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

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

Pit, Closed-Loop System, Below-Grade Tank, or						
Proposed Alternative Method Permit or Closure Plan Application						
Type of action: 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						
ease 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 avironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances						
Operator - XTO Energy, Inc. Address - 382 Road 3100 Aztec, NM-87410 Facility or well name - SCOTT E FEDERAL 22 #328						
API Number OCD Permit Number:						
U/L or Qtr/Qtr Section _22 Township 27N Range11W County San Juan						
Center of Proposed Design Latitude 36.56250 Longitude 107.99778 NAD 1927 1983 Surface Owner Federal State Private Tribal Trust or Indian Allotment						
Pit: Subsection F or G of 19 15.17 11 NMAC Temporary Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type. Thicknessmil LLDPE HDPE PVC Other PECEIVED String-Reinforced Liner Seams Welded Factory Other Volume bbl Dimensions Law Company Dist. 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: Thicknessmil LLDPE HDPE PVC Other						
Liner Seams						
X Below-grade tank: Subsection I of 19 15.17.11 NMAC Volume 120						
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 Liner type: Thicknessmil ☐ HDPE ☐ PVC ☐ Other						
Alternative Method:						

Submittal of an exception request is required
Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate Please specify	hospital,			
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)				
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				
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 of consideration of approval Exception(s). Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for			
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 acceptal material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropri office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approach Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying 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; Acrial 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			

Form C-144 Oil Conservation Division Page 2 of 5

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						
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)						
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 Panagraph (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 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 Overlopping Prevention Plan - based upon the appropriate requirements of 19.15 17 11 NMAC Nuisance or Hazardous Odors, including H ₂ S, 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						
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)						
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 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC 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 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17.13 NMAC						
Subsection G of 19.15.17.13 NMAC						

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Stee Instructions: Please indentify the facility or facilities for the disposal of liquids, drilli facilities are required.	I Tanks or Haul-off Bins Only: (19 15 17 13 Ding fluids and drill cuttings. Use attachment if n	NMAC) wore than two					
Disposal Facility Name Dis	posal 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							
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 provided below. Requests regarding changes to certain siting criteria may require ad considered an exception which must be submitted to the Santa Fe Environmental But demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for g	ministrative approval from the appropriate distr reau office for consideration of approval. Justif	ict office or may be					
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 obt	ained 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 - rWATERS database search, USGS, Data obt	ained 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 obt	ained from nearby wells	☐ Yes ☐ No ☐ NA					
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signific lake (measured from the ordinary high-water mark). - Topographic map, Visual inspection (certification) of the proposed site	ant watercourse or lakebed, sinkhole, or playa	Yes No					
Within 300 feet from a permanent residence, school, hospital, institution, or church in e - 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 that watering purposes, or within 1000 horizontal feet of any other fresh water well or spring - NM Office of the State Engineer - iWATERS database, Visual inspection (certification)	g, in existence at the time of initial application.	Yes No					
Within incorporated municipal boundaries or within a defined municipal fresh water we adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval of		Yes No					
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site							
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and	l Mineral Division	Yes No					
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Society; Topographic map	Mineral Resources, USGS; NM Geological	☐ Yes ☐ No					
Within a 100-year floodplain - FEMA map	•	☐ Yes ☐ No					
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 19.15.17.13 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 I 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							

