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.

~~7313~~
9277

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
☒ 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: HB McGrady A #1H
API Number: 30-045-34912 OCD Permit Number:
U/L or Qtr/Qtr I Section 14 Township 27N Range 12W County: San Juan
Center of Proposed Design: Latitude 36.57286 Longitude 108.07477 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 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☒ String-Reinforced
Liner Seams: ☒ Welded ☒ Factory ☐ Other Volume: bbl Dimensions: L 200 x W 80 x D 8-12

RCVD DEC 5 '11
OIL CONS. DIV.
DIST. 3

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) **To be used during completion operations**
☐ 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: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

RCVD NOV 24 '10
OIL CONS. DIV.
DIST. 3

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_____

7.

Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ 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. Fencing- Hogwire

☐ 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.

- [X] Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- [X] Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- [X] Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- [X] Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- [X] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- [X] 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
- [X] *Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC*
- [X] Operating and Maintenance Plan - based upon the appropriate requirements of 19 15.17.12 NMAC
- [X] 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: [X] Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank [X] Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☐ Waste Excavation and Removal
- [X] Waste Removal (Closed-loop systems only)
- [X] On-site Closure Method (Only for temporary pits and closed-loop systems)
  - [X] 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: Envirotech Disposal Facility Permit Number: NM01-0011

Disposal Facility Name: IEI Disposal Facility Permit Number: NM01-0010B

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): Malia Villers Title: Permitting Tech.

Signature: Malia Villers Date: November 22, 2010

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

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

OCD Representative Signature: Brandon Powell Jonathan D. Kelly 12/6/2011 Approval Date: 12-6-10

Title: Environ Spec 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:** 11/3/11

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 36.57278 Longitude -108.07452 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: EH&S Supervisor

Signature: Date: 12/2/2011

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: H B McGrady A #1H(30-045-34912)	Facility Type: Gas Well

Surface Owner: Federal	Mineral Owner:	Lease No.: NMNM-035634

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	14	27N	12W	1800	FSL	805	FEL	San Juan

Latitude: 36.57286 **Longitude:** -108.07477

NATURE OF RELEASE

Type of Release: None	Volume of Release: NA	Volume Recovered: NA
Source of Release: None	Date and Hour of Occurrence: NA	Date and Hour of Discovery: NA
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.*
The drill pit at the H B McGrady A #1H was closed on November 3, 2011. A composite sample was collected from the pit pre-stabilization on August 18, 2011, and returned results below the 0 2 ppm benzene standard, the 500 ppm DRO/GRO standard, the 50 ppm total BTEX standard, and the the 2500 ppm TPH standard, but above the 500 ppm total chloride standard at 1,400 ppm. After the contents of the drill pit had been stabilized, an additional composite sample was collected on November 29, 2011 from the drill pit. The sample was analyzed for chlorides, and returned results below the 500 ppm regulatory standard. The contents of the drill pit were buried in place. Applicable analytical results are included with this report.

Describe Area Affected and Cleanup Action Taken.*
No release has occurred at 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.

Signature	OIL CONSERVATION DIVISION	
Printed Name: James McDaniel, CHMM #15676	Approved by District Supervisor.	
Title: EH&S Supervisor	Approval Date:	Expiration Date.
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:	Attached ☐
Date: 12/2/2011 Phone: 505-333-3701		

* Attach Additional Sheets If Necessary

CERTIFIED HAZARDOUS MATERIALS MANAGER
JAMES S. MCDANIEL
15676
CHMM
EXPIRES MAY 16, 2016

XTO Energy Inc.
San Juan Basin
Closure Report

Lease Name: **H B McGrady A #1H**
API No.: **30-045-34912**
Description: **Unit I, Section 14, Township 27N, Range 12W, San Juan County, NM**

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure of the temporary pit referenced above. All proper documentation regarding closure activities is being included with the C-144.

- Proof of Closure Notice
- Proof of Deed Notice (Not Required)
- Plot Plan
- C-105
- Sampling Results
- Details on Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation Photos (Including Steel Marker)

1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division-approved facility or recycled, reused, or reclaimed in a manner that the Aztec Division office approves.

   Fluids were pulled from the reserve pit on 7/27/2011 through 7/29/2011 and disposed of at Basin Disposal, NM-01-005

2. The preferred method of closure for all temporary pits will be on-site, in-place burial, assuming that all criteria listed in Subsection (B) of 19.15.17.13 are met.

   On-site, in-place burial plan for this location was approved by the Aztec Division office on December 26, 2010.

3. The surface owner shall be notified of XTO proposed closure plan using a means that provides proof of notice, i.e., Certified Mail, return receipt requested.

   The Navajo Nation was notified of on-site burial by email, November 22, 2010 (attached), and the BLM was notified by email on October 20, 2011 (attached). According to the lease number and documentation found, the surface owner of record for this well is the BLM. The notification to the Navajo Nation was sent by mistake, and future notifications will be sent to the landowner of record for each well.

4. Within 6 months of Rig Off status occurring XTO will ensure that temporary pits are closed, re-contoured, and reseeded.

   Rig moved off location July 22, 2011. Pit closed November 3, 2011.

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

   Notification was sent to the Aztec Office of the OCD on October 20, 2011, Closure activities began on October 25, 2011.

6. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed as safe and stable. The mixing ratio shall not exceed 3

parts clean soil to 1 part pit contents.

Pit contents were mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process was accomplished using a combination of natural drying and mechanically mixing using a dozer and track-hoe. Pit contents were mixed with non-waste, earthen material to a consistency that was deemed safe and stable. The mixing ratio did not exceed 3 parts clean soil to 1 part pit contents.

7. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liner will be disposed of at a licensed disposal facility.

   Liner of temporary pit was removed above "mud level" after stabilization. Removal of the liner consisted of manually cutting liner at mud level and removing all remaining liner. Care was taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liner was disposed of at a licensed disposal facility, (San Juan County Landfill).

