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.

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

9053

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: O'Kelley #1H
API Number: 30-045-35219 OCD Permit Number:
U/L or Qtr/Qtr G Section 8 Township 27N Range 12W County: San Juan
Center of Proposed Design: Latitude 36.59246 Longitude 108.13056 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'

RECEIVED
OCT 2011
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

RECEIVED
MAY 2012
OIL CONS. DIV. DIST. 3

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

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.

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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: 9-30-11

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: Jonathan D. Kelly Jonathan O Kelly 6/01/2012 **Approval Date:** 10/04/2011

Title: Compliance Officer **OCD Permit Number:** 5

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:** 3/26/12

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 36.59246 Longitude -108.13083 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): Logan Hixon Title: EH&S Technician

Signature: Logan Hixon Date: 5/25/2012

e-mail address: Logan_Hixon@XTOenergy.com Telephone: (505) 333-3683

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: Logan Hixon
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3683
Facility Name: O' Kelley #1H (30-045-35219)	Facility Type: Gas Well (Basin Fruitland Coal)

Surface Owner: Tribal Trust or Indian Allotment	Mineral Owner:	Lease No.: NMNM-032325

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	8	27N	12W	1650	FNL	1335	FEL	San Juan

Latitude: 36.59246 **Longitude:** -108.13056

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 O' Kelley #1H was closed on March 26, 2012. A composite sample was collected from the pit pre-stabilization on February 23, 2012, and returned results below the 0.2 ppm benzene standard, the 500 ppm DRO/GRO standard, the 50 ppm total BTEX standard, the 500 ppm total chloride standard and the 2,500 ppm TPH standard. The contents of the drill pit were stabilized and 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: Logan Hixon	OIL CONSERVATION DIVISION	
Printed Name: Logan Hixon	Approved by District Supervisor:	
Title: EH&S Technician	Approval Date:	Expiration Date:
E-mail Address. Logan_Hixon@xtoenergy.com	Conditions of Approval:	Attached ☐
Date: 5/25/12 Phone: 505-333-3683		

* Attach Additional Sheets If Necessary

XTO Energy Inc.
San Juan Basin
Closure Report

Lease Name: O' Kelley #1H
API No.: 30-045-35219
Description: Unit G, Section 8, 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 January 5, 2012 through February 21, 2012 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 October 4, 2011

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 surface owner was notified of on-site burial by email, February 4, 2011 (attached), and by email on March 14, 2012 (attached). Email notification was authorized to government agencies by Brandon Powell, NMOCD Aztec Office.

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 January 3, 2012. Pit closed March 26, 2012.

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 March 14, 2012 (attached), Closure activities began on March 19, 2012

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	**< 0.0037**
BTEX	EPA SW-846 8021B or 8260B	50	**< 0. 0554**
TPH	EPA SW-846 418.1	2500	**77**
GRO/DRO	EPA SW-846 8015M	500	**48**
Chlorides	EPA 300.1	500 or background	**480**

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 attached with this report. The site has been re-seeded using the BLM -10 seed mixture on May 5, 2012

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 operator's information. The marker was set in a way to not impede reclamation activities. The operator's information includes the following: XTO Energy Inc., O' Kelley #1H, Unit G, Sec. 8, T27N, R12W, San Juan Co "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.
30-039-35219

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

3. State Oil & Gas Lease No.
NMNM-032325

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
O' Kelley

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.)
		January 3, 2012		

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 **36.59246** Longitude **-108.13083** 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 Logan Hixon Printed Name: **Logan Hixon** Title: EH&S Technician

E-mail Address Logan_Hixon@xtoenergy.com Date: 5/25/12

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

[4] Property Code	[5] Property Name	[6] Well Number
	O'KELLEY	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
	XTO ENERGY INC.	5729'

[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
G	8	27-N	12-W		1650	NORTH	1335	EAST	SAN JUAN

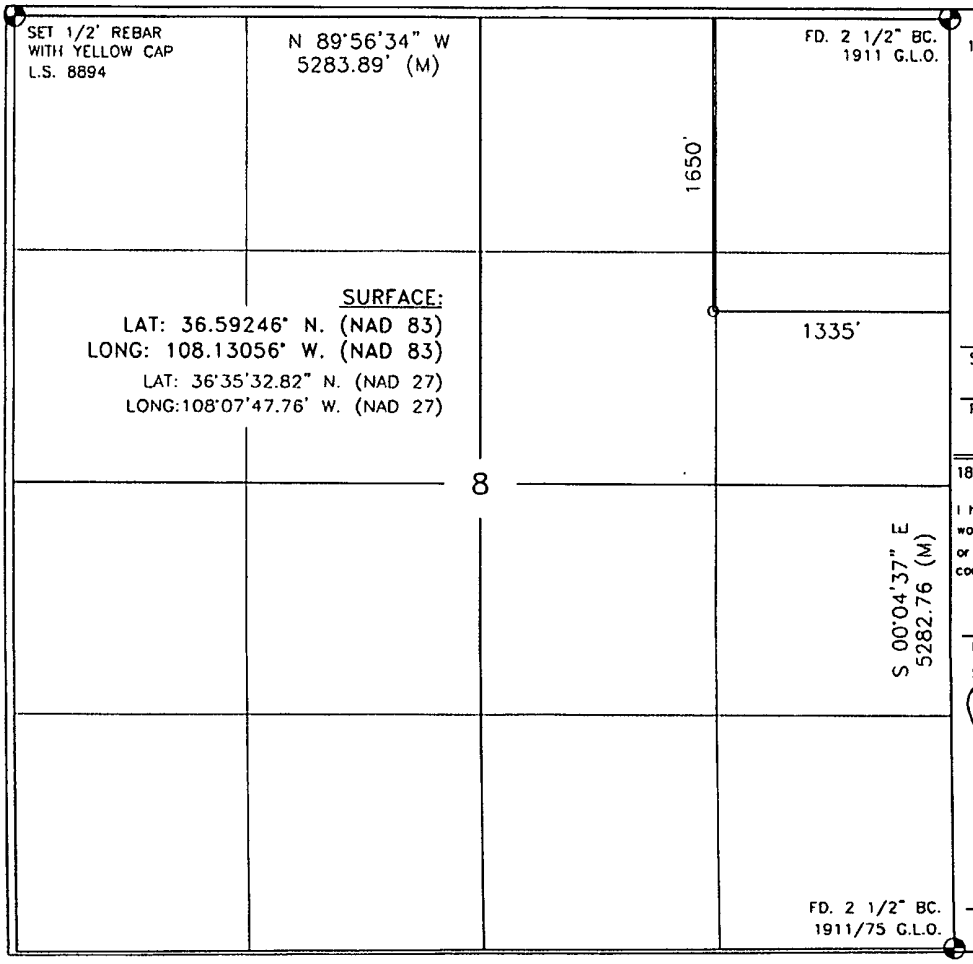
[11] Bottom Hole Location If Different From Surface

