

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

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.

RECEIVED
2008 DEC 12 PM 4 15

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

9067

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.

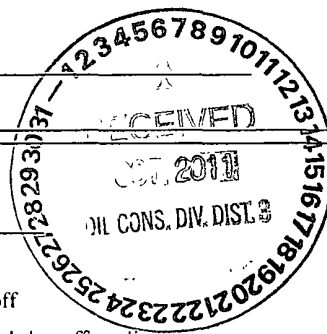
1.
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Gracia State 32-L #3
API Number: 30-045-28694 OCD Permit Number: _____
U/L or Qtr/Qtr L Section 32 Township 26N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.4424 Longitude 108.03304 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: 120 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 _____

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.



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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 H₂S, 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: 12-10-08
 e-mail address: kim_champlin@xtocenergy.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: 10/6/2011
 Title: Environmental Engineer Compliance Officer
 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: July 15, 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 identify 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 (if applicable)
☒ 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 _____

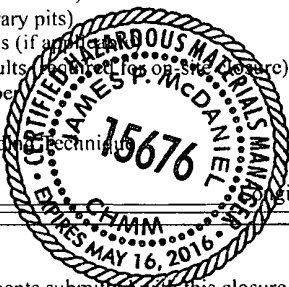
NAD: ☐ 1927 ☐ 1983

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, CHMM # 15676 Title: EHS Supervisor
 Signature: [Signature] Date: 10/3/11
 e-mail address: James.McDaniel@xtocenergy.com Telephone: 505-333-3701



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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: Gracia State 32 L #3 (30-045-28694)	Facility Type: Gas Well (Fruitland Coal)	
Surface Owner: State	Mineral Owner:	Lease No.: NMSF-L-4693

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	32	26N	11W	1850	FSL	790	FWL	San Juan

Latitude: 36.4424 Longitude: -108.03304

NATURE OF RELEASE

Type of Release: None	Volume of Release: NA	Volume Recovered: NA
Source of Release: NA	Date and Hour of Occurrence: NA	Date and Hour of Discovery: NA
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*


The below grade tank was taken out of service at the Gracia State 32 L #3 well site due to the plugging and abandoning of this well site. A composite sample was collected beneath the location of the on-site BGT, and submitted for laboratory analysis for TPH via USEPA Method 418.1 and 8015, benzene and BTEX via USEPA Method 8021, and for total chlorides. The sample returned results below the 'Pit Rule' spill confirmation standards for TPH, benzene, total BTEX and the total chlorides, confirming that a release has not occurred at this location.

Describe Area Affected and Cleanup Action Taken.*

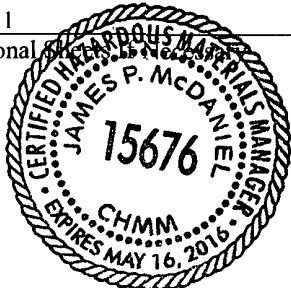
No release has been confirmed for this location.

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.

OIL CONSERVATION DIVISION

Signature: 	Approved by District Supervisor:	
Printed Name: James McDaniel, CHMM #15676		
Title: EH&S Supervisor	Approval Date:	Expiration Date:
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9/30/2011 Phone: 505-333-3701		

* Attach Additional



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

Lease Name: Gracia State 32 L #3

API No.: 30-045-28694

Description: Unit L, Section 32, Township 26N, 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 July 15, 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 July 15, 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 has removed the below grade tank, and will dispose of it at a division approved facility, or recycle, reclaim or reuse it in a manner that is approved by the division.

6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.

All equipment has been removed due to the plugging and abandoning of the Gracia State 32 L #3 well site.

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	ND mg/kg
BTEX	EPA SW-846 8021B or 8260B	50	ND mg/kg
TPH	EPA SW-846 418.1	100	ND mg/kg
Chlorides	EPA 300.1	250 or background	80 mg/kg

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.

No release has been confirmed for this location.

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:

- Operator's name
- Well Name and API Number
- 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 July 8, 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 July 12, 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 location has been recontoured to match the above specifications.
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 has been reclaimed pursuant to the BLM MOU.
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); **Per BLM MOU**
 - viii. Photo documentation of the site reclamation. **attached**
15. This closure report is being submitted after the 60 day deadline required by the 'Pit Rule' due to a unforeseen delay on final reclamation of this well site. This delay was due to the pipeline riser not being removed by the gathering company in a timely fashion.

