

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 NMOC District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOC District Office.

2008 NOV 25 PM 1 07

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
Existing BGT ☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: PIPKIN GAS COM A # 1G
API Number: 30-045-33445 OCD Permit Number: _____
U/L or Qtr/Qtr F Section 07 Township 27N Range 10W County: San Juan
Center of Proposed Design: Latitude 36.5911944 Longitude 107.94075 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

RCVD JUN 24 '13
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)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing

7.

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

- ☐ Screen ☐ Netting ☒ Other Expanded metal or solid vaulted top
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: *The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.*

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System
☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kim Champlin Title: Environmental Representative

Signature: Kim Champlin Date: 11/21/08

e-mail address: kim_champlin@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 Approval Date: 5/29/13

Title: Senior Hydrologist Compliance Officer
OCD Permit Number: _____

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ Closure Completion Date: 6-10-13

22.

Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that will not be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☒ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

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: EHS Coordinator

Signature: Logan Hixon Date: 6-21-13

e-mail address: Logan.Hixon@xtoenergy.com Telephone: (505) 333-3683

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: XTO Energy, Inc.	Contact: Logan Hixon
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3683
Facility Name: Pipkin Gas Com A #1G (30-045-33445)	Facility Type: Gas Well (Mancos, Dakota)

Surface Owner: Federal Land	Mineral Owner:	Lease No.: NMSF-077875
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	7	27 N	10W	2140	FNL	1430	FWL	San Juan

Latitude: 36.5911944 Longitude: -107.9407500

NATURE OF RELEASE

Type of Release: Produced Water/ Produced Oil	Volume of Release: 140 BBL's	Volume Recovered: 121 BBL's
Source of Release: Production Tank	Date and Hour of Occurrence: May 24-27, 2013	Date and Hour of Discovery: May 28, 2013
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Brandon Powell (NMOCD), Mark Kelly (BLM)	
By Whom? James McDaniel (XTO EHS Supervisor)	Date and Hour: May 28, 2013, 8:50 A.M.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

It was reported by an XTO Lease Operator that vandals had opened the production tank load line valve and 140 bbls of oil/ produced water had been drained into the berm and a majority of the liquid drained into the on-site below grade tank cellar. On May 28, 2013 121 bbls had been recovered, with a loss of 19 bbls. This site was then ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 50 due to an estimated depth to groundwater less than 50 feet, and a distance to surface water of less than 200 feet, and a distance to a water source less than 1,000 feet. This set the closure standard to 100 ppm TPH, 10 ppm benzene and 50 ppm total BTEX, or 100 ppm organic vapors.

Describe Area Affected and Cleanup Action Taken.*

It was visually confirmed that a release had 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: <u>Logan Hixon</u>		OIL CONSERVATION DIVISION	
Printed Name: Logan Hixon		Approved by District Supervisor:	
Title: Environmental Technician		Approval Date:	Expiration Date:
E-mail Address: Logan_Hixon@xtoenergy.com		Conditions of Approval:	
Date: <u>6-21-13</u> Phone: 505-333-3683		Attached <input type="checkbox"/>	

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

Lease Name: Pipkin Gas Com A #1G

API No.: 30-045-33445

Description: Unit F, Section 07, Township 27N, Range 10W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.

Closure Date is June 10, 2013

2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

Closure Date is June 10, 2013

3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.

Required C-144 Form is attached to this document.

4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:

Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B

Soil contaminated by exempt petroleum hydrocarbons

Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes

Basin Disposal Permit No. NM01-005

Produced water

All liquids and sludge were removed from the tank prior to closure activities.

5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. **XTO has removed the below grade tank, and will dispose of it at a division approved facility, or recycle, reclaim or reuse it in a manner that is approved by the division.**

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

All Equipment will remain on location for the continued production of oil and gas.

7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

It was visually confirmed that a release has occurred at this site. This site was then ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 50 due to an estimated depth to groundwater less than 50 feet, and a distance to surface water of less than 200 feet, and a distance to a water source less than 1,000 feet. This set the closure standard to 100 ppm TPH, 10 ppm benzene and 50 ppm total BTEX, or 100 ppm organic vapors.

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.

It was visually confirmed that a release occurred at this site. A C-141 Release Notification form will be sent outlining any remediation activities taken regarding this release.

9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.

