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:  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							
lease 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 nvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.							
Operator:OGRID #:							
API Number: 3004532108 OCD Permit Number:							
U/L or Qtr/Qtr Section 32 Township 31NRange 12W County: San Juan							
Center of Proposed Design: Latitude 36.86111 Longitude 108.12528 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: Thickness   mil   LLDPE   HDPE   PVC   Other   CONS. DIV. DIST. 3   String-Reinforced   Volume:   bbl Dimensions   X W X DOS							
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   Drying Pad   Unlined Liner type: Thickness   mil   LLDPE   HDPE   PVC   Other   Liner Seams: Welded   Factory   Other   Other   Drying Pad   Factory   Other   Drying Pad   Ot							
XBelow-grade tank: Subsection I of 19.15.17.11 NMAC     Volume: 120							
s.  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, I institution or church)	hospital,						
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							
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 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 puts)	☐ Yes ☐ No ☑ NA						
- 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 search; Visual inspection (certification) of the proposed site							
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						
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	☐ Yes ⊠ No						
Within a 100-year floodplain FEMA map	☐ Yes ⊠ No						

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ☐ Design Plan - based upon the appropriate requirements of 19.15.17.12 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 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   Land 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 <sub>2</sub> 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
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.							
Disposal Facility Name: Disposal Facility Permit Number:							
Disposal Facility Name: Disposal Facility Permit Number:							
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future server [ 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 plan. Recommendations of acceptable sour provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate districtions of acceptable sour provided an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justif demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	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 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						
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	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 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.  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 cann 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 G of 19.15.17.13 NMAC	15.17.11 NMAC						

19,	
Operator Application Certification:  I hereby certify that the information submitted with this application is true, a	ccurate and complete to the best of my knowledge and belief.
Name (Print): Kim Champlin	Title: Environmental Representative
Signature: Kim Champlin	2. (1
e-mail address: kim_champlin@xtoenergy.com	
20.  OCD Approval: Permit Application (including closure plan)  Closure	ura Plan (only)
OCD Representative Signature:	Approval Date: 4/25/2012
Deputy Oil & Gas (nspector, )  Title: District #3	· ·
	OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsectinistructions: Operators are required to obtain an approved closure plan partie closure report is required to be submitted to the division within 60 days section of the form until an approved closure plan has been obtained and to	rior to implementing any closure activities and submitting the closure report.  s of the completion of the closure activities. Please do not complete this
• .	Closure Completion Date:
22.  Closure Method:  Waste Excavation and Removal On-Site Closure Method All If different from approved plan, please explain.	ternative Closure Method   Waste Removal (Closed-loop systems only)
two facilities were utilized.  Disposal Facility Name:  Disposal Facility Name:	drilling fluids and drill cuttings were disposed. Use attachment if more than  Disposal Facility Permit Number:  Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed (  Yes (If yes, please demonstrate compliance to the items below) N	
Required for impacted areas which will not be used for future service and op  Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	erations.
24.  Closure Report Attachment Checklist: Instructions: Each of the following 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 closupional pions of pions and Permit Number  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  Site Reclamation (Photo Documentation)  On-site Closure Location: Latitude  L	
25. Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closure left. I also certify that the closure complies with all applicable closure required.	sure report is true, accurate and complete to the best of my knowledge and uirements and conditions specified in the approved closure plan.
Name (Print):	
Signature:	
n mail address.	Talaphana