COVER LETTER

Wednesday, July 06, 2011

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

TEL: (505) 787-0519

FAX (505) 333-3280

RE: Gracia State 32L #3

Order No.: 1106A46

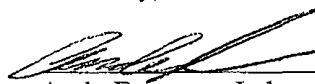
Dear James McDaniel:

Hall Environmental Analysis Laboratory, Inc. received 1 sample(s) on 6/24/2011 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. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. All samples are reported as received unless otherwise indicated.

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



Hall Environmental Analysis Laboratory, Inc.**Date:** 06-Jul-11**Analytical Report**

CLIENT: XTO Energy
Lab Order: 1106A46
Project: Gracia State 32L #3
Lab ID: 1106A46-01

Client Sample ID: BGT Closure
Collection Date: 6/23/2011 9:53:00 AM
Date Received: 6/24/2011
Matrix: SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	17	10		mg/Kg	1	6/28/2011 3:25:26 AM
Surr: DNOP	98.3	73.4-123		%REC	1	6/28/2011 3:25:26 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: DAM
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	6/27/2011 11:41:22 PM
Surr: BFB	91.4	75.2-136		%REC	1	6/27/2011 11:41:22 PM
EPA METHOD 8021B: VOLATILES						Analyst: DAM
Benzene	ND	0.050		mg/Kg	1	6/27/2011 11:41:22 PM
Toluene	ND	0.050		mg/Kg	1	6/27/2011 11:41:22 PM
Ethylbenzene	ND	0.050		mg/Kg	1	6/27/2011 11:41:22 PM
Xylenes, Total	ND	0.10		mg/Kg	1	6/27/2011 11:41:22 PM
Surr: 4-Bromofluorobenzene	99.3	92-130		%REC	1	6/27/2011 11:41:22 PM
EPA METHOD 300.0: ANIONS						Analyst: SRM
Chloride	80	15		mg/Kg	10	6/28/2011 10:02:03 AM
EPA METHOD 418.1: TPH						Analyst: JB
Petroleum Hydrocarbons, TR	ND	19		mg/Kg	1	6/29/2011

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

QA/QC SUMMARY REPORT

Client: XTO Energy
Project: Gracia State 32L #3

Work Order: 1106A46

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 300.0: Anions											
Sample ID: MB-27363		MBLK									
Chloride	ND	mg/Kg	1.5								
Sample ID: LCS-27363		LCS									
Chloride	14.46	mg/Kg	1.5	15	0	96.4	90	110			
Method: EPA Method 418.1: TPH											
Sample ID: MB-27410		MBLK									
Petroleum Hydrocarbons, TR	ND	mg/Kg	20								
Sample ID: LCS-27410		LCS									
Petroleum Hydrocarbons, TR	101.8	mg/Kg	20	100	0	102	81.4	118			
Sample ID: LCSD-27410		LCSD									
Petroleum Hydrocarbons, TR	104.6	mg/Kg	20	100	0	105	81.4	118	2.73	8.58	
Method: EPA Method 8015B: Diesel Range Organics											
Sample ID: MB-27358		MBLK									
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Sample ID: LCS-27358		LCS									
Diesel Range Organics (DRO)	51.35	mg/Kg	10	50	0	103	66.7	119			
Sample ID: LCSD-27358		LCSD									
Diesel Range Organics (DRO)	50.03	mg/Kg	10	50	0	100	66.7	119	2.59	18.9	
Method: EPA Method 8015B: Gasoline Range											
Sample ID: MB-27355		MBLK									
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0								
Sample ID: LCS-27355		LCS									
Gasoline Range Organics (GRO)	28.30	mg/Kg	5.0	25	2.06	105	88.8	124			
Method: EPA Method 8021B: Volatiles											
Sample ID: MB-27355		MBLK									
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-27355		LCS									
Benzene	1.053	mg/Kg	0.050	1	0.0053	105	83.3	107			
Toluene	0.9539	mg/Kg	0.050	1	0.007	94.7	74.3	115			
Ethylbenzene	1.006	mg/Kg	0.050	1	0.0049	100	80.9	122			
Xylenes, Total	3.244	mg/Kg	0.10	3	0	108	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:

6/24/2011

Work Order Number 1106A46

Received by:

LNM

Checklist completed by:

Signature

Date

Sample ID labels checked by:

Initials

Matrix:

Carrier name: Greyhound

Shipping container/cooler in good condition?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Not Present <input type="checkbox"/>	
Custody seals intact on shipping container/cooler?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Not Present <input type="checkbox"/>	Not Shipped <input type="checkbox"/>
Custody seals intact on sample bottles?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
Chain of custody present?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Chain of custody signed when relinquished and received?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Chain of custody agrees with sample labels?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Samples in proper container/bottle?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Sample containers intact?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Sufficient sample volume for indicated test?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
All samples received within holding time?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		
Water - VOA vials have zero headspace?	No VOA vials submitted <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Number of preserved bottles checked for pH:
Water - Preservation labels on bottle and cap match?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	
Water - pH acceptable upon receipt?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	<2 >12 unless noted below.
Container/Temp Blank temperature?	3.8°	<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		Turn-Around Time:
Client: <u>XTO</u>	<input checked="" type="checkbox"/> Standard	<input type="checkbox"/> Rush _____
Mailing Address: <u>382 ROAD 3100</u>	Project Name: <u>GRACIA STATE 322 #3</u>	
<u>AZUL, NM 87410</u>	Project #: <u>BOT CLOSURE COMPOSITE</u>	
Phone #: <u>505-787-0519</u>	Project Manager: <u>JAMES McDONNELL</u>	
email or Fax#: <u>james.mcdonnel@xto</u>		
QA/QC Package: <u>energy.com</u>		
<input checked="" type="checkbox"/> Standard	<input type="checkbox"/> Level 4 (Full Validation)	
Accreditation	Sampler: <u>BRAD GRIFFIN</u>	
<input type="checkbox"/> NELAP	<input type="checkbox"/> Other _____	
<input type="checkbox"/> EDD (Type) _____	On Ice: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Sample Temperature: <u>38</u>	

☒ **Standard** ☐ **Rush**

GRACIA STATE 32L #3

BOT CLOSURE COMPOSITE

James McDermott

Sampler: BRAD Gifford

On Ice: ☒ Yes ☐ No

Sample Temperature 28

	Container Type and #	Size	Weight	Volume	Material	Notes
1	20' Dry Van	68' x 9' x 7'	~10,000 lbs	~1,400 cu ft	Aluminum	Used for storage of materials.
2	40' High Cube Dry Van	112' x 9' x 8'6"	~16,000 lbs	~2,800 cu ft	Aluminum	Used for storage of materials.
3	20' Flatbed Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
4	40' Flatbed Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
5	20' Enclosed Trailer	68' x 8' x 6'	~10,000 lbs	~1,400 cu ft	Aluminum	Used for transport of materials.
6	40' Enclosed Trailer	112' x 8' x 6'	~16,000 lbs	~2,800 cu ft	Aluminum	Used for transport of materials.
7	20' Dump Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
8	40' Dump Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
9	20' Stake Bed Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
10	40' Stake Bed Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
11	20' Windmill Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
12	40' Windmill Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
13	20' Low Boy Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
14	40' Low Boy Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
15	20' Tandem Axle Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
16	40' Tandem Axle Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
17	20' Semi Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
18	40' Semi Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
19	20' Horse Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
20	40' Horse Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
21	20' Utility Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
22	40' Utility Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
23	20' Boat Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
24	40' Boat Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
25	20' Car Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
26	40' Car Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
27	20' Motorcycle Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
28	40' Motorcycle Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
29	20' Cargo Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
30	40' Cargo Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
31	20' Equipment Trailer	68' x 8' x 4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
32	40' Equipment Trailer	112' x 8' x 4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
33	20' Dump Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
34	40' Dump Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
35	20' Flatbed Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
36	40' Flatbed Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
37	20' Enclosed Truck	~10' x ~8' x ~6'	~10,000 lbs	~1,400 cu ft	Aluminum	Used for transport of materials.
38	40' Enclosed Truck	~10' x ~8' x ~6'	~16,000 lbs	~2,800 cu ft	Aluminum	Used for transport of materials.
39	20' Stake Bed Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
40	40' Stake Bed Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
41	20' Windmill Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
42	40' Windmill Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
43	20' Low Boy Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
44	40' Low Boy Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
45	20' Tandem Axle Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
46	40' Tandem Axle Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
47	20' Semi Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
48	40' Semi Truck	~10' x ~8' x ~4'	~16,000 lbs	~2,800 cu ft	Steel	Used for transport of materials.
49	20' Horse Truck	~10' x ~8' x ~4'	~10,000 lbs	~1,400 cu ft	Steel	Used for transport of materials.
50	40' Horse Truck	~10' x ~8' x ~4'	~16,000			