The pit cellar was backfilled using compacted, non-waste containing earthen material, with a division prescribed soil cover.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.

The notification will include the following:

- i. Operator's name
- ii. Well Name and API Number
- iii. Location by Unit Letter, Section, Township, and Range

Notification was provided to Mr. Brandon Powell with the Aztec office of the OCD via email on May 30, 2013; see attached email printout.

The surface owner shall be notified of XTO's proposal to close the BGT as per the approved closure plan using certified mail, return receipt requested.

The surface owner was notified on May 30, 2013 via email. Email has been approved as a means of surface owner notification to the BLM by Brandon Powell, NMOCD Aztec Office.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
The site will continue to be used for oil and gas exploration and production operations. The site will be recontoured upon the plugging and abandoning of this well location.
12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
The site has been backfilled to match these specifications.
13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.
The location will continue to be used for daily operations pertaining to oil and gas explorations and production activities. The site will be reclaimed pursuant to BLM MOU upon the plugging and abandoning of this well location.
14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - i. Proof of closure notice to division and surface owner; **attached**
 - ii. Details on capping and covering, where applicable; **per OCD Specifications**
 - iii. Inspection reports; **attached**
 - iv. Confirmation sampling analytical results; **attached**
 - v. Disposal facility name(s) and permit number(s); **see above**
 - vi. Soil backfilling and cover installation; **per OCD Specifications**
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable); **per BLM MOU on upon plugging and abandoning of this well location.**
 - viii. Photo documentation of the site reclamation. **attached**

McDaniel, James

From: McDaniel, James
Sent: Thursday, May 30, 2013 2:17 PM
To: 'Brandon Powell (brandon.powell@state.nm.us)'; Mark Kelly (Mark_Kelly@blm.gov)
Subject: BGT Closure Notification - Pipkin Gas COM A #1G

Brandon/Mark,

Please accept this email as the required notification for closure activities at the Pipkin Gas COM A #1G (30-045-33445) located in Section 7F, Township 27N, Range 10W, San Juan County, New Mexico. This BGT is being closed due to a release at this location that flowed into the pit cellar. The BGT will have to be removed to complete spill remediation activities, and the site does not meet the siting criteria for the BGT to be put back beneath grade. Thank you.

James McDaniel

EH&S Supervisor

CHMM # 15676

Certified Utility Operator #11820

XTO Energy Inc.

