

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 DEC 12 PM 4 02

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: Shepard Mary #1
API Number: 30-045-23355 OCD Permit Number: _____
U/L or Qtr/Qtr K Section 10 Township 30N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.82403 Longitude 107.98071 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 _____

OIL CONS. DIV DIST. 3

AUG 07 2014

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

☐ 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.

- ☒ 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
- ☐ 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 indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future 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): Kim Champlin Title: Environmental Representative
 Signature: Kim Champlin Date: 12-08-08
 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: [Signature] Approval Date: 6/24/10
 Title: Environmental Engineer OCD Permit Number: Compliance Officer

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: April 9, 2014

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: [Signature] Date: August 5, 2014
 e-mail address: Logan.Hixon@xtoenergy.com Telephone: (505) 333-3100

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

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: Mary Shepherd 1 | Facility Type: Gas Well | |
| Surface Owner: Private Land | Mineral Owner | API No. 30-045-23355 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| K | 10 | 30 N | 11W | 770 | FSL | 1975 | FEL | San Juan |

Latitude: N36*.82403 Longitude: W-107*.98071

NATURE OF RELEASE

| | | |
|--|---|------------------------------------|
| Type of Release: N/A | Volume of Release: | Volume Recovered: |
| Source of Release: N/A | Date and Hour of Occurrence: N/A | Date and Hour of Discovery: N/A |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? N/A | |
| By Whom? | Date and Hour | |
| 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.* The below grade tank was taken out of service at the Mary Shepherd 1 well site due to the P&A'ing of this well site. A composite sample was collected beneath the location of the on-site BGT, and submitted for laboratory analysis for TPH via USEPA Method 418.1 and 8015, Benzene and BTEX via USEPA Method 8021, and for total chlorides. The sample returned results below the 'Pit Rule' spill confirmation standards for TPH, Benzene, Total BTEX and the total chlorides, confirming that a release has not occurred at this location. | | |
| Describe Area Affected and Cleanup Action Taken.* No release has been confirmed for 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. | | |

OIL CONSERVATION DIVISION

| | | |
|---|---------------------------------------|-----------------------------------|
| Signature: <i>Logan Hixon</i> | Approved by Environmental Specialist: | |
| Printed Name: Logan Hixon | | |
| Title: EHS Coordinator | Approval Date: | Expiration Date: |
| E-mail Address: Logan_Hixon@xtoenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: <i>August 5, 2014</i> Phone: 505-333-3683 | | |

* Attach Additional Sheets If Necessary

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

Lease Name: Mary Shepherd 1

API No.: 30-045-23355

Description: Unit K, Section 10, Township 30N, Range 11W, 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 April 9, 2014.
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 April 9, 2014
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 has been removed due to the plugging and abandoning of the Mary Shepherd 1 well site.

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.

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 |
|------------|---------------------------|-------------------|----------------|
| Benzene | EPA SW-846 8021B or 8260B | 0.2 | < 0.0027 mg/kg |
| BTEX | EPA SW-846 8021B or 8260B | 50 | < 0.0404 mg/kg |
| TPH | EPA SW-846 418.1 | 100 | <19.9 mg/kg |
| Chlorides | EPA 300.1 | 250 or background | 61.0 mg/kg |

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.

No release has been confirmed at this location

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 March 25, 2014; 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 March 25, 2014 via certified mail (attached).

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 location has been recontoured to match the above specifications.
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.
Site has been reclaimed pursuant to surface owner request.
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 surface owner request.**
 - viii. Photo documentation of the site reclamation. **Attached**
15. **This closure report is being submitted after the 60 day deadline required by the 'Pit Rule' due to a delay of final reclamation of this well site.**
16. **The closure date is past the one week notification requirement date due to unforeseen delays in the P&A operations at this well site.**



12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

Otto Naegele
XTO Energy - San Juan Division
382 County Road 3100
Aztec, NM 87410

Report Summary

Tuesday August 05, 2014

Report Number: L690031

Samples Received: 03/26/14

Client Project:

Description: Mary Shepherd #1

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 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, IA Lab #364, EPA - TN002

Accreditation is only applicable to the test methods specified on each scope of accreditation held by ESC Lab Sciences.