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

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

16



[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.

Signature Date

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.

DECEMBER 9, 2008
Date of Survey

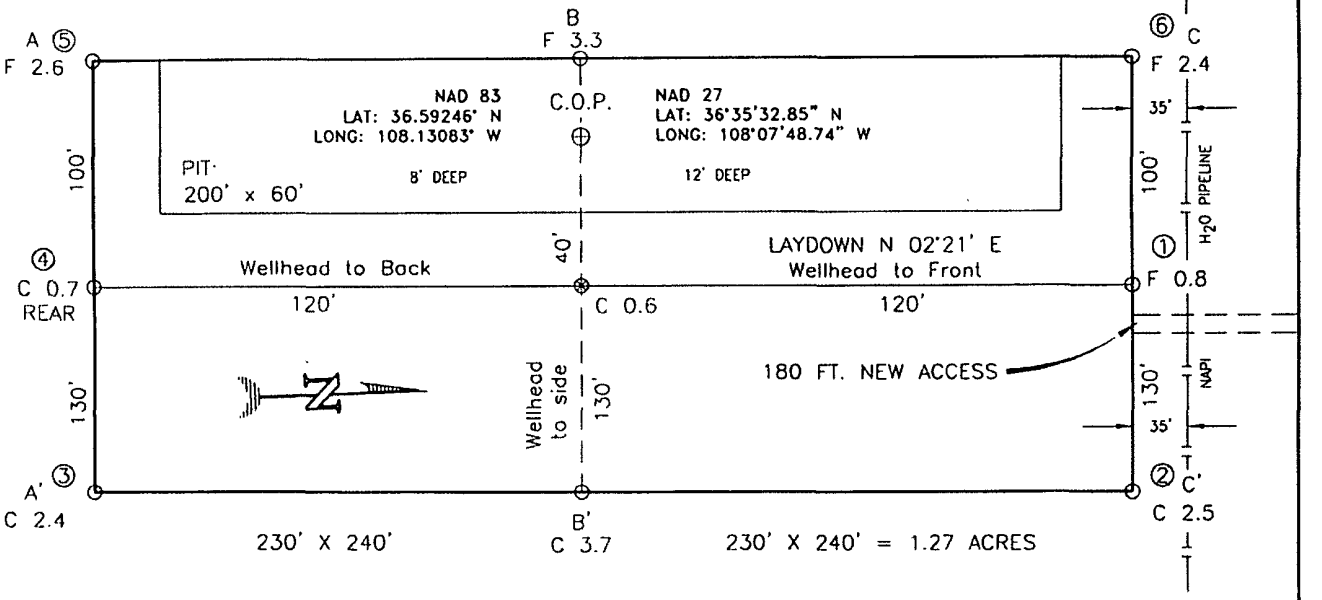
Signature and Seal of Professional Surveyor:

GARY A. RUSSELL
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR

8894
Certificate Number

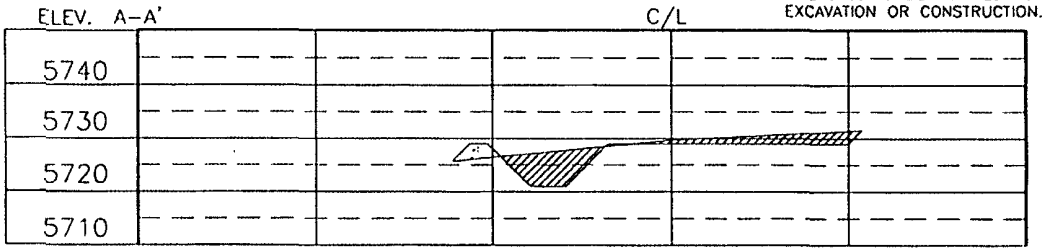
XTO ENERGY INC.
O'KELLEY No. 1, 1650 FNL 1335 FEL
SECTION 8, T27N, R12W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 5729' DATE: DECEMBER 9, 2008