DISTRICT 1. P.O. Box 1980, Hobbs, N.M.: 88241-1980

### State of New Mexico Energy, Minerals & Natural Resources Department

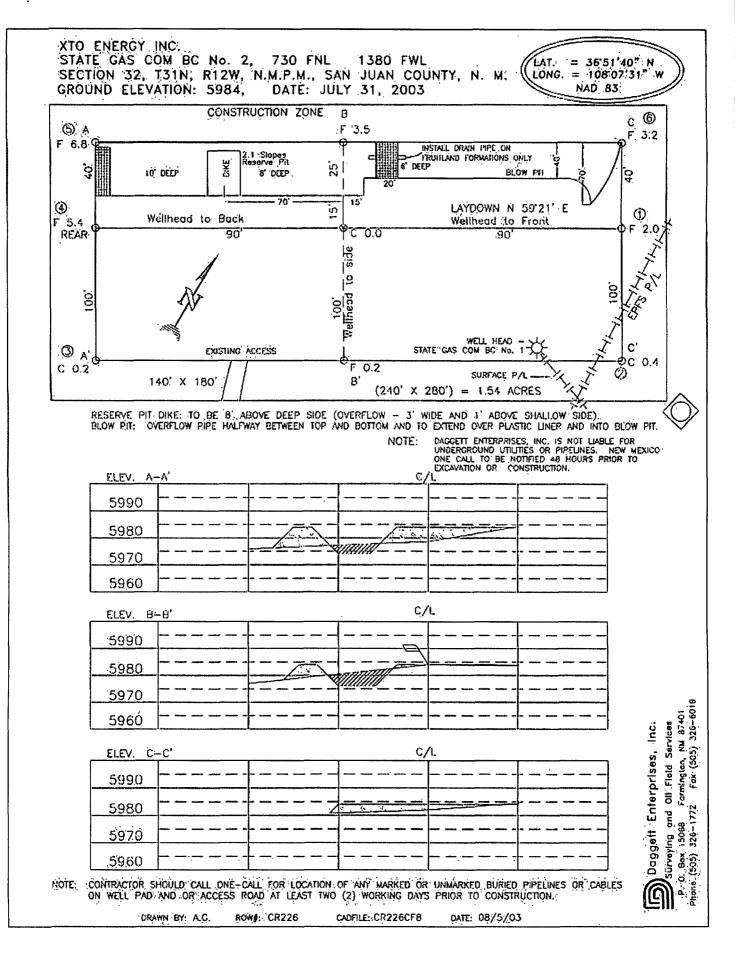
Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Certificate: Number

:DISTRICT II P.O. 'Drawer' DD, .Artešia, N.M. 188211-0719 DISTRICT III

OIL CONSERVATION DIVISION

1000 Rio Brazos Rd., DISTRICT IV. PO Box (2088; Santa					,	P.O. Santa Fe, I	Box. 2 NM 87			C		NDED, REPORT		
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API Nu	mbor	******************		***************************************	Pool Cods				Pool Name		<del></del>			
<sup>4</sup> Property: Code	ĺ		L		<del></del>	, 510	perly No	27700	·	······································	* 4	tell yniuper		
					STATE GAS COM BC						Ż			
7 OGRIÐ (Há:						•	perator Name *Ejovation ENERGY INC: 5984					'		
<u> </u>	J.	***************************************				10 Surf	ace	Location	······································	······································	<b>I</b>			
UL or tat no.	Section 32	Township 31—N	1 .	lange 2-W	Lot ida	Foot from 730		North/South Una NORTH	Feet from the 1/380	East/We Wi	st line ST	County SAN JUAN		
			11	1.Bot	tom .Hole	Locati	on If	Different Fr	om Surface					
UL or lot no.	Section	Township		Range	Lot idn	foot from	tha	North/South Unio	Foot from the	East/We	at iine	County		
12 Dedicated Acres			12 Joint	or Int	OI .	'' Consolida	itlan . Co	do	19 Order No.					
1380° (W)	BLE	OR A S 89 249 D	NOI 9:59'2 8.7'	N-S 25" E (M) 51'40	TANDARD	UNIT ĤA		ON UNTIL ALL	D BY THE DIV	VISION  OPERAT  If that the interest to the te	OR CE	RTIFICATION niclined herein is newledge and besid		
PIND 3-1/4° BC 1952' BLM BURIED IN WASH					32 —				I hereby certified property of the property of	ly that the om field no currentation.	work location is an actual transit that is a contract that is a contract to the contract to th	ETIFICATION on phorm on this plot at surveys mode by me the same is true and		



#### Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy	
Project:	Pit Permits	
Revised:	1-Sep-08	
Prepared by:	Brooke Herb	

To box 4400, Durango,	00 01302	Information Shee	Prepared by:	Brooke Herb
API#:	3004532108		USPLSS:	T31N,R12W,S32C
Name:	STATE GAS COM BC - 2		Lat/Long:	36.86111, -108.12528
Depth to groundwater:	50-100'		Geologic formation:	Nacimiento Formation
Distance to closest continuously flowing watercourse:	4.0 mile	es to La Plata River; 5.4 s to the Animas River		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	2450 1	ft to Farmington Glade		
Permanent residence,			Soil Type:	Entisols
school, hospital, institution or church within 300'		No		
			Annual Precipitation:	8.21 inches average annual
Domestic fresh water well or spring within 500'	-	No	Precipitation Notes:	no significant precip events
Any other fresh water well or spring within 1000'		No	1 ,	
·			;	
Within incorporated municipal boundaries		No	Attached Documents:	StateGC_BC-2_attachments pdf
Within defined municipal fresh water well field		No .		StateGC_BC-2_report.pdf
1	*			
Wetland within 500'		No	Mining Activity:	none near
Within unstable area	,	No		3.16 miles to Materials Pit
Within 100 year flood plain		No		
Additional Notes:	•		<u> </u>	