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 him Champlin Date 9-8-08						
e-mail address kim_champlin@xtoenergy.com Telephone (505) 333-3100						
20 OCD Approval: Permit Application (including closure/blan) Closure Plan (only) OCD Conditions (see attachment)						
OCD Representative Signature: 425/2012						
Title: Complance Office OCD Permit Number:						
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:						
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.						
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.						
Disposal Facility Name Disposal Facility Permit Number						
Disposal Facility Name Disposal Facility Permit Number.						
Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations? Yes (If yes, please demonstrate compliance to the items below) No						
Required for impacted areas which will not be used for future service and operations						
 ☐ Site Reclamation (Photo Documentation) ☐ Soil Backfilling and Cover Installation ☐ Re-vegetation Application Rates and Seeding Technique 						
24 Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check						
mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure)						
 ☐ Plot Plan (for on-site closures and temporary pits) ☐ Confirmation Sampling Analytical Results (if applicable) ☐ Waste Material Sampling Analytical Results (required for on-site closure) ☐ Disposal Facility Name and Permit Number 						
Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique						
Site Reclamation (Photo Documentation) On-site Closure Location Latitude Longitude NAD 1927 1983						
Oil-site Closure Education Latitude Ediffunde Ediffunde 1727 1705						
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): Title:						
Signature:Date						
e-mail address Telephone						

1 orm C-144

DISTRICT | 1625 N Prench Dr. Hobbs, N.M. 88240

12

DISTRICT IV

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

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

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-045-31117	*Pool Code 71629	BASIN FRUITLAND COAL	
⁴ Property Code	•	Property Name	Well Number
.37671		OTT FEDERAL 22	Feet 325
OGRID No	•	Operator Name	• Elevation
193195	* MARKWES	ST RESOURCES, INC.	6345'
	10 St	irface Location	

East/West line North/South line UL or lot no. Section Township Range Lot ldn Feet from the Feet from the County SAN JUAN WEST . E 22 27-N 11-W 1970 NORTH 725 11 Bottom Hole Location If Different From Surface UL or lot no. Section Lot Idn Feet from the North/South line Feet from the East/West line County Township Range Dedicated Acres 18 Joint or Infill 14 Consolidation Code 16 Order No.

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

			N 89-51 W	5273.4' (M)	WITNESS CORNER FD 3 1/4" U S.G.L.O. 1913 BC 13 2' NORTH OF CALC'D SEC. CORNER	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and bettef.
	1970,			TEB TO	15 75 75	Signature Signature
(M)	. 1	.00 60 593'		MAR 19	2004	Printed Name BRIAN WOOD
5280		670,	1	2	CON I	CONSULTANT Date MAY 4, 2002
00-02 E			T. 36'33'45" N NG. 107'59'52" W			18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by
-00 S				projection of		me or under my superpools. And flow the same is true and correct to the best of my better. Date of States (8894)
				ZS 44 thr C	, , , , ,	Signature and Solut of Professional Surveyor
				<u> </u>		Certificate Number

Client: XTO Energy **Pit Permit** Lodestar Services, Inc. Project: Pit Permits Siting Criteria 30-Aug-08 Revised: PO Box 4465, Durango, CO 81302 Information Sheet Prepared by: Devin Hencmann API#: **USPLSS:** 3004531117 27N, 11W, 22E Lat/Long: Name: SCOTT E FEDERAL 22 #32S 36.56251, -107 99778 Geologic >100' Naciemento Depth to groundwater: formation: Distance to closest continuously flowing 9 25 miles to the 'San Juan River' watercourse: Distance to closest significant 2 5 miles S to Cedar Canyon watercourse, lakebed, playa lake, or sinkhole: Soil Type: **Entisols** Permanent residence, school, hospital, No institution or church within 300' Annuai Bloomfield 8.71", Farmington 8 21", Otis Precipitation: 10 41" **Domestic fresh water** Precipitation well or spring within No Historical daily max Bloomfield (4 19") **Notes** Any other fresh water well or spring within No 1000' Attached 27N 11W i-Waters pdf,27N 12W i-Waters pdf ocuments:

		
Within incorporated municipal boundaries	No	D
Within defined municipal fresh water well field	No	
Wetland within 500'	No	Mini
Within unstable area	No	

Mining Activity:	None	

Topo map pdf, Aerial pdf, Mines and Quarries Map pdf,i-Waters Ground Water Data Map pdf, FEMA flood zone map pdf

Within 100 year flood plain

No-FEMA Zone 'X'

Additional Notes:

117' to edge of center-pivot irrigated cropland

SCOTT E FEDERAL 22 #32S Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be located in the Bisti region of the San Juan Basin within an area dominated by irrigated fields of the Navajo Indian Irrigation Project. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River.