Office # 505-333-3701

Cell # 505-787-0519

James mcdaniel@xtoenergy.com



Well Below Tank Inspection Report

RouteName		StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township		
DEN NM Run 63B		PIPKIN GAS COM A 001	Brown, Zachary	Sanders, David	PIPKIN GC A 01G	3004533445	7	10W	27N		
InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankOverflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
LDR	08/06/2008	1220:00	No	No	No	Yes	No	4			
RM	09/02/2008	02:55	No	No	No	Yes	No	4			
Trent Willis	10/07/2008	08:42	No	No	No	Yes	No	1			
ldr	11/04/2008	1515:00	No	No	No	Yes	No	1	Well Water	Below Ground	
ldr	12/04/2008	1053:00	No	No	No	Yes	No	1	Well Water	Below Ground	
Trent Willis	01/29/2009	13:33	No	No	No	Yes	No	1	Well Water	Below G Pit Called in.	
LDR	02/24/2009	11:30	No	No	No	Yes	No	2	Well Water	Below Ground	
GARY WARD	03/13/2009	11:23	No	No	No	Yes	No	1	Well Water	Below Ground	
GARY WARD	04/15/2009	12:30	No	No	No	Yes	No	1	Well Water	Below G CALLED IN PIT	
GARY WARD	05/25/2009	12:40	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	06/24/2009	10:47	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	07/25/2009	11:33	No	No	No	Yes	No	3	Well Water	Below Ground	
GARY WARD	08/17/2009	12:09	No	No	No	Yes	No	4	Well Water	Below Ground	
GARY WARD	09/10/2009	12:19	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	10/21/2009	14:38	No	No	No	Yes	No	5	Well Water	Below Ground	
LDR	11/23/2009	11:00	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	12/21/2009	14:16	No	No	No	Yes	No	3	Well Water	Below Ground	
LDR	01/27/2010	14:00	No	No	No	Yes	No	2	Well Water	Below Ground	
LDR	02/13/2010	14:00	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	04/15/2010	12:08	No	No	No	Yes	No	5	Well Water	Below Ground	
LDR	05/30/2010	08:40	No	No	No	Yes	No	3	Well Water	Below Ground	
GART WARD	06/04/2010	12:19	No	No	No	Yes	No	3	Well Water	Below Ground	
GART WARD	07/06/2010	10:32	No	No	No	Yes	No	3	Well Water	Below Ground	
GART WARD	08/07/2010	14:43	No	No	No	Yes	No	5	Well Water	Below Ground	
GARY WARD	09/07/2010	11:38	No	No	No	Yes	No	3	Well Water	Below Ground	
GARY WARD	10/06/2010	12:05	No	No	No	Yes	No	4	Well Water	Below Ground	
LDR	11/05/2010	12:20	No	No	No	Yes	No	4	Well Water	Below Ground	
GARY WARD	12/07/2010	09:54	No	No	No	Yes	No	2	Well Water	Below Ground	
LDR	01/03/2011	12:25	No	No	No	Yes	No	3	Well Water	Below Ground	
LDR	02/05/2011	09:20	No	No	No	Yes	No	3	Well Water	Below Ground	
LDR	03/04/2011	08:44	No	No	No	Yes	No	4	Well Water	Below Ground	
LDR	05/02/2011	09:25	No	No	No	Yes	No	4	Well Water	Below Ground	
LDR	06/01/2011	09:35	No	No	No	Yes	No	3	Well Water	Below Ground	
LDR	06/01/2011	09:35	No	No	No	Yes	No	3	Well Water	Below Ground	
LDR	07/08/2011	09:40	No	No	No	Yes	No	1	Well Water	Below Ground	
LDR	08/01/2011	08:47	No	No	No	Yes	No	1	Well Water	Below Ground	
LDR	09/09/2011	09:20	No	No	No	Yes	No	1	Well Water	Below Ground	
LDR	10/03/2011	08:45	No	No	No	No	No	3	Well Water	Below Ground	
ZB	11/01/2011	11:30	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	12/01/2011	12:30	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	01/13/2012	02:40	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	02/02/2012	09:38	No	No	No	Yes	No	2	Well Water	Below Ground	
ZB	03/05/2012	09:22	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	04/06/2012	11:39	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	05/04/2012	09:40	No	No	No	Yes	No	2	Well Water	Below Ground	
ZB	06/06/2012	12:56	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	07/02/2012	10:14	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	08/06/2012	10:59	No	No	No	Yes	No	3	Well Water	Below Ground	
ZB	09/03/2012	10:28	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	10/02/2012	09:49	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	11/05/2012	09:59	No	No	No	Yes	No	3	Well Water	Below Ground	
ZB	12/03/2012	10:47	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	01/02/2013	11:43	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	02/04/2013	12:51	No	No	No	Yes	No	5	Well Water	Below Ground	
ZB	03/03/2013	10:12	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	04/01/2013	11:51	No	No	No	Yes	No	4	Well Water	Below Ground	
ZB	05/06/2013	01:05	No	No	No	Yes	No	5	Well Water	Below Ground	

Jonathan,

Attached is the final reconfigure of the Pipkin Gas Com A #1G (30-045-33445) Photos for the Permit# 11301, you had requested. If you have any questions or concerns do not hesitate to contact me at any time. Thank you and have a good day!

Thank You!
Logan Hixon
Western Division
-382 CR 3100
Aztec NM 87410
Office (505)333-3683
-72 Suttle Street, Suite J
Durango, CO 81303
Office (970) 247-7708
Cell (505) 386-8018
Logan_Hixon@xtoenergy.com

RCVD JUL 11 '13
OIL CONS. DIV.
DIST. 3

XTO Energy, Inc.
Pipkin Gas Com A #1G
Section 7 (F), Township 27N, Range 10W
Closure Date 6/10/2013