#### STATE GAS COM BC #2 Below Ground Tank Siting Criteria and Closure Plan

#### **Well Site Location**

Legals: T31N, R12W, Section 32, Quarter Section C Latitude/Longitude: approximately 36.86111, -108.12528

County: San Juan County, NM General Description: near Glade Run

#### 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 below ground tank location will be located on the flanks of the Farmington Glade between Aztec and La Plata, New Mexico. Within the Farmington Glade, the Tertiary Nacimiento Formation is exposed, along with Quaternary alluvial and aeoloian sands surrounding the center of the wash.

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. 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 nearby San Juan River and its tributaries.

The prominent soil type at the proposed site is entisols, which are defined as soils that do not show any profile development. Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the La Plata River (www.emnrd.state.nm.us). These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes 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).

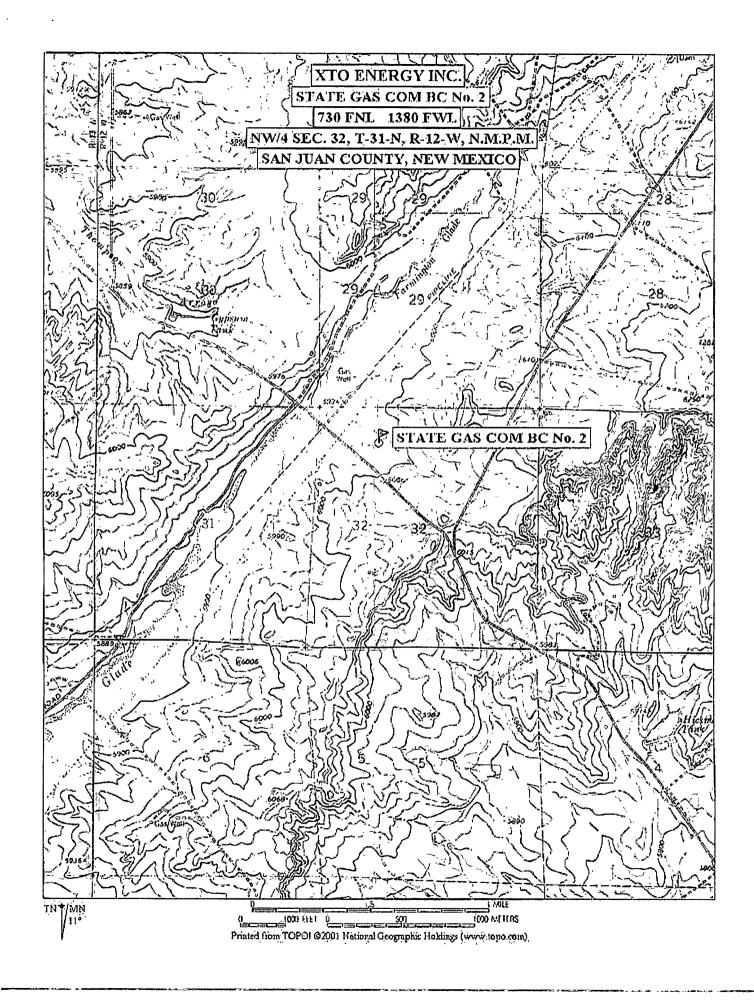
The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

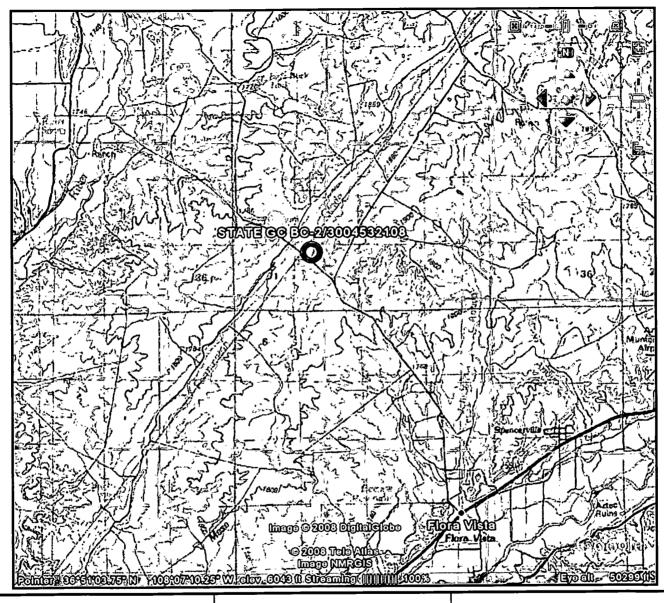
#### Site Specific Hydrogeology

Depth to groundwater is estimated to be between 50 and 100 feet. This estimation is based on data from Stone and others, 1983 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.