The prominent soil type at the proposed site are entisols and aridisols, which are defined as soils that exhibit little to no any profile development (www.emnrd.state.nm.us). Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the San Juan River. These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes the soils that cover the area.

The climate of the region is arid, averaging just over 8 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center www.wrcc.dri.edu).

The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

Site Specific Hydrogeology

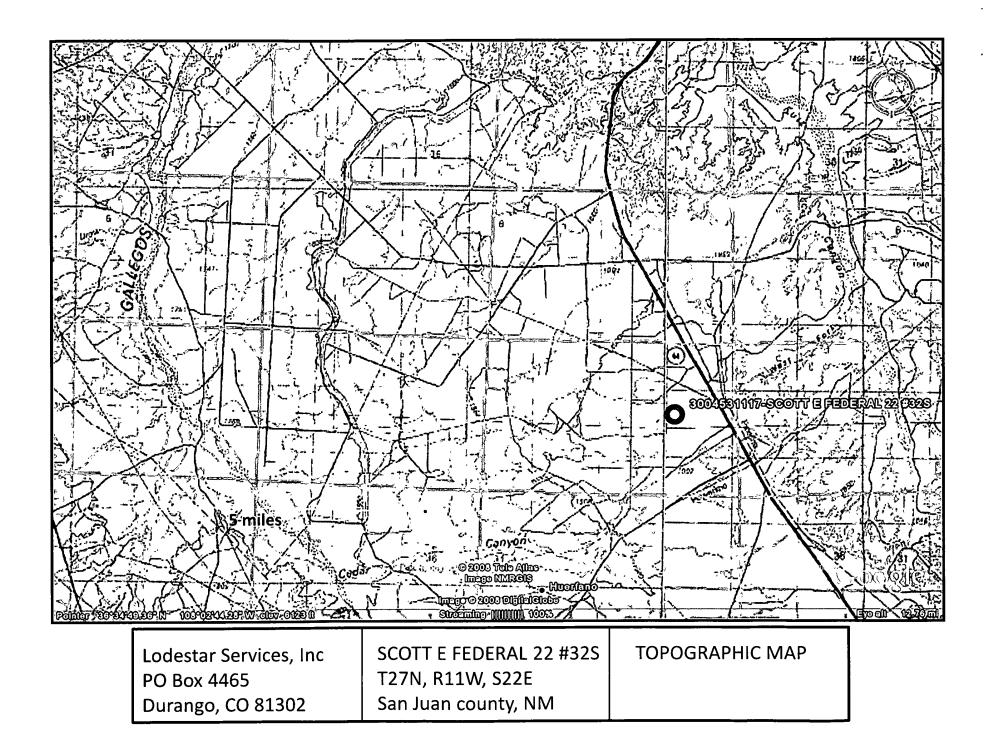
Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

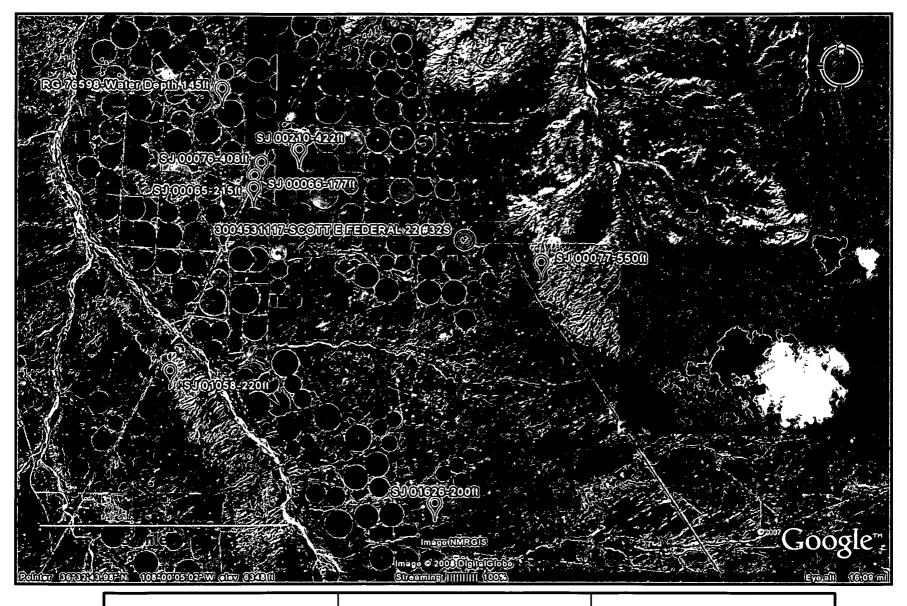
Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the Nacimiento Formation at depth s greater than 100 feet and thicknesses of the aquifer can be up to 3500 feet (USGS, Groundwater Atlas of the US).