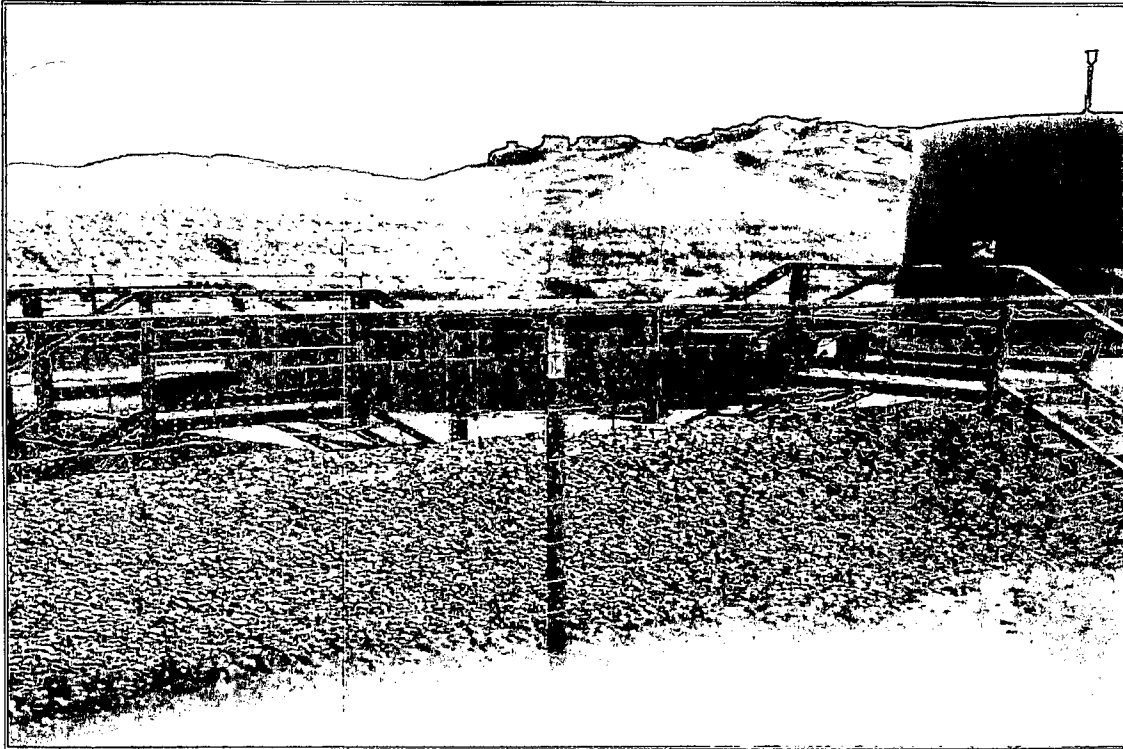


Photo 1: Pipkin Gas Com A #1G after Reconfigure.

