025	mg/Kg	0 050	1	0	102	80 9	122			
Xylenes, Total	3 202	mg/Kg	0.10	3	0	107	85.2	123			

Qualifiers:

E	Estimated value	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	NC	Non-Chlorinated
ND	Not Detected at the Reporting Limit	R	RPD outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name **XTO ENERGY** Date Received: **3/15/2011**

Work Order Number **1103603** Received by. **AMF**

Checklist completed by _____ 3/15/11 Sample ID labels checked by. MG

Signature Date Initials

Matrix: Carrier name: Client drop-off

Shipping container/cooler in good condition?	Yes ☑	No ☐	Not Present ☐	
Custody seals intact on shipping container/cooler?	Yes ☐	No ☐	Not Present ☐	Not Shipped ☑
Custody seals intact on sample bottles?	Yes ☐	No ☐	N/A ☑	
Chain of custody present?	Yes ☑	No ☐		
Chain of custody signed when relinquished and received?	Yes ☑	No ☐		
Chain of custody agrees with sample labels?	Yes ☑	No ☐		
Samples in proper container/bottle?	Yes ☑	No ☐		
Sample containers intact?	Yes ☑	No ☐		
Sufficient sample volume for indicated test?	Yes ☑	No ☐		
All samples received within holding time?	Yes ☑	No ☐		Number of preserved bottles checked for pH:
Water - VOA vials have zero headspace?	No VOA vials submitted ☑	Yes ☐	No ☐	
Water - Preservation labels on bottle and cap match?	Yes ☐	No ☐	N/A ☑	
Water - pH acceptable upon receipt?	Yes ☐	No ☐	N/A ☑	*<2 >12 unless noted below.*
Container/Temp Blank temperature?	**3.9°**	*<6° C Acceptable* If given sufficient time to cool.		

COMMENTS:

Client contacted _____ Date contacted: _____ Person contacted _____

Contacted by _____ Regarding: _____

Comments: _____

Corrective Action _____

Chain-of-Custody Record

Client: XTO Energy

Mailing Address: 382 Rd 3100
Aztec NM 87410

Phone #: (505) 787-0519

email or Fax#: james_mcdaniel@xtoenergy.com

QA/QC Package:
☒ Standard ☐ Level 4 (Full Validation)

Accreditation
☐ NELAP ☐ Other _____

☐ EDD (Type) _____

Turn-Around Time:
☐ Standard ☒ Rush 2 ~~Next~~ Day

Project Name: Krause WN Federal #1E

Project #:

Project Manager: James McDaniel

Sampler: J. McDaniel

On Ice: ☒ Yes ☐ No

Sample Temperature: 2.7

HALL ENVIRONMENTAL ANALYSIS LABORATORY
www.hallenvironmental.com
4901 Hawkins NE - Albuquerque, NM 87109
Tel 505-345-3975 Fax 505-345-4107

Date	Time	Matrix	Sample Request ID	Container Type and #	Preservative Type	HEAL No 1103103	Analysis Request: BTEX + MTBE + TMB's (8021)	BTEX + MTBE + TPH (Gas only)	TPH Method 8015B (Gas/Diesel)	TPH (Method 418.1)	EDB (Method 504.1)	8310 (PNA or PAH)	RCRA 8 Metals	Anions (F,Cl,NO_3,NO_2,PO_4,SO_4)	8081 Pesticides / 8082 PCB's	8260B (VOA)	8270 (Semi-VOA)	Chloride				Air Bubbles (Y or N)
3/14/11	1425	Soil	BGT Closure Composite	1-4oz	Cool	-1	✓		✓	✓								X				

Date: 3/14/11 Time: 1520 Relinquished by: [signature] Received by: Christine Walters Date: 3/14/11 Time: 1520

Date: Time: Relinquished by: Received by [signature] Date: 3/15/11 Time:

Remarks:

If necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories. This serves as notice of this possibility Any sub-contracted data will be clearly notated on the analytical report

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Tax I D 62-0814289

Est 1970

James McDaniel
XTO Energy - San Juan Division
382 Road 3100
Aztec, NM 87410

Report Summary

Tuesday March 22, 2011

Report Number: L507175
Samples Received: 03/21/11
Client Project:

Description: Krause WN Federal #1E

The analytical results in this report are based upon information supplied by you, the client, and are for your exclusive use If you have any questions regarding this data package, please do not hesitate to call.