8. A five point composite sample will be taken using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e. dig and haul. Disposal facilities to be utilized should this method be required will be Envirotech, Permit No. NM01-0011 or IEI, Permit No. NM01-0010B

   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 (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	**< 0.049**
BTEX	EPA SW-846 8021B or 8260B	50	**< 0.244**
TPH	EPA SW-846 418.1	2500	**89**
GRO/DRO	EPA SW-846 8015M	500	**20**
Chlorides	EPA 300.1	500 or background	**1400 (pre) – 80 (post)**

9. Upon completion of solidification and testing, the pit area will be backfilled with compacted, non-waste containing earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

   Upon completion of solidification and testing, the pit area was backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover was achieved and the cover included one foot of background topsoil suitable for establishing vegetation at the site or natural levels, whichever was greater. Backfill and cover were placed to match existing grade.

10. Re-contouring of the location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, ponding prevention, and erosion prevention. 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 a smooth surface, fitting the natural landscape.

    Re-contouring of location matches fit, shape, line, form and texture of the surrounding area. Re-shaping of the location included drainage control, ponding prevention, and erosion prevention. Natural drainages were unimpeded and water bars and/or silt traps were placed in areas where needed to prevent erosion on a large scale. Final re-contour has a uniform appearance with smooth surface, fitting the natural landscape.

11. Notification will be sent to OCD when the reclaimed area is seeded.

    A C-103 is included with this report. Seeding occurred on November 17, 2011.

12. XTO shall seed the disturbed areas the first growing season after the pit is closed. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM of 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.

Notification via C-103 will be sent to OCD when the reclaimed area successfully achieves re-vegetation for two successive growing seasons.

13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the on-site burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time all wells on the pad are abandoned. The operator's information will include the following: Operator's Name, Lease Name, Well Name and Number, Unit Number, Section, Township, Range and an indicator that the marker is an on-site burial location.

    The temporary pit was located with a steel marker cemented in a hole three feet deep in the center of the onsite burial. The marker includes the operators information. The marker was set in a way to not impede reclamation activities. The operator's information includes the following: XTO Energy, H B McGrady A #1H, Unit I, Sec 14-T27N-R12W "In Place Burial".

14. XTO shall file a deed notice identifying the exact location of the on-site burial with the county clerk in the county where the on-site burial occurs.

    Not required on state, federal, or tribal land according to FAQ dated October 30, 2008 and posted on the OCD website.

Submit To Appropriate District Office
Two Copies
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd , 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-105
July 17, 2008

1. WELL API NO.
30-045-34912

2 Type of Lease
☐ STATE ☐ FEE ☒ FED/INDIAN

3. State Oil & Gas Lease No
NMNM-035634

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4 Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19 15 17 13 K NMAC)

5. Lease Name or Unit Agreement Name
H B McGrady A

6. Well Number
1H

7 Type of Completion
☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8 Name of Operator
XTO Energy, Inc.

9 OGRID
5380

10 Address of Operator
382 County Road 3100
Aztec, New Mexico 87410
505-333-3100

11. Pool name or Wildcat

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13 Date Spudded	14 Date T D Reached	15. Date Rig Released	16 Date Completed (Ready to Produce)	17 Elevations (DF and RKB, RT, GR, etc)
		7/22/2011		

18 Total Measured Depth of Well	19 Plug Back Measured Depth	20 Was Directional Survey Made?	21 Type Electric and Other Logs Run

22 Producing Interval(s), of this completion - Top, Bottom, Name

23 **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25 TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26 Perforation record (interval, size, and number)

27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28 **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio

Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl.	Oil Gravity - API - *(Corr)*

29 Disposition of Gas *(Sold, used for fuel, vented, etc)*

30 Test Witnessed By

31. List Attachments

32 If a temporary pit was used at the well, attach a plat with the location of the temporary pit. **attached**

33 If an on-site burial was used at the well, report the exact location of the on-site burial
Latitude **36.57278** Longitude **-108.07452** NAD 1927 **1983**

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Printed Name: **James McDaniel** Title: EH&S Supervisor

E-mail Address James_McDaniel@xtoenergy.com Date: **12/2/2011**

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T.Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T.Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T.Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....

No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology		From	To	Thickness In Feet	Lithology

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St Francis Dr
Santa Fe, NM 87504-2088

RECEIVED
MAR 16 2009
Bureau of Land Management
Farmington Field Office

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☑ AMENDED REPORT
Change from 160 acres to 320 acres

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34912	97232	BASIN-MANCOS GAS

[4] Property Code	[5] Property Name	[6] Well Number
32783	HB McGRADY A	1F

[7] OGRID No	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	6011'