This report may not be reproduced, except in full, without written approval from ESC Lab Sciences. Where applicable, sampling conducted by ESC is performed per guidance provided in laboratory standard operating procedures: 060302, 060303, and 060304.



12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859
Tax I.D. 62-0814289
Est. 1970

REPORT OF ANALYSIS

August 05, 2014

Otto Naegele
XTO Energy - San Juan Division
382 County Road 3100
Aztec, NM 87410

ESC Sample # : L690031-01

Date Received : March 26, 2014
Description : Mary Shepherd #1

Site ID :

Sample ID : FARLH-38514-900

Project # :

Collected By : Logan Hixon
Collection Date : 03/25/14 09:00

| Parameter | Dry Result | Det. Limit | Units | Method | Date | Dil. |
|-----------------------------|------------|------------|--------|-------------|----------|------|
| Chloride | 61. | 11. | mg/kg | 9056 | 03/27/14 | 1 |
| Total Solids | 93.7 | | % | 2540 G-2011 | 03/27/14 | 1 |
| Benzene | BDL | 0.0027 | mg/kg | 8021/8015 | 03/27/14 | 5 |
| Toluene | BDL | 0.027 | mg/kg | 8021/8015 | 03/27/14 | 5 |
| Ethylbenzene | BDL | 0.0027 | mg/kg | 8021/8015 | 03/27/14 | 5 |
| Total Xylene | BDL | 0.0080 | mg/kg | 8021/8015 | 03/27/14 | 5 |
| TPH (GC/FID) Low Fraction | BDL | 0.53 | mg/kg | GRO | 03/27/14 | 5 |
| Surrogate Recovery-% | | | | | | |
| a,a,a-Trifluorotoluene(FID) | 98.4 | | % Rec. | 8021/8015 | 03/27/14 | 5 |
| a,a,a-Trifluorotoluene(PID) | 103. | | % Rec. | 8021/8015 | 03/27/14 | 5 |
| TPH (GC/FID) High Fraction | 14. | 4.3 | mg/kg | 3546/DRO | 03/27/14 | 1 |
| Surrogate recovery(%) | | | | | | |
| o-Terphenyl | 88.0 | | % Rec. | 3546/DRO | 03/27/14 | 1 |

Results listed are dry weight basis.

BDL - Below Detection Limit

Det. Limit - Practical Quantitation Limit (PQL)

Note:

This report shall not be reproduced, except in full, without the written approval from ESC.

The reported analytical results relate only to the sample submitted

Reported: 03/27/14 16:29 Revised: 08/05/14 14:23



YOUR LAB OF CHOICE

XTO Energy - San Juan Division
Otto Naegel
382 County Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L690031

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

August 05, 2014

| Analyte | Result | Laboratory Blank Units % Rec | Limit | Batch | Date Analyzed |
|-----------------------------|---------|---------------------------------|--------|----------|----------------|
| Total Solids | < .1 | % | | WG712887 | 03/27/14 07:57 |
| Chloride | < 10 | mg/kg | | WG712604 | 03/26/14 20:29 |
| Benzene | < .0005 | mg/kg | | WG713012 | 03/27/14 13:07 |
| Ethylbenzene | < .0005 | mg/kg | | WG713012 | 03/27/14 13:07 |
| Toluene | < .005 | mg/kg | | WG713012 | 03/27/14 13:07 |
| TPH (GC/FID) Low Fraction | < .1 | mg/kg | | WG713012 | 03/27/14 13:07 |
| Total Xylene | < .0015 | mg/kg | | WG713012 | 03/27/14 13:07 |
| a,a,a-Trifluorotoluene(FID) | | % Rec. 99.50 | 59-128 | WG713012 | 03/27/14 13:07 |
| a,a,a-Trifluorotoluene(FID) | | % Rec. 104.0 | 54-144 | WG713012 | 03/27/14 13:07 |
| TPH (GC/FID) High Fraction | < 4 | mg/kg | | WG712951 | 03/26/14 22:37 |
| o-Terphenyl | | % Rec. 98.30 | 50-150 | WG712951 | 03/26/14 22:37 |