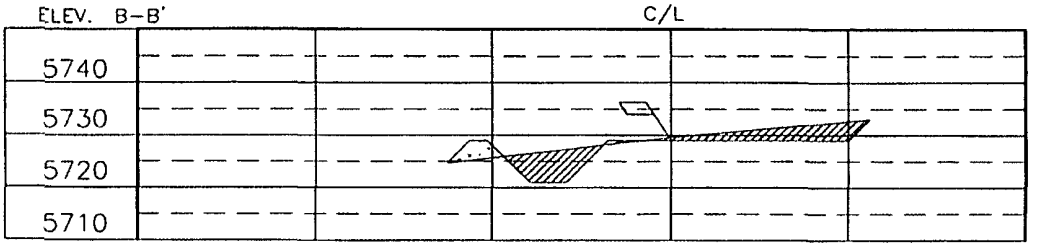
NAD 83
LAT. = 36.59246° N
LONG. = 108.13056° W
NAD 27
LAT. = 36°35'32.82" N
LONG. = 108°07'47.76" W

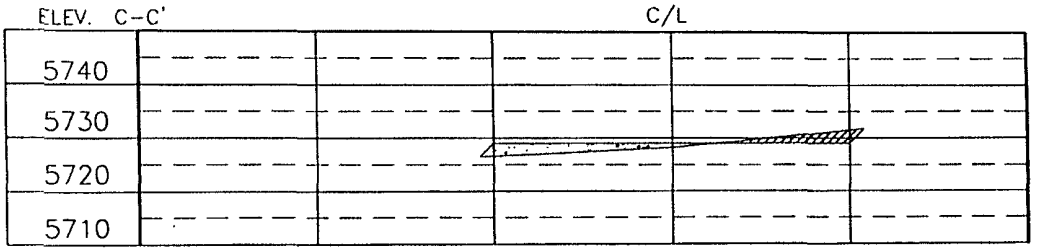


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

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.





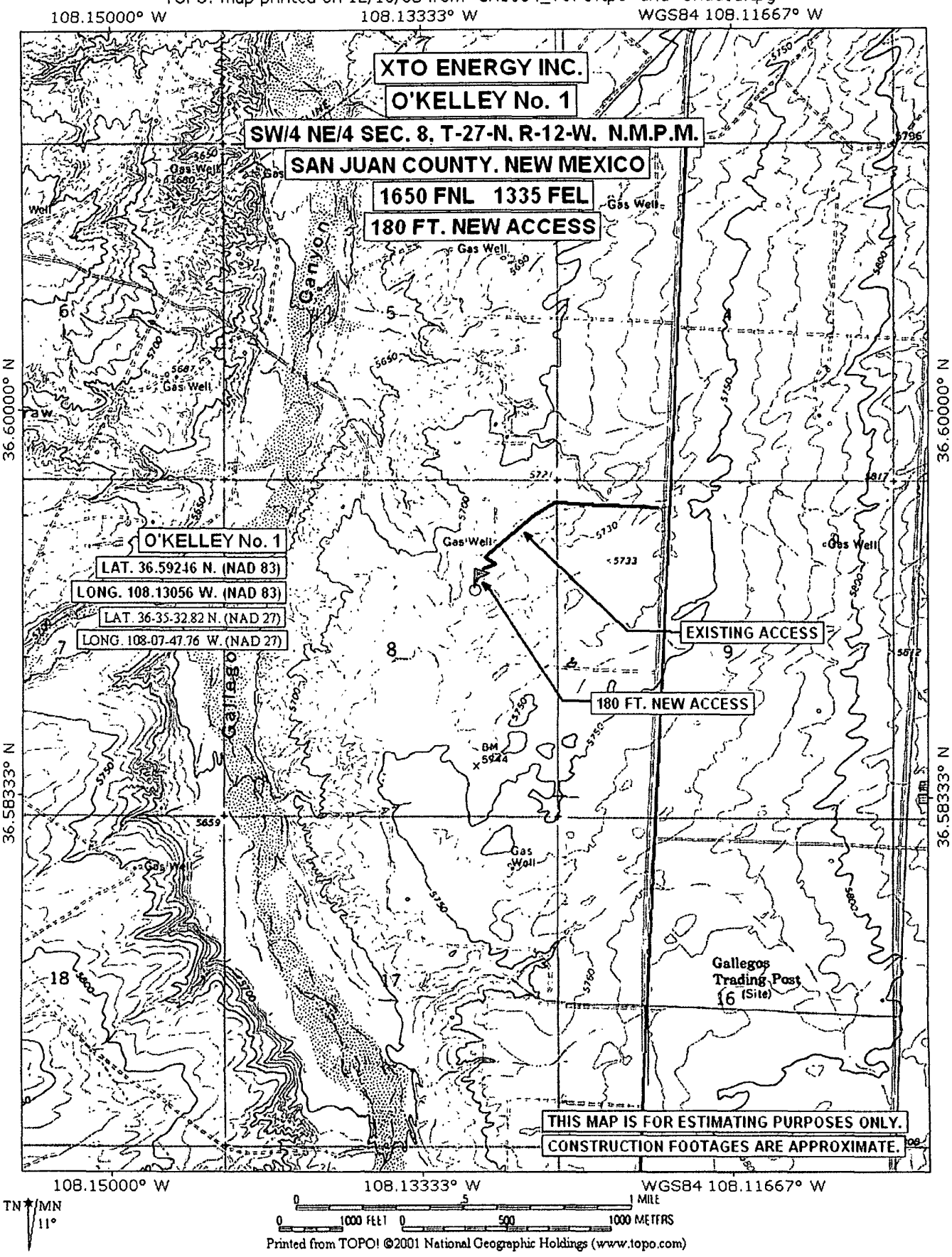


NOTE CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION: LOCATION RESTAKE | DATE: 12/10/08 | REVISED BY: G.V.