Entire Report Reviewed By: Daphne R Richards
Daphne Richards , ESC Representative

Laboratory Certification Numbers

A2LA - 1461-01, AIHA - 100789, AL - 40660, CA - I-2327, CT - PH-0197, FL - E87487
GA - 923, IN - C-TN-01, KY - 90010, KYUST - 0016, NC - ENV375/DW21704, ND - R-140
NJ - TN002,NJ NELAP - TN002, SC - 84004, TN - 2006, VA - 00109, WV - 233
AZ - 0612, MN - 047-999-395, NY - 11742, WI - 998093910, NV - TN000032008A,
TX - T104704245, OK-9915

Accreditation is only applicable to the test methods specified on each scope of accreditation held by ESC Lab Sciences
Note The use of the preparatory EPA Method 3511 is not approved or endorsed by the CA ELAP

Where applicable, sampling conducted by ESC is performed per guidance provided in laboratory standard operating procedures 060302, 060303, and 060304

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REPORT OF ANALYSIS

James McDaniel
XTO Energy - San Juan Division
382 Road 3100
Aztec, NM 87410

March 22,2011

ESC Sample # : L507175-01

Date Received March 21, 2011
Description Krause WN Federal #1E

Site ID

Sample ID LEAK WALLS

Project #

Collected By Kurt Hoekstra
Collection Date . 03/17/11 15 05

Parameter	Dry Result	Det Limit	Units	Method	Date	Dil
Chloride	BDL	11	mg/kg	9056	03/22/11	1
Total Solids	91		%	2540G	03/22/11	1
Benzene	BDL	0 0027	mg/kg	8021/8015	03/21/11	5
Toluene	BDL	0 027	mg/kg	8021/8015	03/21/11	5
Ethylbenzene	BDL	0 0027	mg/kg	8021/8015	03/21/11	5
Total Xylene	BDL	0 0082	mg/kg	8021/8015	03/21/11	5
TPH (GC/FID) Low Fraction	1 1	0 55	mg/kg	GRO	03/21/11	5
Surrogate Recovery-%						
a,a,a-Trifluorotoluene(FID)	98 2		% Rec.	8021/8015	03/21/11	5
a,a,a-Trifluorotoluene(PID)	102		% Rec	8021/8015	03/21/11	5
TPH (GC/FID) High Fraction	8 2	4 4	mg/kg	3546/DRO	03/22/11	1
Surrogate recovery(%)						
o-Terphenyl	86 4		% Rec	3546/DRO	03/22/11	1

Results listed are dry weight basis
BDL - Below Detection Limit
Det Limit - Practical Quantitation Limit(PQL)
Note

The reported analytical results relate only to the sample submitted
Reported 03/22/11 14 54 Printed 03/22/11 14 54

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Est 1970

REPORT OF ANALYSIS

James McDaniel
XTO Energy - San Juan Division
382 Road 3100
Aztec, NM 87410

March 22,2011

ESC Sample # L507175-02

Date Received March 21, 2011
Description Krause WN Federal #1E

Site ID

Sample ID LEAK BOTTOM

Project #

Collected By Kurt Hoekstra
Collection Date 03/17/11 15 10

Parameter	Dry Result	Det Limit	Units	Method	Date	Dil
Total Solids	88		%	2540G	03/22/11	1
Benzene	BDL	0 0028	mg/kg	8021/8015	03/21/11	5
Toluene	BDL	0 028	mg/kg	8021/8015	03/21/11	5
Ethylbenzene	BDL	0 0028	mg/kg	8021/8015	03/21/11	5
Total Xylene	BDL	0 0085	mg/kg	8021/8015	03/21/11	5
TPH (GC/FID) Low Fraction	2 6	0 57	mg/kg	GRO	03/21/11	5
Surrogate Recovery-%						
a,a,a-Trifluorotoluene(FID)	99 0		% Rec	8021/8015	03/21/11	5
a,a,a-Trifluorotoluene(PID)	102		% Rec	8021/8015	03/21/11	5
TPH (GC/FID) High Fraction	73	4 5	mg/kg	3546/DRO	03/22/11	1
Surrogate recovery(%)						
o-Terphenyl	95 1		% Rec	3546/DRO	03/22/11	1