| Analyte | Units | Result | Duplicate Duplicate | RPD | Limit | Ref Samp | Batch |
|--------------|-------|--------|------------------------|-------|-------|------------|----------|
| Total Solids | % | 84.7 | 84.5 | 0.242 | 5 | L689995-02 | WG712887 |
| Chloride | mg/kg | 0.0 | 61.8 | NA | 20 | L689580-02 | WG712604 |
| Chloride | mg/kg | 5500 | 4800 | 13.6 | 20 | L689713-03 | WG712604 |

| Analyte | Units | Laboratory Control Known Val | Sample Result | % Rec | Limit | Batch |
|-----------------------------|-------|---------------------------------|------------------|-------|----------|----------|
| Total Solids | % | 50 | 50.1 | 100. | 85-115 | WG712887 |
| Chloride | mg/kg | 200 | 217. | 109. | 80-120 | WG712604 |
| Benzene | mg/kg | .05 | 0.0482 | 96.3 | 70-130 | WG713012 |
| Ethylbenzene | mg/kg | .05 | 0.0486 | 97.3 | 70-130 | WG713012 |
| Toluene | mg/kg | .05 | 0.0487 | 97.5 | 70-130 | WG713012 |
| Total Xylene | mg/kg | .15 | 0.149 | 99.6 | 70-130 | WG713012 |
| a,a,a-Trifluorotoluene(PID) | | | | 103.0 | 54-144 | WG713012 |
| TPH (GC/FID) Low Fraction | mg/kg | 5.5 | 4.91 | 89.3 | 63.5-137 | WG713012 |
| a,a,a-Trifluorotoluene(FID) | | | | 101.0 | 59-128 | WG713012 |
| TPH (GC/FID) High Fraction | mg/kg | 60 | 52.5 | 87.5 | 50-150 | WG712951 |
| o-Terphenyl | | | | 94.40 | 50-150 | WG712951 |

| Analyte | Units | Laboratory Control Result | Sample Ref | Duplicate %Rec | Limit | RPD | Limit | Batch |
|-----------------------------|-------|------------------------------|---------------|-------------------|--------|--------|-------|----------|
| Chloride | mg/kg | 221. | 217. | 110. | 80-120 | 1.83 | 20 | WG712604 |
| Benzene | mg/kg | 0.0481 | 0.0482 | 96.0 | 70-130 | 0.140 | 20 | WG713012 |
| Ethylbenzene | mg/kg | 0.0486 | 0.0486 | 97.0 | 70-130 | 0.0800 | 20 | WG713012 |
| Toluene | mg/kg | 0.0484 | 0.0487 | 97.0 | 70-130 | 0.730 | 20 | WG713012 |
| Total Xylene | mg/kg | 0.149 | 0.149 | 99.0 | 70-130 | 0.550 | 20 | WG713012 |
| a,a,a-Trifluorotoluene(PID) | | | | 104.0 | 54-144 | | | WG713012 |

* Performance of this Analyte is outside of established criteria.

For additional information, please see Attachment A 'List of Analytes with QC Qualifiers.'