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

DRAWN BY: B.K. | CADFILE: CR1004_CF8 | DATE: 06/19/08
PROJ. CR1004


TOPO! map printed on 12/10/08 from "CR1004_TOPO.tpo" and "Untitled.tpg"
108.15000° W
108.13333° W
WGS84 108.11667° W
XTO ENERGY INC.
O'KELLEY No. 1
SW/4 NE/4 SEC. 8, T-27-N, R-12-W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO
1650 FNL 1335 FEL
180 FT. NEW ACCESS
O'KELLEY No. 1
LAT. 36.59246 N. (NAD 83)
LONG. 108.13056 W. (NAD 83)
LAT. 36-35-32.82 N. (NAD 27)
LONG. 108-07-47.76 W. (NAD 27)
EXISTING ACCESS
180 FT. NEW ACCESS
Gallegos Trading Post (Site)
Gas Well
Gallegos Canyon
36.60000° N
36.58333° N
THIS MAP IS FOR ESTIMATING PURPOSES ONLY.
CONSTRUCTION FOOTAGES ARE APPROXIMATE.
TN 11° MN
1 MILE
1000 FEET
500
1000 METERS
Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

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Mt. Juliet, TN 37122
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1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

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

Report Summary

Monday March 05, 2012

Report Number: L562335
Samples Received: 02/25/12
Client Project:

Description: O'Kelley #14

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

Entire Report Reviewed By: Daphne R Richards

Daphne Richards , ESC Representative

Laboratory Certification Numbers

A2LA - 1461-01, AIHA - 100789, AL - 40660, CA - 01157CA, CT - PH-0197, FL - E87487, GA - 923, IN - C-TN-01, KY - 90010, KYUST - 0016, NC - ENV375/DW21704/BIO041, ND - R-140. NJ - TN002, NJ NELAP - TN002, SC - 84004, TN - 2006, VA - 460132, WV - 233, AZ - 0612, MN - 047-999-395, NY - 11742, WI - 998093910, NV - TN000032011-1, TX - T104704245-11-3, OK - 9915, PA - 68-02979

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

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

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Est. 1970

REPORT OF ANALYSIS

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

March 05,2012

ESC Sample # : L562335-01

Date Received : February 25, 2012
Description : O'Kelley #14

Site ID :

Sample ID : DRILL PIT

Project # :

Collected By : Joshua Kirchner
Collection Date : 02/23/12 11:15

Parameter	Dry Result	Det. Limit	Units	Method	Date	Dil.
Chloride	480	15.	mg/kg	9056	03/01/12	1
Total Solids	68.3	0.100	%	2540G	03/02/12	1
Benzene	BDL	0.0037	mg/kg	8021/8015	02/29/12	5
Toluene	BDL	0.037	mg/kg	8021/8015	02/29/12	5
Ethylbenzene	BDL	0.0037	mg/kg	8021/8015	02/29/12	5
Total Xylene	BDL	0.011	mg/kg	8021/8015	02/29/12	5
TPH (GC/FID) Low Fraction	BDL	0.73	mg/kg	GRO	02/29/12	5
Surrogate Recovery-%						
a,a,a-Trifluorotoluene(FID)	98.9		% Rec.	8021/8015	02/29/12	5
a,a,a-Trifluorotoluene(PID)	105.		% Rec.	8021/8015	02/29/12	5
TPH (GC/FID) High Fraction	48.	5.8	mg/kg	3546/DRO	03/02/12	1
Surrogate recovery(%)						
o-Terphenyl	75.6		% Rec.	3546/DRO	03/02/12	1

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

The reported analytical results relate only to the sample submitted
Reported: 03/05/12 08:55 Printed: 03/05/12 09:09

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XTO Energy - San Juan Division
James McDaniel
382 County Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L562335

March 05, 2012

Laboratory Blank

Analyte	Result	Units	% Rec	Limit	Batch	Date Analyzed
Benzene	< .0005	mg/kg			WG580737	02/29/12 17:05
Ethylbenzene	< .0005	mg/kg			WG580737	02/29/12 17:05
Toluene	< .005	mg/kg			WG580737	02/29/12 17:05
TPH (GC/FID) Low Fraction	< .1	mg/kg			WG580737	02/29/12 17:05
Total Xylene	< .0015	mg/kg			WG580737	02/29/12 17:05
a,a,a-Trifluorotoluene(FID)		% Rec.	99.43	59-128	WG580737	02/29/12 17:05
a,a,a-Trifluorotoluene(PID)		% Rec.	105.8	54-144	WG580737	02/29/12 17:05
TPH (GC/FID) High Fraction	< 4	ppm			WG580335	03/02/12 00:15
o-Terphenyl		% Rec.	87.44	50-150	WG580335	03/02/12 00:15
Total Solids	< .1	%			WG580657	03/02/12 11.01
Chloride	< 10	mg/kg			WG580815	03/01/12 12 01

Duplicate

Analyte	Units	Result	Duplicate	RPD	Limit	Ref Samp	Batch
Total Solids	%	65.0	68.3	4.31	5	L562335-01	WG580657
Chloride	mg/kg	370.	330.	10.6	20	L562335-01	WG580815
Chloride	mg/kg	60.0	61.0	2.49	20	L562587-04	WG580815