Preservative
Type

HEAL-Net

1106A46

Date	Time	Matrix	Sample Request ID
------	------	--------	-------------------

6/23	953	SOIL	BLT CLOSURE	1 407
------	-----	------	-------------	-------

6/23	953	SOIL	BGT CLOSURE	1402
------	-----	------	-------------	------

Date:	Time:	Relinquished by:
6/23	1140	Bl 6/1/12

Date: 4/23/11	Time: 1642	Relinquished by: Christ Walter
---------------	------------	--------------------------------

Received by:	Date	Time
Christa Weber	6/23/11	1140

Received by: Andrew H. Jones Date 10/24/1997 Time 10:00



www.hallenvironmental.com

4901 Hawkins NE - Albuquerque, NM 87109

Tel. 505-345-3975 Fax 505-345-4107

Analysis Request

	X	BTEX + MTBE + TMB's (8021)
		BTEX + MTBE + TPH (Gas only)
	X	TPH Method 8015B (Gas/Diesel)
	X	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)
	X	CHLORIDES
		Air Bubbles (Y or N)

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.



July 8, 2011

Scott Dawson
New Mexico State Land Office
Oil, Gas and Minerals Division
PO Box 1148
Santa Fe, New Mexico, 87504


Re: Gracia State 32 L 33 – API # 30-045-28694
Unit L, Section 32, Township 26N, Range 11W, San Juan County, New Mexico

Dear Mr. Dawson,

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 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, CHMM #15676
EH&S Supervisor
XTO Energy, Inc.
San Juan Division



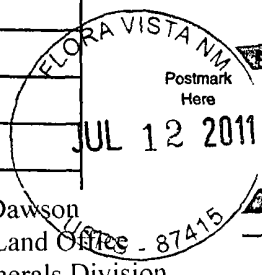
7010 1870 0003 3184 0515

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Restricted Delivery Fee (Endorsement Required)	
Total	



Scott Dawson
NM State Land Office
Oil Gas & Minerals Division
PO Box 1148
Santa Fe, NM 87504

PS Form 3800, August 2004 Edition See Reverse for Instructions



James McDaniel /FAR/CTOC
07/08/2011 03:22 PM

To brandon.powell@state.nm.us

cc

bcc

Subject: Gracia State.32 L #3 BGT Closure

Brandon,

Please accept this email as the required notification for BGT Closure Activities at the Gracia State. 32 L #3 well site (api # 30-045-28694) located in Unit L, Section 32, Township 26N, Range 11W, San Juan County, New Mexico. This BGT is being closed due to plugging and abandoning of this well location. Thank you for your time in regards to this matter.



James McDaniel, CHMM #15676

EH&S Supervisor

XTO Energy, Inc.

Office # 505-333-3701

Cell # 505-787-0519

James.Mcdaniel@xtoenergy.com

XTO Energy, Inc.
Gracia State 32 L 33
Section 32, Township 26N, Range 11W
Closure Date 7/15/2011



Photo 1: Gracia State 32 L #3 after Reclamation (View 1)