[10] Surface Location

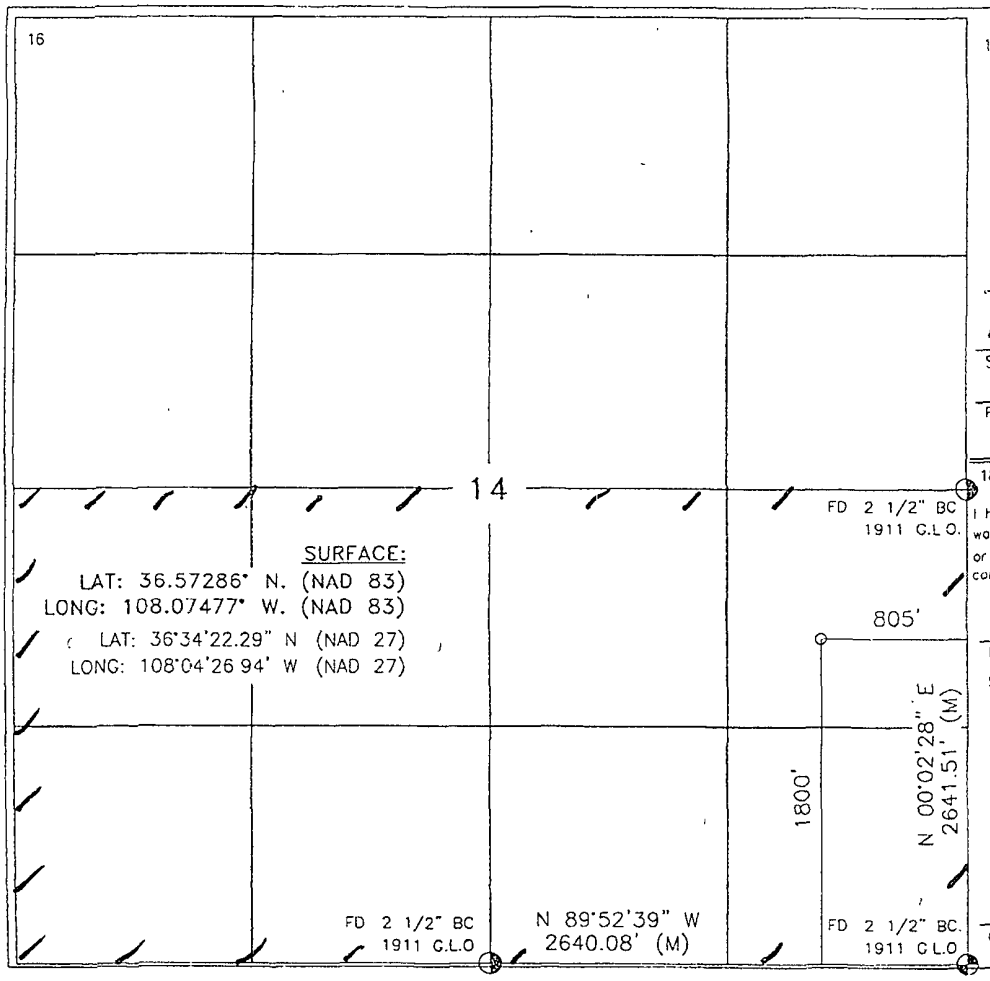
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	14	27-N	12-W		1800	SOUTH	805	EAST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

BWood 3-13-09
Signature Date

BRIAN WOOD
Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

JULY 11, 2008
Date of Survey

Signature and Seal of Professional Surveyor

ROY A. BUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

08-7-08

8894
Certificate Number

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St Francis Dr.
Santa Fe, NM 87504-2088

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34912	71599	BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
22783	HB McGRADY A	1F

[7] OGRID No.	[8] Operator Name	[9] Elevation
167067	XTO ENERGY INC.	6011'

[10] Surface Location

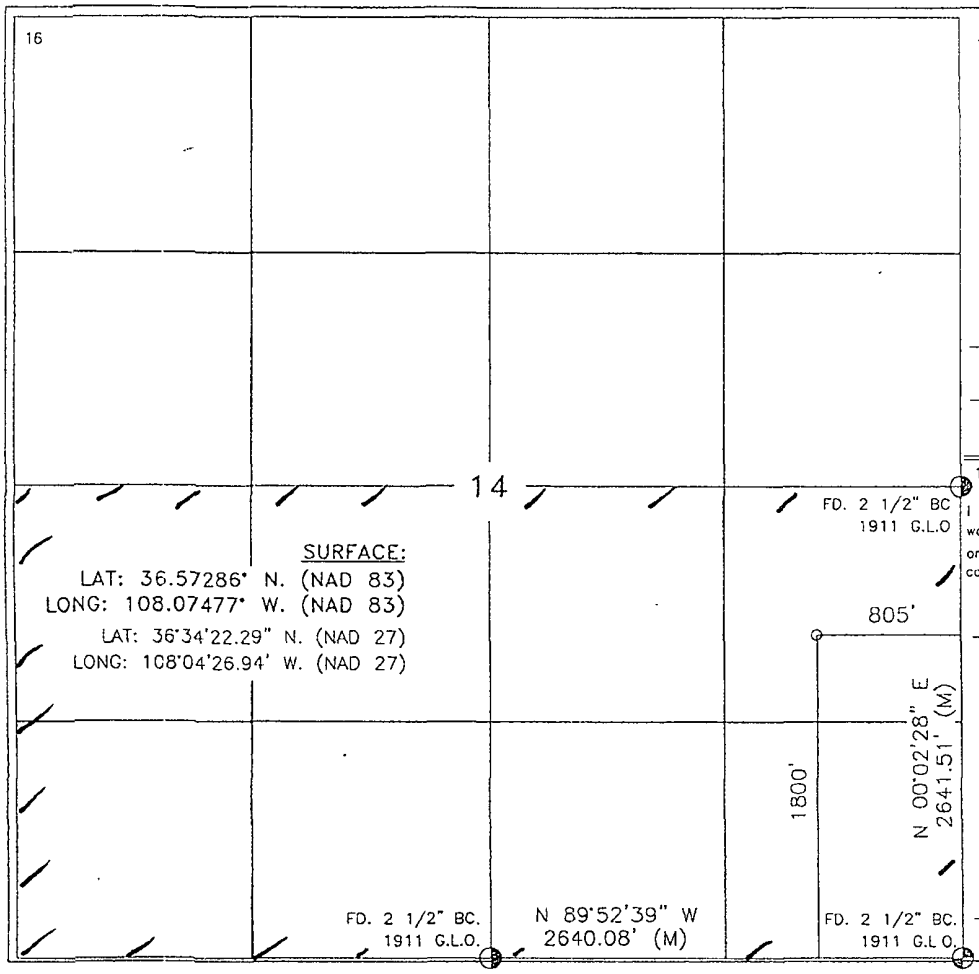
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	14	27-N	12-W		1800	SOUTH	805	EAST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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B. Wood 2-9-09