The site in question is located on the relatively flat mesa top at an elevation of approximately 6347 feet and approximately 7.5 miles east of Gallegos Canyon. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image. Groundwater is expected to be shallow within Gallegos Canyon. But the significant distance between the Canyon and the site, as well as an elevation difference of almost 700 feet suggest groundwater is greater than 100 feet at the proposed site.

Lined channels associated with the Navajo Irrigation Project supply water for the fields surrounding the proposed site, which are characterized by center-pivot irrigation patterns. During spring and summer, irrigation practices often produces shallow perched aquifers that are not defined in published literature. These shallow zones of water are not continuous and are not saturated year round.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at similar elevations within the irrigated area contain groundwater greater than 100 feet deep. A map showing the location of wells in reference to the proposed pit location is attached.





Lodestar Services, Inc PO Box 4465 Durango, CO 81302 SCOTT E FEDERAL 22 #32S T27N, R11W, S22E San Juan county, NM i-Waters Ground Water Data Map

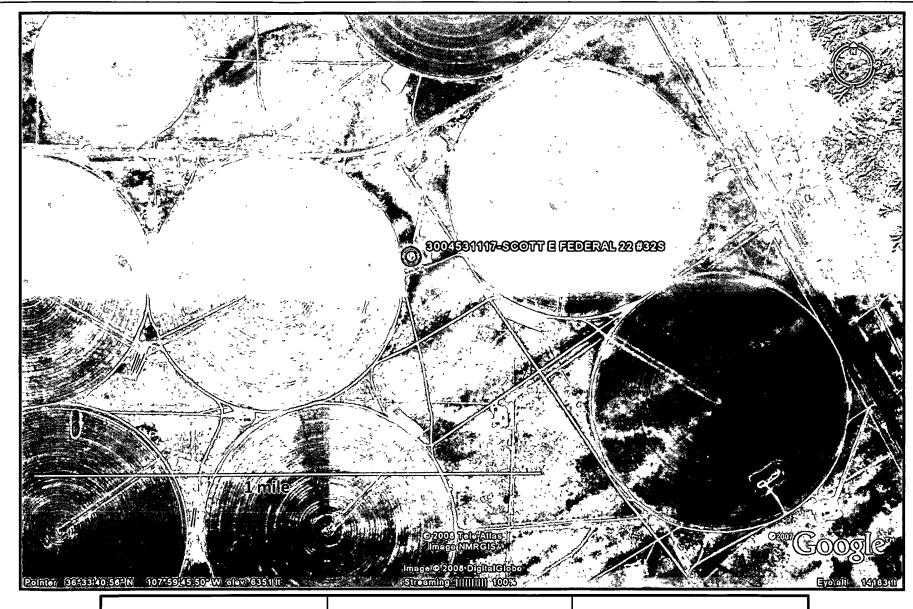
New Mexico Office of the State Engineer POD Reports and Downloads

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WATER COLUMN REPORT 03/22/2008