YOUR LAB OF CHOICE

XTO Energy - San Juan Division
Otto Naeegele
382 County Road 3100
Aztec, NM 87410

Quality Assurance Report
Level II

L690031

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

August 05, 2014

| Analyte | Units | Laboratory Control Sample Duplicate | | | Limit | RPD | Limit | Batch |
|-----------------------------|-------|-------------------------------------|------|-------|----------|--------|-------|----------|
| | | Result | Ref | %Rec | | | | |
| TPH (GC/FID) Low Fraction | mg/kg | 4.64 | 4.91 | 84.0 | 63.5-137 | 5.68 | 20 | WG713012 |
| a,a,a-Trifluorotoluene(FID) | | | | 100.0 | 59-128 | | | WG713012 |
| TPH (GC/FID) High Fraction | mg/kg | 52.5 | 52.5 | 88.0 | 50-150 | 0.0300 | 20 | WG712951 |
| o-Terphenyl | | | | 94.90 | 50-150 | | | WG712951 |

| Analyte | Units | Matrix Spike | | | | Limit | Ref Samp | Batch |
|-----------------------------|-------|--------------|----------|-----|-------|----------|------------|----------|
| | | MS Res | Ref Res | TV | % Rec | | | |
| Chloride | mg/kg | 1420 | 1200 | 500 | 44.0* | 80-120 | L689713-01 | WG712604 |
| Benzene | mg/kg | 0.232 | 0.000562 | .05 | 93.0 | 49.7-127 | L690031-01 | WG713012 |
| Ethylbenzene | mg/kg | 0.229 | 0.000285 | .05 | 92.0 | 40.8-141 | L690031-01 | WG713012 |
| Toluene | mg/kg | 0.234 | 0.00106 | .05 | 93.0 | 49.8-132 | L690031-01 | WG713012 |
| Total Xylene | mg/kg | 0.703 | 0.00178 | .15 | 93.0 | 41.2-140 | L690031-01 | WG713012 |
| a,a,a-Trifluorotoluene(RID) | | | | | 103.0 | 54-144 | | WG713012 |
| TPH (GC/FID) Low Fraction | mg/kg | 20.4 | 0.0 | 5.5 | 74.0 | 28.5-138 | L690031-01 | WG713012 |
| a,a,a-Trifluorotoluene(FID) | | | | | 100.0 | 59-128 | | WG713012 |

| Analyte | Units | Matrix Spike Duplicate | | | Limit | RPD | Limit | Ref Samp | Batch |
|-----------------------------|-------|------------------------|-------|-------|----------|------|-------|------------|----------|
| | | MSD | Ref | %Rec | | | | | |
| Chloride | mg/kg | 1490 | 1420 | 58.0* | 80-120 | 4.81 | 20 | L689713-01 | WG712604 |
| Benzene | mg/kg | 0.228 | 0.232 | 91.2 | 49.7-127 | 1.62 | 23.5 | L690031-01 | WG713012 |
| Ethylbenzene | mg/kg | 0.222 | 0.229 | 88.7 | 40.8-141 | 3.33 | 23.8 | L690031-01 | WG713012 |
| Toluene | mg/kg | 0.226 | 0.234 | 90.1 | 49.8-132 | 3.36 | 23.5 | L690031-01 | WG713012 |
| Total Xylene | mg/kg | 0.677 | 0.703 | 90.0 | 41.2-140 | 3.71 | 23.7 | L690031-01 | WG713012 |
| a,a,a-Trifluorotoluene(RID) | | | | 103.0 | 54-144 | | | | WG713012 |
| TPH (GC/FID) Low Fraction | mg/kg | 18.7 | 20.4 | 68.1 | 28.5-138 | 8.57 | 23.6 | L690031-01 | WG713012 |
| a,a,a-Trifluorotoluene(FID) | | | | 99.10 | 59-128 | | | | WG713012 |

Batch number /Run number / Sample number cross reference

WG712887: R2898040: L690031-01
WG712604: R2898179: L690031-01
WG713012: R2898250: L690031-01
WG712951: R2898256: L690031-01

* * 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.'



YOUR LAB OF CHOICE

XTO Energy - San Juan Division
Otto Naegele
382 County Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L690031

12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

August 05, 2014

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.