Signature Date

Printed Name
BRIAN WOOD

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief

JULY 11, 2008

Date of Survey

Signature and Seal of Professional Surveyor

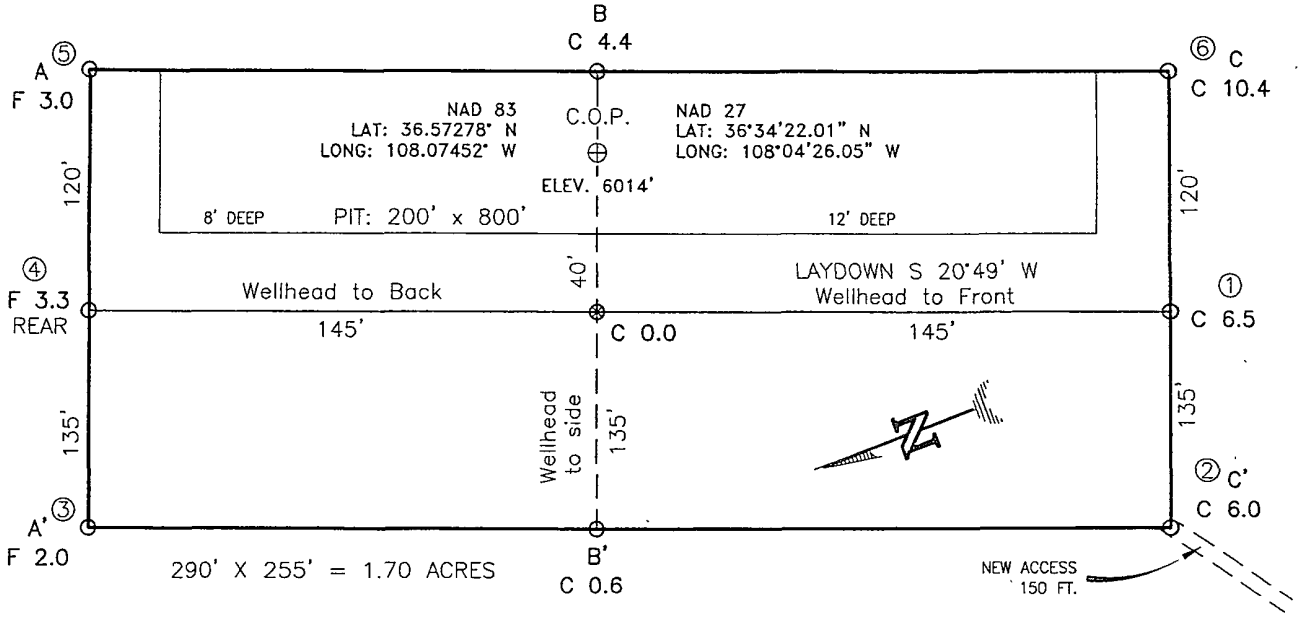
ROY A. BUSH
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR
08-27-08

8894

Certificate Number

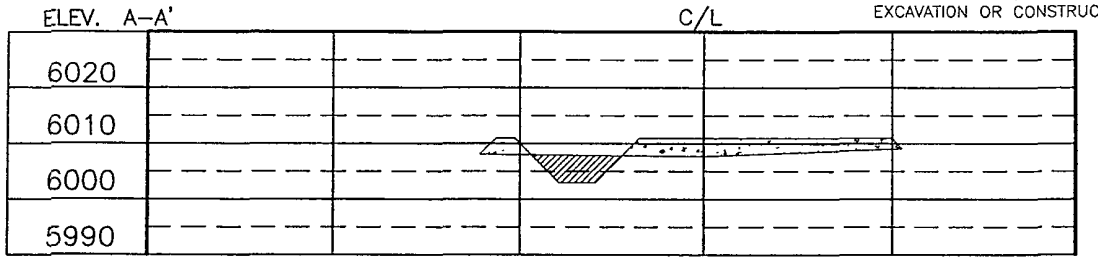
XTO ENERGY INC.
HB McGRADY A No. 1F, 1800 FSL 805 FEL
SECTION 14, T27N, R12W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 6011' DATE: JULY 11, 2008

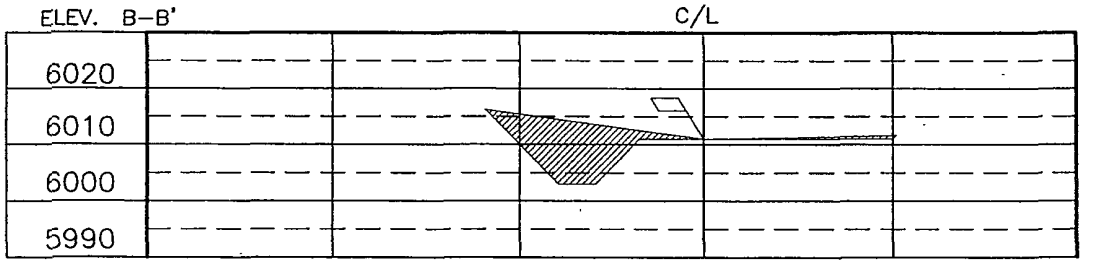
NAD 83
LAT. = 36.57286° N
LONG. = 108.07477° W
NAD 27
LAT. = 36°34'22.29" N
LONG. = 108°04'26.94" W

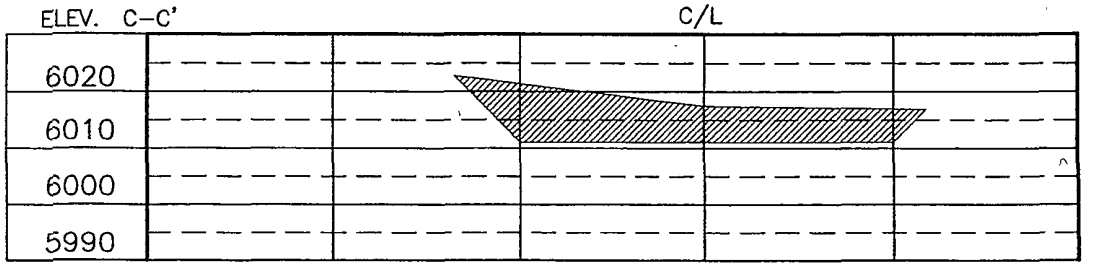


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION







NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION: NAME CHANGE
DATE: 08/26/08
REVISED BY: B.K.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 • Farmington, NM 87499
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S No. 8894