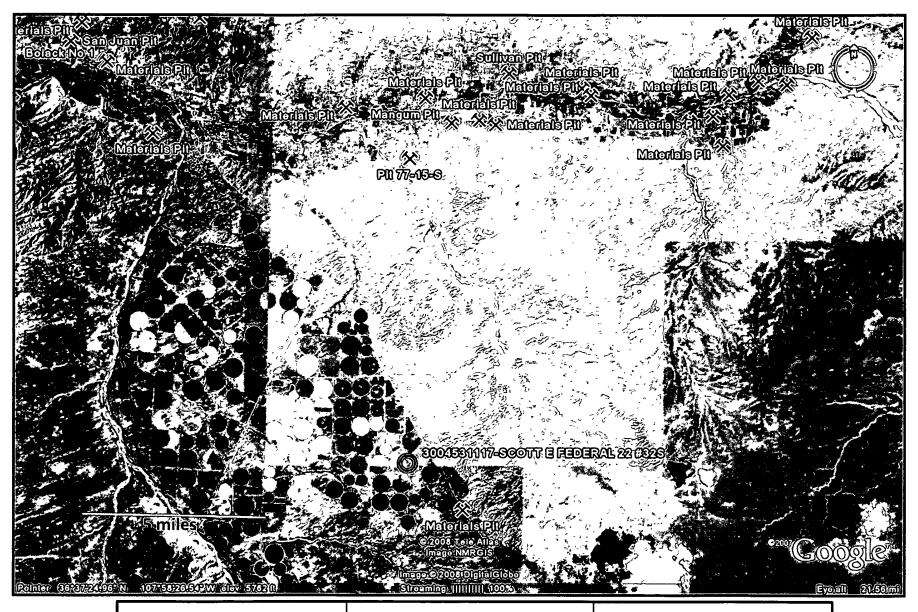
(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)							Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Sec	: वा वा वा	Zone	x	<u>v</u>	Well	Water	Column	
SJ 0178?	27N	11W 07	2 2				650			
sj 0007?	27N	11W 28	2 1 3				1102	550	552	

Record Count: 2



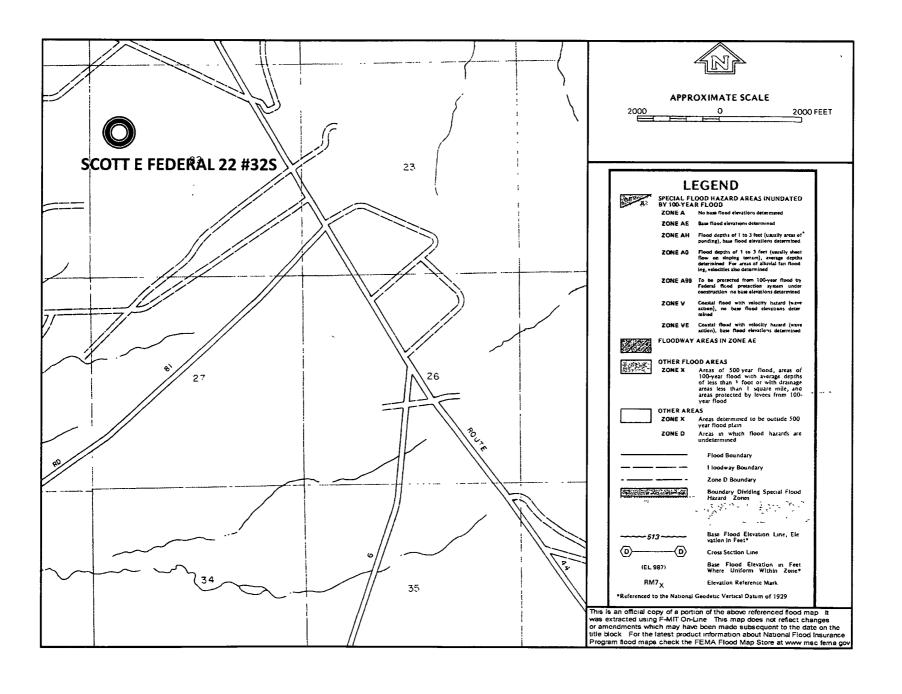
Lodestar Services, Inc PO Box 4465 Durango, CO 81302 SCOTT E FEDERAL 22 #32S T27N, R11W, S22E San Juan county, NM