Laboratory Control Sample

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Benzene	mg/kg	.05	0.0502	100.	76-113	WG580737
Ethylbenzene	mg/kg	.05	0.0505	101.	78-115	WG580737
Toluene	mg/kg	.05	0.0513	103.	76-114	WG580737
Total Xylene	mg/kg	.15	0.155	104.	81-118	WG580737
a,a,a-Trifluorotoluene(PID)				105.1	54-144	WG580737
TPH (GC/FID) Low Fraction	mg/kg	5.5	6.81	124.	67-135	WG580737
a,a,a-Trifluorotoluene(FID)				105.2	59-128	WG580737
TPH (GC/FID) High Fraction	ppm	60	43.4	72.4	50-150	WG580335
o-Terphenyl				79.88	50-150	WG580335
Total Solids	%	50	49.4	98.9	85-155	WG580657
Chloride	mg/kg	200	216.	108.	85-115	WG580815

Laboratory Control Sample Duplicate

Analyte	Units	Result	Ref	%Rec	Limit	RPD	Limit	Batch
Benzene	mg/kg	0.0506	0.0502	101.	76-113	0.630	20	WG580737
Ethylbenzene	mg/kg	0.0506	0.0505	101.	78-115	0.190	20	WG580737
Toluene	mg/kg	0.0512	0 0513	102.	76-114	0.0900	20	WG580737
Total Xylene	mg/kg	0.155	0 155	104.	81-118	0.0600	20	WG580737
a,a,a-Trifluorotoluene(PID)				105.0	54-144			WG580737
TPH (GC/FID) Low Fraction	mg/kg	6.98	6.81	127.	67-135	2.40	20	WG580737
a,a,a-Trifluorotoluene(FID)				105.3	59-128			WG580737

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

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Mt. Juliet, TN 37122
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Tax I.D 62-0814289

Est. 1970

XTO Energy - San Juan Division
James McDaniel
382 County Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L562335

March 05, 2012

Laboratory Control Sample Duplicate

Analyte	Units	Result	Ref	%Rec	Limit	RPD	Limit	Batch
TPH (GC/FID) High Fraction	ppm	44.4	43.4	74.0	50-150	2.11	25	WG580335
o-Terphenyl				83.68	50-150			WG580335
Chloride	mg/kg	215.	216.	108.	85-115	0.464	20	WG580815

Matrix Spike

Analyte	Units	MS Res	Ref Res	TV	% Rec	Limit	Ref Samp	Batch
Benzene	mg/kg	0 240	0	.05	96.1	32-137	L562550-01	WG580737
Ethylbenzene	mg/kg	0.236	0	.05	94.4	10-150	L562550-01	WG580737
Toluene	mg/kg	0.248	0	.05	99.2	20-142	L562550-01	WG580737
Total Xylene	mg/kg	0.730	0	.15	97.4	16-141	L562550-01	WG580737
a,a,a-Trifluorotoluene(PID)					103 8	54-144		WG580737
TPH (GC/FID) Low Fraction	mg/kg	29.8	0	5.5	108.	55-109	L562550-01	WG580737
a,a,a-Trifluorotoluene(FID)					103.9	59-128		WG580737
TPH (GC/FID) High Fraction	ppm	38.9	0	60	64.9	50-150	L562267-05	WG580335
o-Terphenyl					79.22	50-150		WG580335

Matrix Spike Duplicate

Analyte	Units	MSD	Ref	%Rec	Limit	RPD	Limit	Ref Samp	Batch
Benzene	mg/kg	0.244	0.240	97.7	32-137	1.71	39	L562550-01	WG580737
Ethylbenzene	mg/kg	0.233	0.236	93 2	10-150	1.27	44	L562550-01	WG580737
Toluene	mg/kg	0.244	0.248	97.8	20-142	1.45	42	L562550-01	WG580737
Total Xylene	mg/kg	0.715	0.730	95.3	16-141	2.16	46	L562550-01	WG580737
a,a,a-Trifluorotoluene(PID)				104.1	54-144				WG580737
TPH (GC/FID) Low Fraction	mg/kg	29.6	29.8	108.	55-109	0 820	20	L562550-01	WG580737
a,a,a-Trifluorotoluene(FID)				104.0	59-128				WG580737
TPH (GC/FID) High Fraction	ppm	38.9	38 9	64.9	50-150	0.0220	25	L562267-05	WG580335
o-Terphenyl				80.16	50-150				WG580335

Batch number /Run number / Sample number cross reference

WG580737: R2055072: L562335-01
WG580335: R2056613: L562335-01
WG580657: R2056812: L562335-01
WG580815: R2057712: L562335-01

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

ESC
L·A·B S·C·I·E·N·C·E·S
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XTO Energy - San Juan Division
James McDaniel
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Aztec, NM 87410

Quality Assurance Report
Level II

L562335

March 05, 2012

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

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

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

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

Company Name/Address

XTO ENERGY, INC.

382 County Road 3100
AZTEC, NM 87410

Alternate Billing

Report to James McDaniel

E-mail to james_mcdaniel@xtoenergy.com

Analysis/Container/Preservative

Chain of Custody
Page___of___

B249

Prepared by

ENVIRONMENTAL SCIENCE CORP

12065 Lebanon Road

Mt. Juliet TN 37122

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

Project Description: O'KELLEY # 1H

City/State Collected

PHONE 505-333-3701

FAX

Client Project No.