CADFILE: CR681_CF8
DATE 07/25/08
DRAWN BY: B.K.
ROW#: CR681

HALL
ENVIRONMENTAL
ANALYSIS
LABORATORY

COVER LETTER

Thursday, September 01, 2011

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

TEL: (505) 333-3100
FAX (505) 333-3280

RE: HB McGrady #1 H

Order No.: 1108845

Dear James McDaniel:

Hall Environmental Analysis Laboratory, Inc. received 1 sample(s) on 8/20/2011 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

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

Hall Environmental Analysis Laboratory, Inc.

Date: *01-Sep-11*

Analytical Report

CLIENT:	XTO Energy	**Client Sample ID:**	Drill Pit
Lab Order:	1108845	**Collection Date:**	8/18/2011 11:00:00 AM
Project:	HB McGrady #1 H	**Date Received:**	8/20/2011
Lab ID:	1108845-01	**Matrix:**	SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: **JB**
Diesel Range Organics (DRO)	20	10		mg/Kg	1	8/29/2011 11:01:46 AM
Surr: DNOP	129	73.4-123	S	%REC	1	8/29/2011 11:01:46 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: **RAA**
Gasoline Range Organics (GRO)	ND	4.9		mg/Kg	1	8/29/2011 4:24:43 PM
Surr: BFB	100	75 2-136		%REC	1	8/29/2011 4:24:43 PM
EPA METHOD 8021B: VOLATILES						Analyst: **RAA**
Benzene	ND	0.049		mg/Kg	1	8/26/2011 5:45:40 PM
Toluene	ND	0.049		mg/Kg	1	8/26/2011 5:45:40 PM
Ethylbenzene	ND	0 049		mg/Kg	1	8/26/2011 5:45:40 PM
Xylenes, Total	ND	0.097		mg/Kg	1	8/26/2011 5:45:40 PM
Surr: 4-Bromofluorobenzene	96.7	80-120		%REC	1	8/26/2011 5:45:40 PM
EPA METHOD 300.0: ANIONS						Analyst: **SRM**
Chloride	1400	75		mg/Kg	50	8/26/2011 9:22:47 AM
EPA METHOD 418.1: TPH						Analyst: **JB**
Petroleum Hydrocarbons, TR	89	20		mg/Kg	1	8/24/2011

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: HB McGrady #1 H **Work Order:** 1108845

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 300.0: Anions											
Sample ID: MB-28181		*MBLK*				Batch ID: **28181**		Analysis Date:		8/24/2011 12:58:25 PM	
Chloride	ND	mg/Kg	1.5								
Sample ID: LCS-28181		*LCS*				Batch ID: **28181**		Analysis Date:		8/24/2011 1:15:49 PM	
Chloride	14.19	mg/Kg	1.5	15	0	94.6	90	110			
Method: EPA Method 418.1: TPH											
Sample ID: MB-28160		*MBLK*				Batch ID: **28160**		Analysis Date:		8/24/2011	
Petroleum Hydrocarbons, TR	ND	mg/Kg	20								
Sample ID: LCS-28160		*LCS*				Batch ID: **28160**		Analysis Date:		8/24/2011	
Petroleum Hydrocarbons, TR	100.6	mg/Kg	20	100	0	101	87.8	115			
Sample ID: LCSD-28160		*LCSD*				Batch ID: **28160**		Analysis Date:		8/24/2011	
Petroleum Hydrocarbons, TR	101.8	mg/Kg	20	100	0	102	87.8	115	1.26	8.04	
Method: EPA Method 8015B: Diesel Range Organics											
Sample ID: MB-28158		*MBLK*				Batch ID: **28158**		Analysis Date:		8/25/2011 7:11:01 PM	
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Sample ID: LCS-28158		*LCS*				Batch ID: **28158**		Analysis Date:		8/25/2011 7:45:06 PM	
Diesel Range Organics (DRO)	50.11	mg/Kg	10	50	0	100	66.7	119			
Sample ID: LCSD-28158		*LCSD*				Batch ID: **28158**		Analysis Date:		8/25/2011 8:19:17 PM	
Diesel Range Organics (DRO)	51.66	mg/Kg	10	50	0	103	66.7	119	3.06	18.9	
Method: EPA Method 8015B: Gasoline Range											
Sample ID: MB-28146		*MBLK*				Batch ID: **28146**		Analysis Date:		8/24/2011 1:25:44 PM	
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0								
Sample ID: LCS-28146		*LCS*				Batch ID: **28146**		Analysis Date:		8/24/2011 12:25:39 PM	
Gasoline Range Organics (GRO)	31.26	mg/Kg	5.0	25	0	125	86.4	132			