Results listed are dry weight basis
BDL - Below Detection Limit
Det Limit - Practical Quantitation Limit(PQL)
Note
This report shall not be reproduced, except in full, without the written approval from ESC
The reported analytical results relate only to the sample submitted
Reported 03/22/11 14 54 Printed 03/22/11 14 54

Summary of Remarks For Samples Printed
03/22/11 at 14 54 37

TSR Signing Reports 288
R2 - Rush Next Day

drywt

Sample L507175-01 Account XTORNM Received 03/21/11 09 30 Due Date 03/22/11 00 00 RPT Date 03/22/11 14 54

Sample L507175-02 Account XTORNM Received 03/21/11 09·30 Due Date 03/22/11 00 00 RPT Date 03/22/11 14 54

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XTO Energy - San Juan Division
James McDaniel
382 Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L507175

March 22, 2011

Laboratory Blank

Analyte	Result	Units	% Rec	Limit	Batch	Date Analyzed
Benzene	< 0005	mg/kg			WG527028	03/21/11 16 17
Ethylbenzene	< 0005	mg/kg			WG527028	03/21/11 16 17
Toluene	< 005	mg/kg			WG527028	03/21/11 16 17
TPH (GC/FID) Low Fraction	< 1	mg/kg			WG527028	03/21/11 16 17
Total Xylene	< 0015	mg/kg			WG527028	03/21/11 16 17
a,a,a-Trifluorotoluene(FID)		% Rec	98 57	59-128	WG527028	03/21/11 16 17
a,a,a-Trifluorotoluene(PID)		% Rec	102 8	54-144	WG527028	03/21/11 16 17
Chloride	< 10	mg/kg			WG527019	03/22/11 04 08
TPH (GC/FID) High Fraction	< 4	ppm			WG527054	03/22/11 00 01
o-Terphenyl		% Rec	103 9	50-150	WG527054	03/22/11 00 01
Total Solids	< 1	%			WG527011	03/22/11 11 10
Total Solids	< 1	%			WG527016	03/22/11 12 35

Duplicate

Analyte	Units	Result	Duplicate	RPD	Limit	Ref Samp	Batch
Total Solids	%	87 0	88 0	1 38	5	L507175-02	WG527011
Total Solids	%	91 0	91 0	0 325	5	L507175-01	WG527016

Laboratory Control Sample

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Benzene	mg/kg	05	0 0501	100	76-113	WG527028
Ethylbenzene	mg/kg	05	0 0483	96 6	78-115	WG527028
Toluene	mg/kg	05	0 0486	97 2	76-114	WG527028
Total Xylene	mg/kg	15	0 144	95 8	81-118	WG527028
a,a,a-Trifluorotoluene(PID)				101 9	54-144	WG527028
TPH (GC/FID) Low Fraction	mg/kg	5 5	5 42	98 6	67-135	WG527028
a,a,a-Trifluorotoluene(FID)				105 0	59-128	WG527028
Chloride	mg/kg	200	210	105	85-115	WG527019
TPH (GC/FID) High Fraction	ppm	60	54 2	90 3	50-150	WG527054
o-Terphenyl				104 8	50-150	WG527054
Total Solids	%	50	50 1	100	85-155	WG527011
Total Solids	%	50	50 0	100	85-155	WG527016

Laboratory Control Sample Duplicate

Analyte	Units	Result	Ref	%Rec	Limit	RPD	Limit	Batch
TPH (GC/FID) Low Fraction	mg/kg	5 76	5 42	105	67-135	6 13	20	WG527028
a,a,a-Trifluorotoluene(FID)				106 0	59-128			WG527028
Benzene	mg/kg	0 0525	0 0501	105	76-113	4 85	20	WG527028

* Performance of this Analyte is outside of established criteria
For additional information, please see Attachment A 'List of Analytes with QC Qualifiers '

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XTO Energy - San Juan Division
James McDaniel
382 Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L507175