Lab Project #

Collected by Joshua Kirchner

Site/Facility ID#

P O #

CoCode (lab use only)
XTORNM
Template/Prelogin

Collected by(signature)

Packed on Ice N___ Y V

Rush? (Lab MUST be Notified)
_____Next Day.....100%
_____Two Day .. 50%
_____Three Day . 25%

Date Results Needed

Email?___No_X__Yes
FAX?___No___Yes

Shipped Via: Fed Ex

Sample ID	Comp/Grab	Matrix	Depth	Date	Time	No of Cntrs	TPH 8015	BTEX 8021	Chloride	TCLP Metals			Remarks/contaminant	Sample # (lab only)
DRILL PIT	COMP	SOIL		2-23-12	1145	1	V	V	V					L562335-01

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

pH_____ Temp_____

Remarks: "ONLY 1 COC Per Site!!" **please CC results to joshua@nelsonreveg.com**

Relinquisher by (Signature)	Date	Time	Received by (Signature)	Samples returned via FedEx_X_ UPS__Other	Condition (lab use only)
	2-24-12	1500			OK
Relinquisher by (Signature)	Date	Time	Received by (Signature)	Temp: 3.1°C	Bottles Received: 1-4oz
Relinquisher by (Signature)	Date	Time	Received for lab by: (Signature)	Date: 2/25/12	Time: 0900
				pH Checked:	NCF:

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit	Date Reported:	02-24-12
Laboratory Number:	61201	Date Sampled:	02-23-12
Chain of Custody No:	13430	Date Received:	02-23-12
Sample Matrix:	Soil	Date Extracted:	02-23-12
Preservative:	Cool	Date Analyzed:	02-23-12
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**77.0**	**6.4**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **O'Kelley #1H**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	02-24-12
Laboratory Number:	02-23-TPH.QA/QC 61201	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	02-23-12
Preservative:	N/A	Date Extracted:	02-23-12
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	01-17-12	02-23-12	1,610	1,720	6.8%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	6.4

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	77.0	96.3	25.1%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	77.0	2,000	1,730	83.3%	80 - 120%

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **QA/QC for Samples 61201-61203, 61205.**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 Ph (505) 632-0615 Fx (505) 632-1865
Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301 Ph (970) 259-0615 Fr (800) 362-1879
envirotech-inc.com
laboratory@envirotech-inc.com

CHAIN OF CUSTODY RECORD

13430

Client: XTO	Project Name / Location: O'KELLEY # 1 H
Email results to: JAMES	Sampler Name: JKIRCHNER
Client Phone No.:	Client No.: 98031-0528

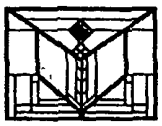
Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl		TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
DRILL PIT	2-23-12	1115	61201	1 4oz			ICE									✓					✓	✓

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
	2-23	1105		2/23	1140
Relinquished by: (Signature)			Received by: (Signature)		
Sample Matrix Soil ☒ Solid ☐ Sludge ☐ Aqueous ☐ Other ☐ _____					

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

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



Malia Villers/FAR/CTOC
02/04/2011 08:22 AM

To arvintrujillo@frontiernet.net
cc
bcc
Subject O'Kelley #1H Well Site

RE: O'Kelley #1H
Sec. 8 (G), 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 intention to close the temporary pit associated with the aforementioned location by means of in place 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
Cell: 505-787-7700
malia_villers@xtoenergy.com

Logan Hixon /FAR/CTOC
03/14/2012 08:22 AM

To BRANDON POWELL
cc James McDaniel/FAR/CTOC@CTOC, Brent Beaty/FAR/CTOC@CTOC, Scott Baxstrom/FAR/CTOC@CTOC
bcc
Subject Drill Pit Closure Notification

Brandon,
Please accept this email as the required notification for temporary pit closure activities at the following well site:

O' Kelly #1H (API # 30-045-35219) located in Unit G, Section 8, Township 27N, Range 12W, San Juan County, New Mexico
Breech C #323F (API # 30-039-30661) located in Unit J, Section 14, Township 26N, Range 6W, Rio Arriba County, New Mexico

Closure activities are scheduled to begin next week. Thank you for your time in regards to this matter.

Thank You!
Logan Hixon
Environmental Technician
XTO Energy Inc. An ExxonMobil Subsidiary
Western Division
382 CR 3100
Aztec NM 87410
Office (505)333- 3683
Cell (505) 386-8018
Logan_Hixon@xtoenergy.com

Logan Hixon /FAR/CTOC
03/14/2012 08:45 AM

To Mike Halona
cc Brent Beaty/FAR/CTOC@CTOC, James McDaniel/FAR/CTOC@CTOC, Scott Baxstrom/FAR/CTOC@CTOC
bcc
Subject Drill Pit Closure Notification- O' Kelly #1H

Mike,
Please accept this email as the required notification for temporary pit closure activities at the following well site:

O' Kelly #1H (API # 30-045-35219) located in Unit G, Section 8, Township 27N, Range 12W, San Juan County, New Mexico

Closure activities are scheduled to begin next week. Thank you for your time in regards to this matter.

Thank You!
Logan Hixon
Environmental Technician
XTO Energy Inc. An ExxonMobil Subsidiary
Western Division
382 CR 3100
Aztec NM 87410
Office (505)333- 3683
Cell (505) 386-8018
Logan_Hixon@xtoenergy.com

Logan Hixon /FAR/CTOC
03/14/2012 07:58 AM

To MARK KELLY
cc
bcc
Subject Drill Pit Closure Notification

Mark,
Please accept this email as the required notification for temporary pit closure activities at the following well site:

O' Kelly #1H (API # 30-045-35219) located in Unit G, Section 8, Township 27N, Range 12W, San Juan County, New Mexico
Breech C #323F (API # 30-039-30661) located in Unit J, Section 14, Township 26N, Range 6W, Rio Arriba County, New Mexico

Closure activities are scheduled to begin next week. Thank you for your time in regards to this matter.