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

QA/QC SUMMARY REPORT

Client: XTO Energy
Project: HB McGrady #1 H **Work Order:** 1108845

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 8021B: Volatiles											
Sample ID: 1108845-01A MSD		*MSD*				Batch ID:	**28146**	Analysis Date:		8/27/2011 1:46:09 AM	
Benzene	0.9451	mg/Kg	0.049	0.976	0	96.9	67.2	113	11.0	14.3	
Toluene	0 8966	mg/Kg	0.049	0.976	0	91.9	62.1	116	9.33	15.9	
Ethylbenzene	1.003	mg/Kg	0.049	0.976	0.0132	101	67.9	127	11.1	14.4	
Xylenes, Total	3.079	mg/Kg	0.098	2.927	0.0915	102	60.6	134	10.6	12.6	
Sample ID: MB-28146		*MBLK*				Batch ID:	**28146**	Analysis Date:		8/24/2011 1:25:44 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-28146		*LCS*				Batch ID:	**28146**	Analysis Date:		8/24/2011 12:55:37 PM	
Benzene	0.8810	mg/Kg	0.050	1	0.0238	85.7	83.3	107			
Toluene	0.8318	mg/Kg	0.050	1	0.0145	81.7	74.3	115			
Ethylbenzene	0 9328	mg/Kg	0.050	1	0.0216	91.1	80.9	122			
Xylenes, Total	2.939	mg/Kg	0.10	3	0.0516	96.3	85.2	123			
Sample ID: 1108845-01A MS		*MS*				Batch ID:	**28146**	Analysis Date:		8/27/2011 1:16:01 AM	
Benzene	0.8470	mg/Kg	0.048	0.952	0	88.9	67.2	113			
Toluene	0.8167	mg/Kg	0.048	0.952	0	85.8	62.1	116			
Ethylbenzene	0.8974	mg/Kg	0.048	0.952	0.0132	92.8	67.9	127			
Xylenes, Total	2.770	mg/Kg	0.095	2.857	0.0915	93.7	60.6	134			

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: 8/20/2011

Work Order Number 1108845 | Received by: AMF

Checklist completed by: _____ 8/20/11 | Sample ID labels checked by: AT

Signature | Date | Initials

Matrix: | Carrier name Greyhound

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?	**3.2°**	*<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

Mailing Address: 390 CR 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 _____

Project Name:
HB McGRADY # 1 H1

Project #:

Project Manager:
JAMES McDANIEL

Sampler: JOSHUA KRETHER

On Ice: ☑ Yes ☐ No

Sample Temperature: 3.2

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.	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)
8-18-11	1600	SOIL	DRILL PIT	4 oz	COOL	1108845-1	✓		✓	✓								✓				

Analysis Request

Relinquished by:	Received by:	Date	Time
	Christine Walters	8/19/11	1345
Christine Walters			

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.

envirotech
Analytical Laboratory

Chloride

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit	Date Reported:	12-01-11
Lab ID#:	60443	Date Sampled:	11-29-11
Sample Matrix:	Soil	Date Received:	11-29-11
Preservative:	Cool	Date Analyzed:	11-30-11
Condition:	Intact	Chain of Custody:	14015

Parameter	Concentration (mg/Kg)
Total Chloride	**80**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983. Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **HB McGrady A 1H**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

CHAIN OF CUSTODY RECORD

14015

Client: XTO	Project Name / Location: HB MCGRADY A 1 H
Email results to:	Sampler Name: JOSH KIRCHNER
Client Phone No.: 787 0519	Client No.: 98031-0528

Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl	Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
DRILL PIT	11-29-11	0930	60443	1 4oz			✓										✓				✓	✓

ANALYSIS / PARAMETERS

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
	11-29-11	1500		11/29/11	1000
Relinquished by: (Signature)			Received by: (Signature)		

Sample Matrix

Soil ☑ Solid ☐ Sludge ☐ Aqueous ☐ Other ☐ _____

☐ Sample(s) dropped off after hours to secure drop off area.

RUSH

envirotech
Analytical Laboratory

5795 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 • laboratory@envirotech-inc.com

KimMarie
Espinosa/FAR/CTOC
10/20/2011 03:59 PM

To Brandon.powell@state.nm.us

cc Brent Beaty/FAR/CTOC, Scott Baxstrom/FAR/CTOC, James McDaniel/FAR/CTOC

bcc

Subject HB McGrady A #1H

Brandon,
Please accept this email as the required notification for closure activities for the drill pit located at the HB Mc Grady A #1H well site (API # 30-045-34912) in Unit I, Section 14, Township 27N,Range12W San Juan County NM. Closure activities are scheduled to begin Tuesday October 25th, 2011.

Thank You,

Kim-Marie Espinosa
Sr. Regulatory Compliance Technician
XTO Energy, Inc.
San Juan Division
382 CR 3100
Aztec, NM. 87410
505-333-3683
Cell 505-787-7670
Kim-Marie_Espinosa@xtoenergy.com

KimMarie
Espinosa/FAR/CTOC
10/20/2011 04:09 PM

To markkelly@blm.gov
cc Brent Beaty/FAR/CTOC@CTOC, James McDaniel/FAR/CTOC@CTOC, Scott Baxstrom/FAR/CTOC@CTOC
bcc
Subject HB Mc Grady A #1H - API #30-045-34912

October 20, 2011

Mark Kelly
Bureau of Land Management
Farmington Field Office
1235 La Plata Hwy
Farmington, NM 87401
(505) 599-8900

Regarding: HB Mc Grady A #1H - API #30-045-34912
Unit I, Section 4, Township 27N, Range 12W, San Juan County, NM

Dear Mr. Kelly,

Pursuant to NMAC Rule 19.15.17.13 requiring operators to notify surface owners of on site burial of temporary pits, XTO Energy Inc. (XTO) is hereby providing written documentation of closure of the temporary pit associated with the aforementioned location by means of in place on site burial. This temporary pit was closed in accordance to NMAC Rule 19.15.17.13.

Should you require any further information feel free to contact me at (505) 333-3701

Respectfully submitted,

Kim-Marie Espinosa
Sr. Regulatory Compliance Technician
XTO Energy Inc.
San Juan Division

Cc: OCD
File

Malia Villers/FAR/CTOC
11/22/2010 11:07 AM

To arvintrujillo@frontiernet.net
cc
bcc
Subject Notice - HB McGrady A #1F

RE: HB McGrady A #1F Well API# 30-045-34912
Sec. 14 (I)- T27N- R12W, San Juan County

Dear Mr. Trujillo:

This submittal is pursuant to Rule 19.15.17.13 requiring operators to notify surface owners of on site burial of temporary pits. XTO Energy Inc. (XTO) is hereby providing written documentation of our proposal to close the temporary pit associated with the aforementioned location by means of in place on site burial.