March 22, 2011

Laboratory Control Sample Duplicate

Analyte	Units	Result	Ref	%Rec	Limit	RPD	Limit	Batch
Ethylbenzene	mg/kg	0 0514	0 0483	103	78-115	6 31	20	WG527028
Toluene	mg/kg	0 0519	0 0486	104	76-114	6 60	20	WG527028
Total Xylene	mg/kg	0 154	0 144	103	81-118	7 11	20	WG527028
a,a,a-Trifluorotoluene(PID)				102 6	54-144			WG527028
Chloride	mg/kg	210	210	105	85-115	0	20	WG527019
TPH (GC/FID) High Fraction	ppm	53 4	54 2	89 0	50-150	1 42	25	WG527054
o-Terphenyl				102 5	50-150			WG527054

Matrix Spike

Analyte	Units	MS Res	Ref Res	TV	% Rec	Limit	Ref Samp	Batch
Benzene	mg/kg	0 240	0	05	96 0	32-137	L507175-01	WG527028
Ethylbenzene	mg/kg	0 232	0	05	92 6	10-150	L507175-01	WG527028
Toluene	mg/kg	0 232	0	05	92 8	20-142	L507175-01	WG527028
Total Xylene	mg/kg	0 692	0	15	92 2	16-141	L507175-01	WG527028
a,a,a-Trifluorotoluene(PID)					101 2	54-144		WG527028
TPH (GC/FID) Low Fraction	mg/kg	23 1	1 00	5 5	80 4	55-109	L507175-01	WG527028
a,a,a-Trifluorotoluene(FID)					103 2	59-128		WG527028
Chloride	mg/kg	536	15 0	500	104	80-120	L507139-01	WG527019
TPH (GC/FID) High Fraction	ppm	52 8	1 90	60	84 8	50-150	L507134-03	WG527054
o-Terphenyl					99 97	50-150		WG527054

Matrix Spike Duplicate

Analyte	Units	MSD	Ref	%Rec	Limit	RPD	Limit	Ref Samp	Batch
Benzene	mg/kg	0 241	0 240	96 4	32-137	0 450	39	L507175-01	WG527028
Ethylbenzene	mg/kg	0 234	0 232	93 6	10-150	1 04	44	L507175-01	WG527028
Toluene	mg/kg	0 234	0 232	93 7	20-142	0 910	42	L507175-01	WG527028
Total Xylene	mg/kg	0 697	0 692	93 0	16-141	0 800	46	L507175-01	WG527028
a,a,a-Trifluorotoluene(PID)				101 2	54-144				WG527028
TPH (GC/FID) Low Fraction	mg/kg	25 0	23 1	87 4	55-109	7 96	20	L507175-01	WG527028
a,a,a-Trifluorotoluene(FID)				103 8	59-128				WG527028
Chloride	mg/kg	532	536	103	80-120	0 749	20	L507139-01	WG527019
TPH (GC/FID) High Fraction	ppm	50 2	52 8	80 5	50-150	4 97	25	L507134-03	WG527054
o-Terphenyl				92 82	50-150				WG527054

Batch number /Run number / Sample number cross reference

WG527028	R1619929	L507175-01 02
WG527019	R1620712	L507175-01
WG527054	R1620950	L507175-01 02
WG527011	R1621070	L507175-02
WG527016	R1621075	L507175-01

* * Calculations are performed prior to rounding of reported values
* Performance of this Analyte is outside of established criteria
For additional information, please see Attachment A 'List of Analytes with QC Qualifiers '

ESC
LAB SCIENCES
YOUR LAB OF CHOICE

12065 Lebanon Rd
Mt Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I D 62-0814289

Est 1970

XTO Energy - San Juan Division
James McDaniel
382 Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L507175

March 22, 2011

The data package includes a summary of the analytic results of the quality control samples required by the SW-846 or CWA methods The quality control samples include a method blank, a laboratory control sample, and the matrix spike/matrix spike duplicate analysis If a target parameter is outside the method limits, every sample that is effected is flagged with the appropriate qualifier in Appendix B of the analytic report

Method Blank - an aliquot of reagent water carried through the entire analytic process The method blank results indicate if any possible contamination exposure during the sample handling, digestion or extraction process, and analysis Concentrations of target analytes above the reporting limit in the method blank are qualified with the "B" qualifier