Local aquifers include sandstones within the Nacimiento Formation, which ranges from 0 to 1000 feet deep in this area, as well as shallow aquifers within Quaternary alluvial deposits (Stone et al., 1983). The 1000-foot depth range for Nacimiento aquifers covers an area over 20 miles wide, and depth decreases towards the margin of the San Juan Basin. The site in question is more centrally located, and depth to the aquifer is expected to be closer to 1000 feet. It is well known that groundwater close to the Farmington Glade can be shallow, as the Quaternary deposits near the wash itself form shallow aquifers. However, the proposed site is situated 2450 ft to the east and approximately 70 feet higher in elevation from Glade Wash (Google Earth).

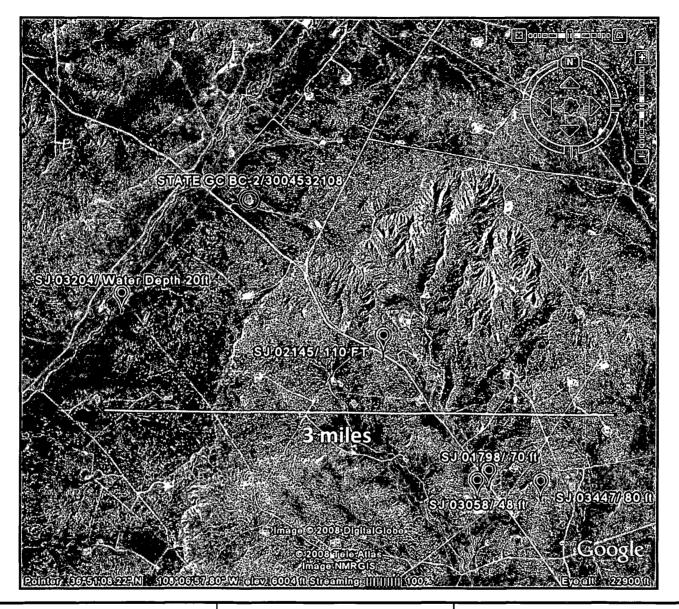
Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the location of wells in reference to the proposed pit location is also included. Pinpoints show locations of wells and the labels for each pinpoint indicate depth to groundwater in feet. A well to the southeast of the site in question has a depth to groundwater of 110 feet and is similar in topographic elevation. Several wells are clustered to the southeast of the site, depth to groundwater within the wells ranges from 39 to 80 feet below ground surface. However, these wells are approximately 190 ft lower in elevation then the proposed site. There is one well to the southwest of the site that has a depth to groundwater of 20 feet. This well is in a shallow aquifer due to the close proximity to the Glade Wash.





STATE GAS COM BC-2 T31N, R12W, S32C San Juan County, NM

Topographic Map



STATE GAS COM BC-2 T31N, R12W, S32C San Juan County, NM

iWaters Groundwater Data Map

#### New Mexico Office of the State Engineer POD Reports and Downloads

Township: 31h Range: 12V Sections: 31

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

#### WATER COLUMN REPORT 09/01/2008

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)

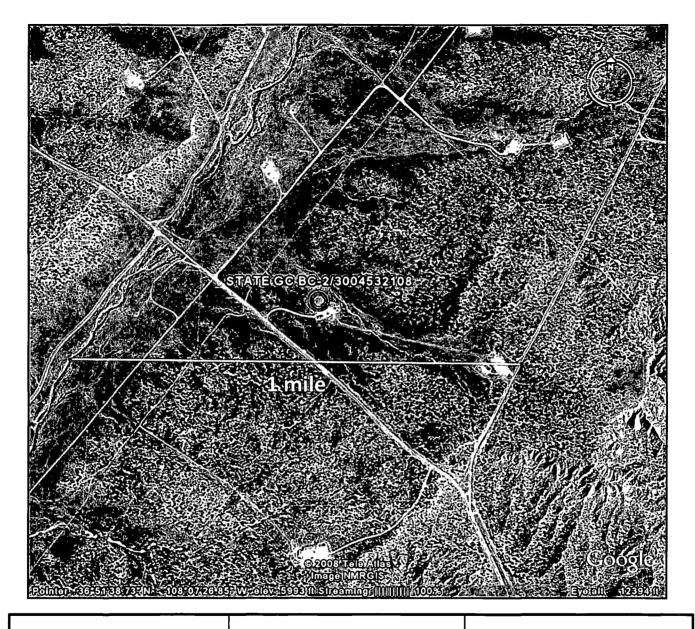
Well Water Column

Depth

Water (in feet)