Should you have any questions or require additional information please feel free to contact me at your earliest convenience (505) 333-3100.

Malia Villers
Permitting Tech.
XTO Energy Inc.
505-333-3100
Direct: 505-333-3698
malia_villers@xtoenergy.com

TEMPORARY PIT INSPECTION FORM

Well Name: HB McGrady A 1-H | **API No.:** 30-045-34912

Legals: **Sec:** 14 I | **Township:** 27N | **Range:** 12w

Lat: 36° 34' 22.29" N Long: 108° 04' 26.94" W

Inspector's Name	Inspection Date	Any visible liner breeches (Y/N)	Any fluid seeps/ spills (Y/N)	HC's on top of temp. pit (Y/N)	Temp. pit free of misc solid waste/ debris (Y/N)	Discharge line integrity (Y/N)	Fence integrity (Y/N)	Any dead wildlife/stock (Y/N)	Freeboard Est. (ft)
Luke McCollum	7/25/2011	N	N	N	Y	NA	Y	N	7'
Luke McCollum	8/2/2011	N	N	N	Y	NA	Y	N	7
1) Luke McCollum	8/8/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	8/17/2011	N	N	N	Y	NA	Y	N	7
Brent Beaty	8/24/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	9/1/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	9/7/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	9/11/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	9/19/2011	N	N	N	Y	NA	Y	N	6.5
Luke McCollum	9/26/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	10/4/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	10/10/2011	N	N	N	Y	NA	Y	N	7
2)Luke McCollum	10/18/2011	N	N	N	Y	NA	Y	N	7
Luke McCollum	10/27/2011	Closure in progress							
Luke McCollum	11/3/2011	Reserve Pit Closed							

Notes: Provide Detailed Description:

Misc: 1) Diversion constructed to prevent drainage to pit

2) Pit ready for closure

XTO SUPERVISOR'S TEMPORARY PIT INSPECTION FORM

Well Name: HB McElvain A #1H Legals: Sec: 14 Township: 27N Range: 12W

API No.: 30-045-34912 Rig Name #1: AWS 777 Dates: From: 7/5/11 To: 7/19/11 Rig Name #2: Dates: From: ____ To: ____

XTO Inspector's Name	Inspection Date	Inspection Time	*Any liner breeches (Y/N)	**Any fluids seeps spills (Y/N)	HC's on top of temp. pit (Y/N)	T.Pit free of misc. S.Waste/Debris(Y/N)	Dischrg. Line Integrity (Y/N)	Fence Integrity (Y/N)	Any Dead (Y/N) Wildlife/Stock	Freeboard Est. (ft)
MAN	7/5/11	14:00	N	N	N	Y	N/A	Y	N	14'
MAN	7/6/11	12:00	N	N	N	Y	N/A	Y	N	15'
MAN	7/7/11	16:30	N	N	N	Y	N/A	Y	N	16'
MAN	7/8/11	11:00	N	N	N	Y	N/A	Y	N	14'
MAN	7/9/11	17:00	N	N	N	Y	N/A	Y	N	16'
MAN	7/10/11	13:15	N	N	N	Y	N/A	Y	N	14'
MAN	7/11/11	0600	N	N	N	Y	N/A	Y	N	14'
LK	7-12-11	8:15	N	N	N	Y	N/A	Y	N	14'
LK	7-13-11	10:00	N	N	N	Y	N/A	Y	N	14'
LK	7/14/11	8:00	N	N	N	Y	N/A	Y	N	14'
LK	7/15/11	10:00	N	N	N	Y	N/A	Y	N	15'
LK	7/16/11	13:00	N	N	N	Y	N/A	Y	N	15'
LK	7-17-11	14:15	N	N	N	Y	N/A	Y	N	14'
LK	7-18-11	7:00	N	N	N	Y	N/A	Y	N	15'
MAN	7/19/11	08:30	N	N	N	Y	N/A	Y	N	13'

Notes: * Provide Detailed Description: Small tear from forklift on South side of Reserve Pit. 2 small tears in West topper area due to hammer strikes

** Provide Detailed Description and Location of any associated fluid seeps/discharges outside pit: ____

Misc: ____

XTO SUPERVISOR'S TEMPORARY PIT INSPECTION FORM

Well Name: HB McCready A #1H Legals: Sec: 14 Township: 27N Range: 12W

API No.: 30-045-34912 Rig Name #1: AWS 777 Dates: From: 7/20/11 To: _____ Rig Name #2: Dates: From: _____ To: _____

XTO Inspector's Name	Inspection Date	Inspection Time	*Any liner breeches (Y/N)	**Any fluids seeps spills (Y/N)	HC's on top of temp. pit (Y/N)	T.Pit free of misc. S.Waste/Debris(Y/N)	Dischrg. Line Integrity (Y/N)	Fence Integrity (Y/N)	Any Dead (Y/N) Wildlife/Stock	Freeboard Est. (ft)
MAW	7/20	11:00	N	N	N	Y	N/A	Y	N	14'
MAW	7/21	13:00	N	N	N	Y	N/A	Y	N	11'

Notes: * Provide Detailed Description: _____

** Provide Detailed Description and Location of any associated fluid seeps/discharges outside pit: _____

Misc: _____

Submit 1 Copy To Appropriate District Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd , 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-103
October 13, 2009

WELL API NO. **30-045-34912**

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. **NMNM-035634**

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name **H B McGrady A**

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

8. Well Number **1H**

2. Name of Operator **XTO Energy, Inc.**

9. OGRID Number **5380**

3. Address of Operator **382 County Road 3100, Aztec, New Mexico 87410**

10. Pool name or Wildcat

4. Well Location
Unit Letter **I** : **1800** feet from the **South** line and **805** feet from the **East** line
Section **14** Township **27N** Range **12W** NMPM **San Juan** County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **6011 Feet**

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
OTHER:	☐			OTHER: **Reseed Drill Pit Area**	☒		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The reclaimed area was reseeded using the BLM -10 seed mix on 11/17/2011.