Laboratory Control Sample - is a sample of known concentration that is carried through the digestion/extraction and analysis process The percent recovery, expressed as a percentage of the theoretical concentration, has statistical control limits indicating that the analytic process is "in control" If a target analyte is outside the control limits for the laboratory control sample or any other control sample, the parameter is flagged with a "J4" qualifier for all effected samples

Matrix Spike and Matrix Spike Duplicate - is two aliquots of an environmental sample that is spiked with known concentrations of target analytes The percent recovery of the target analytes also has statistical control limits If any recoveries that are outside the method control limits, the sample that was selected for matrix spike/matrix spike duplicate analysis is flagged with either a "J5" or a "J6" The relative percent difference (%RPD) between the matrix spike and the matrix spike duplicate recoveries is all calculated If the RPD is above the method limit, the effected samples are flagged with a "J3" qualifier

Company Name/Address

XTO Energy, Inc.

382 County Road 3100
Aztec, NM 87410

Alternate Billing

XTORNM031810S

Report to James McDaniel

E-mail to James_McDaniel@xtoenergy com

Project Description KRAUSE WN FEDERAL #1E

City/State Collected BLOOMFIELD NM

PHONE 505-333-3701

FAX

Client Project No

Lab Project #

Collected by ~~James McDaniel~~ KURT HOEKSTRA

Site/Facility ID#

P O #

Collected by(signature)

Packed on Ice N__ Y X

Rush? (Lab MUST be Notified)

__X__ Next Day . 100%

_____ Two Day 50%

_____ Three Day 25%

Date Results Needed

Email? __No_X__Yes

FAX? ___No___Yes

Sample ID	Comp/Grab	Matrix*	Depth	Date	Time	No of Cntrs	8021	8015	CHLORIDES 300.0					Remarks/contaminant	Sample # (lab only)
LEAK WALLS	Comp	Soil	5'	3/17	3:05	1	X	X	X						L50717S-01
LEAK BOTTOM	Comp	Soil	6½'	3/17	3:10	1	X	X							-02

Analysis/Container/Preservative

Chain of Custody
Page___of___

Prepared by

ENVIRONMENTAL
Science corp

12065 Lebanon Road

Mt Juliet TN 37122

Phone (615)758-5858
Phone (800) 767-5859
58-5859

B080

CoCode (lab use only)

XTORNM

Template/Prelogin

Shipped Via: Fed Ex

*Matrix SS-Soil/Solid GW-Groundwater WW-Wastewater DW-Drinking Water OT- Other_____

pH_____ Temp_____

Remarks 4341 9816 8835 Flow_____ Other_____

Relinquisher by (Signature)	Date	Time	Received by (Signature)	Samples returned via FedEx X UPS Other	Condition (lab use only)
	3/18	8:00			
Relinquisher by (Signature)	Date	Time	Received by (Signature)	Temp 17.2°C / Bottles Received 2 - 40z	
Relinquisher by (Signature)	Date	Time	Received for lab by (Signature)	Date 3/21/11 / Time 0930	pH Checked / NCF X

James McDaniel /FAR/CTOC
03/23/2011 06:46 AM

To brandon.powell@state.nm.us
cc
bcc
Subject Krause WN Federal #1E BGT Closure

Brandon,

Please accept this email as the required notice for BGT closure activities at the Krause WN Federal #1E (api #30-045-24210) located in Unit C, Section 32, Township 28N, Range 11W, San Juan County, New Mexico. This BGT is being closed due to inactivity. Thank you for your time in regards to this matter.

James McDaniel
EH&S Specialist
XTO Energy, Inc.
Office # 505-333-3701
Cell # 505-787-0519

March 23, 2011

Mark Kelly,
Bureau of Land Management – Farmington Field Office
1235 La Plata Highway
Farmington, New Mexico, 87401

Re: Krause WN Federal #1E – API # 30-045-24210
Unit C, Section 32, Township 28N, Range 11W, San Juan County, New Mexico

Dear Mr. Kelly,

This submittal is pursuant to Rule 19.15.17.13 requiring operators to notify surface owners of the closure of a below grade tank pit. XTO Energy, Inc. (XTO) is hereby providing written documentation of our proposal to close the below grade tank pit associated with the above mentioned well site by waste excavation and removal.