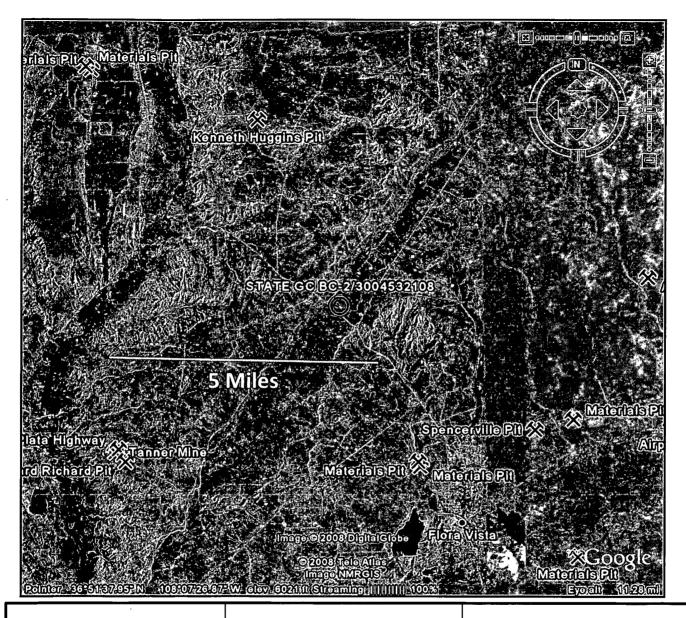
Tws Rng Sec q q q Zone 31N 12W 31 4 3 1 POD Number SJ 03204 40 20 20

Record Count: 1



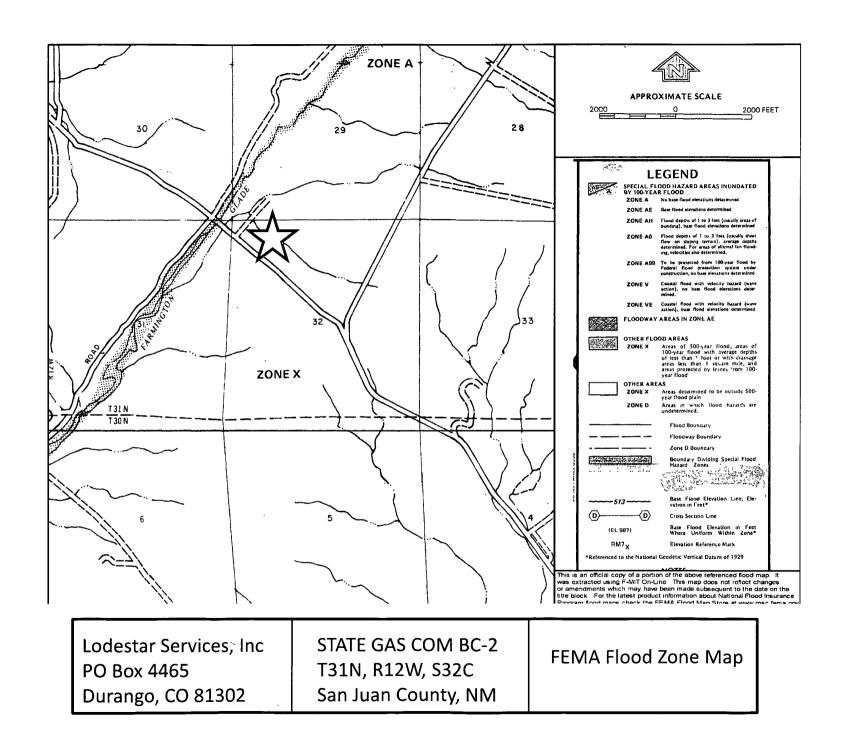
STATE GAS COM BC-2 T31N, R12W, S32C San Juan County, NM

Aerial Photograph



STATE GAS COM BC-2 T31N, R12W, S32C San Juan County, NM

Mines, Mills, 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.
- 2. 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 ditch 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

- 1. 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:
  - i. Operator's name
  - ii. Location by Unit Letter, Section, Township, and Range. Well name and API

- 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.
- 14. 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.