Spud Date: **7/6/2011** Rig Release Date: **7/22/2011**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE **EH&S Supervisor** DATE **12/2/2011**

Type or print name **James McDaniel** E-mail address: **James_McDaniel@xtoenergy.com** PHONE: **505-333-3701**

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

XTO Energy, Inc.
H B McGrady A #1H
Section 14, Township 27N, Range 12W
Closure Date 11/3/2011

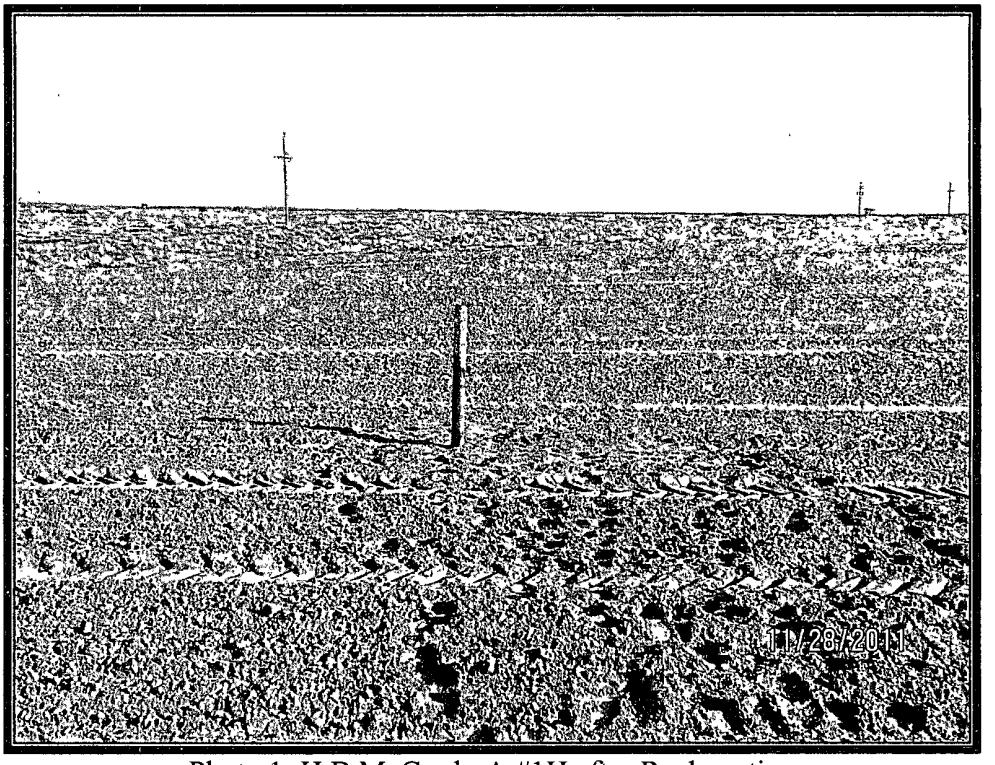


Photo 1: H B McGrady A #1H after Reclamation

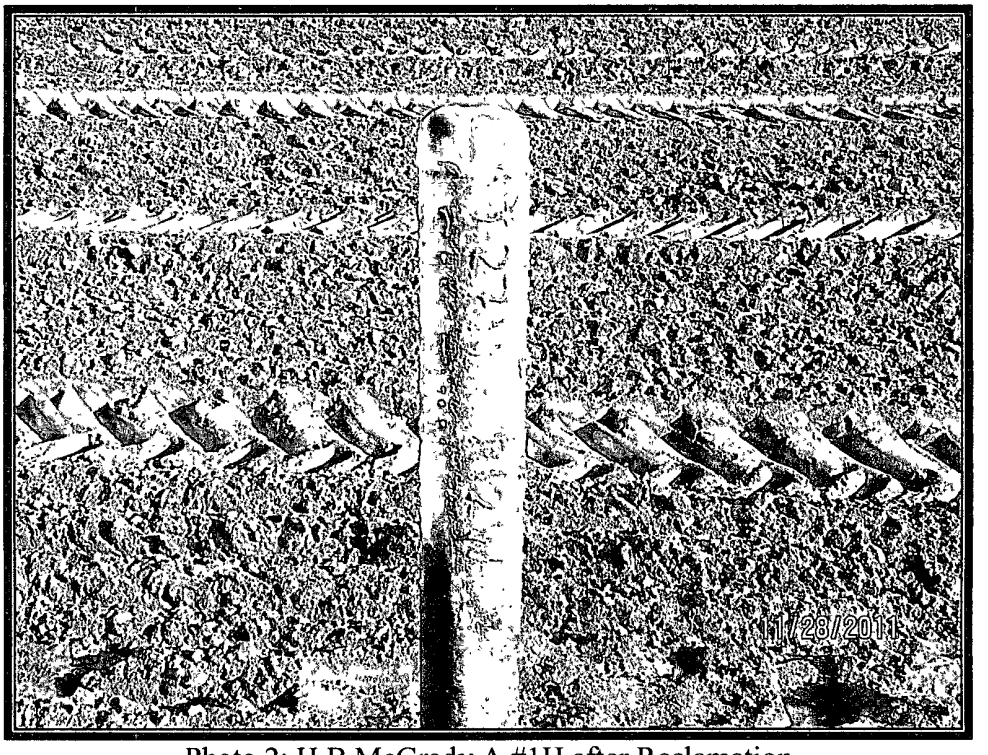


Photo 2: H B McGrady A #1H after Reclamation