Should you have questions or require additional information, please feel free to contact me at your convenience at (505) 333-3100. Thank you for your time in regards to this matter.

Respectfully Submitted,

James McDaniel
EH&S Specialist
XTO Energy, Inc.
San Juan Division

7010 0780 0001 6436 9697

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FLORA VISTA NM
MAR 24 2011
USPS 87415

Sent To: BLM-FFO
Street, Apt. No. or PO Box No.: MARK KELLY, 1235 LA PLATA HWY
City, State, ZIP: FARMINGTON NM 87401

PS Form 3800, August 2006 — See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM-FFO
MARK KELLY
1235 LA PLATA HWY
FARMINGTON NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery 3/25/11

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 0780 0001 6436 9697

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Well Below Tank Inspection Report

Division	Farmington
Dates	12/30/2010 - 03/31/2011
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BJ PERRY	01/28/2011	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	
BJ PERRY	02/16/2011	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	
BJ PERRY	03/02/2011	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	09/30/2010 - 12/30/2010
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Crystal Martinez	09/30/2010	01 00	No	No	No	Yes	No	1	Well Water Pit	Above Gr	
BJ PERRY	10/18/2010	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	
BJ PERRY	11/20/2010	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	06/30/2010 - 09/30/2010
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BJ PERRY	06/30/2010	01 00	No	No	No	Yes	No	2	Well Water Pit	Above Gr	
BJ PERRY	07/28/2010	01 00	No	No	No	Yes	No	1	Well Water Pit	Above Gr	
Crystal Martinez	08/28/2010	01 00	No	No	No	Yes	No	1	Well Water Pit	Above Gr	
Crystal Martinez	09/30/2010	01 00	No	No	No	Yes	No	1	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	03/30/2010 - 06/30/2010
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BJ PERRY	04/14/2010	01 00	No	No	No	Yes	No	2	Well Water Pit	Above Gr	
BJ PERRY	05/31/2010	01 00	No	No	No	Yes	No	3	Well Water Pit	Above Gr	
BJ PERRY	06/30/2010	01 00	No	No	No	Yes	No	2	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	12/30/2009 - 03/30/2010
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	01/13/2010	01 00	No	No	No	No	No	3	Well Water Pit	Above Gr	
BJ PERRY	03/15/2010	01 00	No	No	No	Yes	No	2	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	09/30/2009 - 12/30/2009
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	10/14/2009	01 00	No	No	No	No	No	1	Well Water Pit	Above Gr	
Scott Johnson	11/11/2009	01 00	No	No	No	No	No	2	Well Water Pit	Above Gr	
Scott Johnson	12/07/2009	01 00	No	No	No	No	No	3	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	06/30/2009 - 09/30/2009
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	07/13/2009	01 00	No	No	No	No	No	1	Well Water Pit	Above Gr	
Scott Johnson	08/23/2009	01 00	No	No	No	No	No	3	Well Water Pit	Above Gr	
Scott Johnson	09/22/2009	01 00	No	No	No	No	No	2	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	03/30/2009 - 06/30/2009
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	04/20/2009	12 00	No	No	No	No	No	1	Well Water Pit	Above Gr	
Scott Johnson	05/30/2009	12 00	No	No	No	No	No	2	Well Water Pit	Above Gr	
Scott Johnson	06/20/2009	12 00	No	No	No	No	No	2	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	12/30/2008 - 03/30/2009
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	01/18/2009	12 00	No	No	No	No	No	1	Well Water Pit	Above Gr	
Scott Johnson	02/18/2009	12 00	No	No	No	No	No	2	Well Water Pit	Above Gr	

Well Below Tank Inspection Report

Division	Farmington
Dates	09/30/2008 - 12/30/2008
Type	Route Stop
Type Value	K

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 73	KRAUSE WN FEDERAL 0	Perry, BJ	Trobaugh, Rober	KRAUSE WN FED 01E	3004524210	32	11W	28N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Scott Johnson	10/27/2008	12 10	No	No	No	No	No	2	Well Water Pit	Above Gr	
Scott Johnson	11/30/2008	12 00	No	No	No	No	No	2	Well Water Pit	Above Gr	
Scott Johnson	12/29/2008	12 00	No	No	No	No	No	2	Well Water Pit	Above Gr	