Thank You!
Logan Hixon
Environmental Technician
XTO Energy Inc. An ExxonMobil Subsidiary
Western Division
382 CR 3100
Aztec NM 87410
Office (505)333- 3683
Cell (505) 386-8018
Logan_Hixon@xtoenergy.com

TEMPORARY PIT INSPECTION FORM

Well Name: O'Kelley #1H | **API No.:** 30-045-35219

Legals: **Sec:** 8 | **Township:** 27N | **Range:** 12W

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)
MAN	12/24/11	N	N	N	Y	N/A	Y	N	18'
MAN	12/25/11	N	N	N	Y	N/A	Y	N	15'
MAN	12/26/11	N	N	N	Y	N/A	Y	N	15'
RLL	12-27-11	N	N	N	Y	NA	Y	N	15'
RLL	12-28-11	N	N	N	Y	NA	Y	N	16'
RLL	12-29-11	N	N	N	Y	NA	Y	N	15'
RLL	12-30-11	N	N	N	Y	NA	Y	N	14'
RLL	12-31-11	N	N	N	Y	NA	Y	N	14'
RLL	1-1-12	N	N	N	Y	NA	Y	N	13'
RLL	1-2-12	N	N	N	Y	NA	Y	N	13'

Notes: Provide Detailed Description:

Misc:

TEMPORARY PIT INSPECTION FORM

Well Name: O Kelley 1-H | **API No.:** 3004535219

Legals: **Sec:** 8 G | **Township:** 27 N | **Range:** 12 W

Lat: 36° 35'32.82" N Long: 108° 07' 47.76" W

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	1/5/2012	N	N	N	Y	NA	Y	N	9
Luke McCollum	1/10/2012	N	N	N	Y	NA	Y	N	9
Luke McCollum	1/17/2012	N	N	N	Y	NA	Y	N	9
Luke McCollum	1/26/2012	N	N	N	Y	NA	Y	N	10
Luke McCollum	2/6/2012	N	N	N	Y	NA	Y	N	10
Luke McCollum	2/13/2012	N	N	N	Y	NA	Y	N	10
Luke McCollum	2/21/2012	N	N	N	Y	NA	Y	N	10
Luke McCollum	2/27/2012	N	N	N	Y	NA	Y	N	11
Luke McCollum	3/5/2012	N	N	N	Y	NA	Y	N	11
Luke McCollum	3/12/2012	N	N	N	Y	NA	Y	N	11
Luke McCollum	3/20/2012	N	N	N	Y	NA	Y	N	11
Luke McCollum	3/26/2012	Closure in progress							
Luke McCollum	3/27/2012	PIT CLOSED							

Notes: Provide Detailed Description:

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. **30-039-35219**

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No. **NMNM-032325**

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 **O' Kelley**

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 **G** : **1650** feet from the **North** line and **1335** feet from the **East** line
Section **8** Township **27N** Range **12W** NMPM **San Juan** County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* **5729 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 on May 5, 2012.

Spud Date: **12/25/2011** Rig Release Date: **1/3/2012**

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

SIGNATURE Logan Hixon TITLE **EH&S Technician** DATE 5/25/12

Type or print name **Logan Hixon** E-mail address: **Logan_Hixon@xtoenergy.com** PHONE: **505-333-3683**

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

XTO Energy, Inc.
O' Kelley #1H
Section 8, Township 27N, Range 12W
Closure Date: 3/26/2012

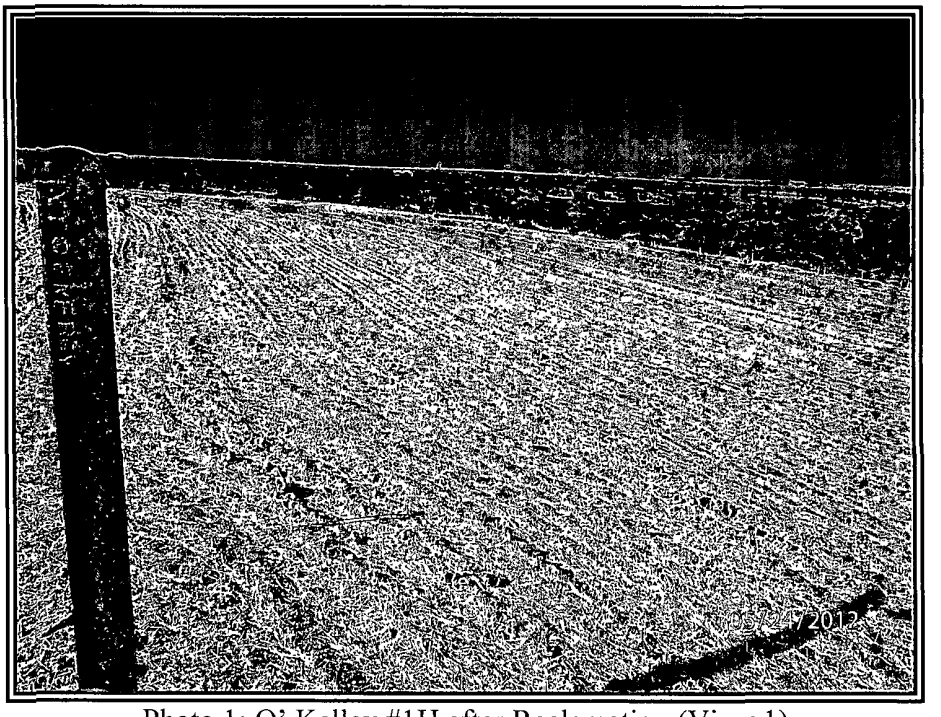


Photo 1: O' Kelley #1H after Reclamation (View 1)