AERIAL PHOTOGRAPH



Lodestar Services, Inc PO Box 4465 Durango, CO 81302

SCOTT E FEDERAL 22 #32S T27N, R11W, S22E San Juan county, NM Mines and Quarries Map



XTO Energy Inc. San Juan Basin Below Grade Tank Design and Construction Plan

In accordance with Rule 19.15.17 11 NMAC the following information describes the design and construction 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 (BGT) which does not conform to this plan

General Plan

- 1. XTO will design and construct a BGT to contain liquids and solids and prevent contamination of fresh water and protect public heath and environment
- Prior to constructing the pit, topsoil will be stockpiled in the construction zone for later use in restoration.
- 3. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the well site prior to construction of the BGT. The sign will list the Operator on record as the operator, the location of the well site by unit letter, section, township, range, and emergency telephone numbers
- 4. XTO shall construct all new fences utilizing 48" steel mesh field-fence (hogwire) on the bottom with two strands of barbed wire on top, or with a pipe top rail. A 6' chain link fence topped with three stands of barbed wire will be used if the well location is within 1000' of a permanent residence, school, hospital, institution or church.
- 5. XTO shall construct an expanded metal covering on top of the BGT.
- 6. XTO will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight.
- 7. The BGT system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
- XTO will construct a berm and/or diversion dutch in a manner that prevents the collection of surface water run-on.
- 9. XTO will construct and use BGT that does not have double walls. The BGT sidewalls will be open for visual inspection for leaks, the BGT bottom will be elevated a minimum of 6" above the underlying ground surface and the BGT will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- 10 XTO will equip BGT's designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows.
- 11. The geomembrane liner shall consist of 30-mil flexible PVC or 60-mil HDPE liner, or an equivalent liner material that the appropriate division district office approves. The geomembrane liner shall have a hydraulic conductivity greater that 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A.
- 12. The general specifications for design and construction are attached.

XTO Energy Inc. San Juan Basin Below Grade Tank Maintenance and Operating Plan

In accordance with Rule 19.15.17.11 NMAC the following information describes the operation and maintenance 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 (BGT) which does not conform to this plan.

General Plan

- 1. XTO will operate and maintain a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health and the environment.
- 2. XTO will not allow a BGT to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the BGT.
- 3. XTO will continuously remove any visible or measurable layer of oil from the fluid surface of a BGT in order to prevent significant accumulation of oil.
- 4. XTO will inspect the BGT monthly and maintain written records for five years.
- 5. XTO will maintain adequate freeboard to prevent over topping of the BGT.

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

In accordance with Rule 19.15 17.11 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 (BGT) which does not conform to this plan.

General Plan

- XTO will close a BGT 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.
- 2 XTO will close an existing BGT 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
- 3. XTO will close a permitted BGT within 60 days of cessation of the BGT'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.
- 4. XTO will remove liquids and sludge from a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility.
- 5. XTO will remove the BGT 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.
- 6. XTO will remove any on-site equipment associated with a BGT unless the equipment is required for some other purpose.
- 7. XTO will test the solids beneath the BGT 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.
- 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.
- 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.
- 10. Notice of Closure will be given to the Aztec Division District III office between 72 hours and one week of closure via email or verbally. The notification will include the following.
 - 1. Operator's name
 - Location by Unit Letter, Section, Township, and Range. Well name and API number.

- 11. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the BGT. Closure report will be filed on form C-144 and incorporate the following:
 - i Details on capping and covering, where applicable
 - ii. Inspection reports
 - iii. Sampling results
- 12. 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.
- 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.
- A minimum of 4' of cover shall be achieved and the cover shall include 1' of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater
- 15. 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