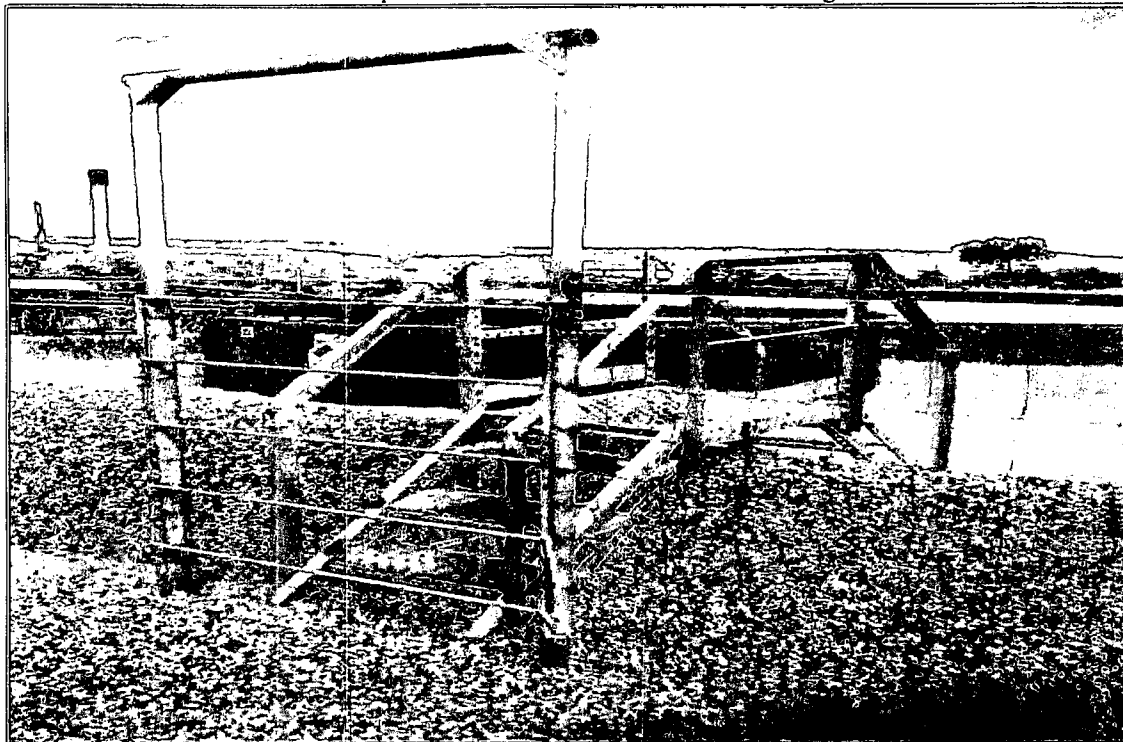


Photo 2: Pipkin Gas Com A #1G after Reconfigure.

XTO Energy, Inc.
Pipkin Gas Com A #1G
Section 7 (F), Township 27N, Range 10W
Closure Date 6/10/2013



Photo 3: Pipkin Gas Com A #1G after Reconfigure.

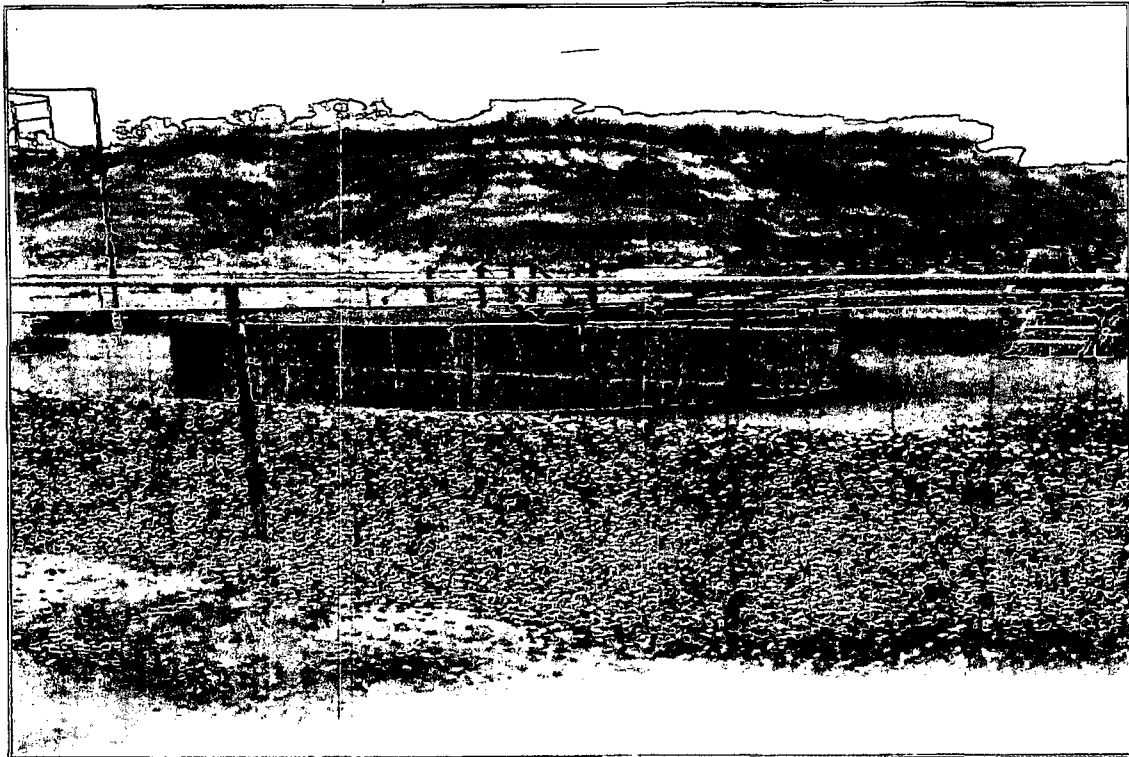


Photo 4: Pipkin Gas Com A #1G after Reconfigure.