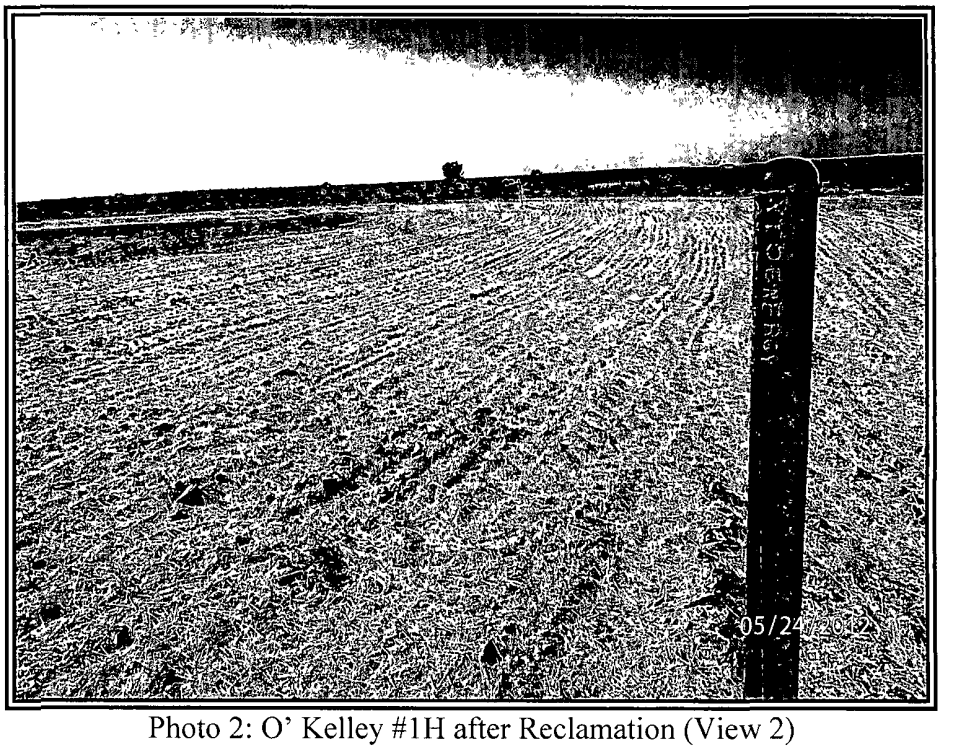


Photo 2: O' Kelley #1H after Reclamation (View 2)

XTO Energy, Inc.
O' Kelley #1H
Section 8, Township 27N, Range 12W
Closure Date: 3/26/2012

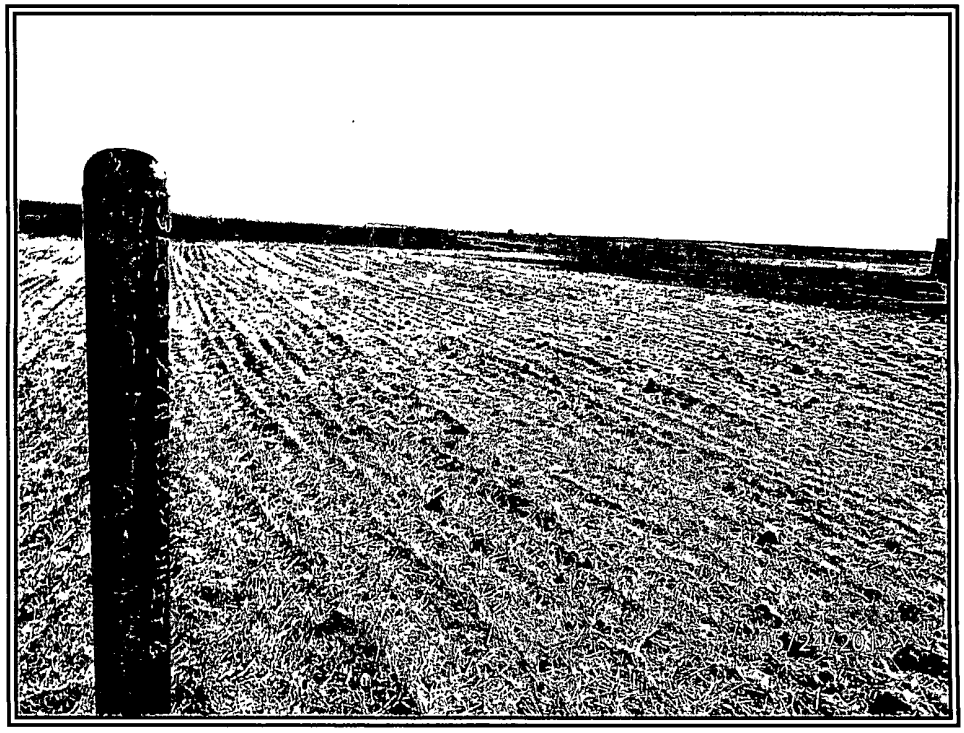


Photo 3: O' Kelley #1H after Reclamation (View 3)

Photo 4: O' Kelley #1H after Reclamation (View 4)