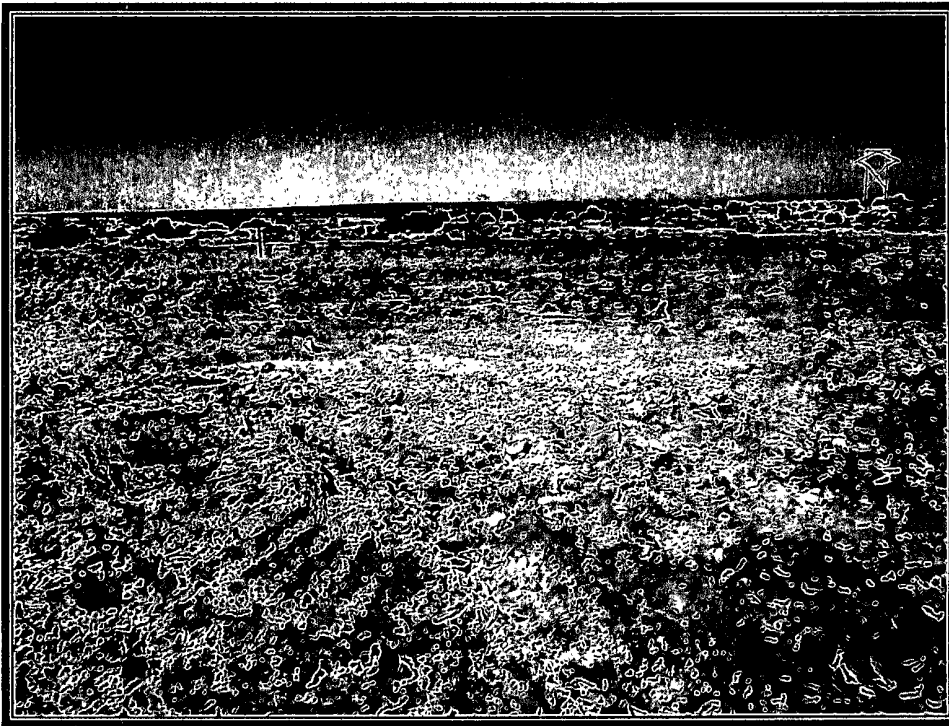


Photo 2: Gracia State 32 L #3 after Reclamation (View 2)



Well Below Tank Inspection Report

RouteName		StopName		Pumper	Foreman	WellName			APIWellNumber		Section	Range	Township
Below Grade Pit Forms (Temp)		Gracia State 32 L3		Blackwell, Frankie	Unassigned	GRACIA STATE 32 L 03 (PA)			3004528694		32	11W	26N
InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes		
Nick Rybacki	08/27/2008	10.17	No	Yes		No	No	2					
Nick Rybacki	09/25/2008	12.52	No	No	No	No	No	4					
Nick Rybacki	10/16/2008	13:55	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	11/20/2008	13:48	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	12/21/2008	11:00	No	No	No	No	No	2	Well Water Pit	Below Ground			
Nick Rybacki	01/13/2009	11.36	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	02/24/2009	08:43	No	No	No	No	No	3	Well Water Pit	Below Ground			
Nick Rybacki	03/10/2009	13:01	No	No	No	No	No	2	Well Water Pit	Below Ground			
Nick Rybacki	04/23/2009	10:12	No	No	No	No	No	3	Well Water Pit	Below Ground			
Nick Rybacki	05/30/2009	12:19	No	No	No	No	No	3	Well Water Pit	Below Ground			
Nick Rybacki	06/19/2009	11:39	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	07/30/2009	09:51	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	08/27/2009	13.34	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	09/17/2009	11:54	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	10/07/2009	12:42	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	11/14/2009	11.06	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	12/24/2009	08:14	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	01/28/2010	09:09	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	02/23/2010	12.57	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	03/11/2010	08.54	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	04/30/2010	09:00	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	05/12/2010	08:43	No	No	No	No	No	4	Well Water Pit	Below Ground			
Nick Rybacki	06/27/2010	08:46	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	07/27/2010	09.16	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	08/13/2010	10:09	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	09/05/2010	10:27	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	10/09/2010	09.30	No	No	No	No	No	5	Well Water Pit	Below Ground			
Nick Rybacki	11/11/2010	09:47	No	No	No	No	No	5	Well Water Pit	Below Ground			
Gary Derrera	01/09/2011	09.47	No	No	No	No	No	5	Well Water Pit	Below Ground			
Gary Derrera	02/09/2011	12:57	No	No	No	No	No	5	Well Water Pit	Below Ground			
Gary Derrera	04/07/2011	01:57	No	No	No	No	No	5	Well Water Pit	Below Ground			