* Sample ID will be the office and sampler-date-military time FARJM-MMDDYY-1200

03630^{OK}



Analytical Report

Report Summary

Client: XTO Energy Inc.

Chain Of Custody Number: 0364

Samples Received: 3/25/2014 11:11:00AM

Job Number: 98031-0528

Work Order: P403087

Project Name/Location: Mary Shepherd #1

Entire Report Reviewed By:

A handwritten signature in black ink, appearing to read "Tim Cain".

Date: 3/27/14

Tim Cain, Laboratory Manager

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



XTO Energy Inc.
382 CR 3100
Aztec NM, 87410

Project Name: Mary Shepherd #1
Project Number: 98031-0528
Project Manager: Logan Hixon

Reported:
27-Mar-14 11:19

Analytical Report for Samples

| Client Sample ID | Lab Sample ID | Matrix | Sampled | Received | Container |
|------------------|---------------|--------|----------|----------|------------------|
| BGT Composite | P403087-01A | Soil | 03/25/14 | 03/25/14 | Glass Jar, 4 oz. |

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

5796 US Highway 64, Farmington, NM 87401

Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301

Ph (505) 632-0615 Fx (505) 632-1865

Ph (970) 259-0615 Fr (800) 362-1879



| | | | |
|-----------------|------------------|------------------|------------------------------|
| XTO Energy Inc. | Project Name: | Mary Shepherd #1 | Reported: 27-Mar-14 11:19 |
| 382 CR 3100 | Project Number: | 98031-0528 | |
| Aztec NM, 87410 | Project Manager: | Logan Hixon | |

BGT Composite
P403087-01 (Solid)

| Analyte | Result | Reporting Limit | Units | Dilution | Batch | Prepared | Analyzed | Method | Notes |
|--|--------|--------------------|-------|----------|---------|----------|----------|-----------|-------|
| Total Petroleum Hydrocarbons by 418.1 | | | | | | | | | |
| Total Petroleum Hydrocarbons | ND | 19.9 | mg/kg | 1 | 1413011 | 03/25/14 | 03/25/14 | EPA 418.1 | |

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

XTO Energy Inc.
 382 CR 3100
 Aztec NM, 87410

 Project Name: Mary Shepherd #1
 Project Number: 98031-0528
 Project Manager: Logan Hixon

 Reported:
 27-Mar-14 11:19

Total Petroleum Hydrocarbons by 418.1 - Quality Control
Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|

Batch 1413011 - 418 Freon Extraction
Blank (1413011-BLK1)

Prepared & Analyzed: 25-Mar-14

Total Petroleum Hydrocarbons ND 20.0 mg/kg

Duplicate (1413011-DUP1)

Source: P403072-01

Prepared & Analyzed: 25-Mar-14

Total Petroleum Hydrocarbons 23.9 20.0 mg/kg 32.0 28.7 30

Matrix Spike (1413011-MS1)

Source: P403072-01

Prepared & Analyzed: 25-Mar-14

Total Petroleum Hydrocarbons 1810 20.0 mg/kg 2000 32.0 89.0 80-120

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

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



XTO Energy Inc.
382 CR 3100
Aztec NM, 87410

Project Name: Mary Shepherd #1
Project Number: 98031-0528
Project Manager: Logan Hixon

Reported:
27-Mar-14 11:19

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

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



2 DAY RUSH

| | | | | | | | | | | | | | | | | |
|---|--|--|--|---|-------------|---|--------------|---|--|--|--|--|--|---|-------------------|-----------------------|
|  | | Quote Number | | Page <u>1</u> of <u>1</u> | | Analysis <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | | | | | Lab Information 98031-0528 Office Abbreviations Farmington = FAR Durango = DUR Bakken = BAK Raton = RAT Piceance = PC Roosevelt = RSV La Barge = LB Orangeville = OV | | | | |
| | | XTO Contact <u>Logan</u> | | XTO Contact Phone # <u>505 386-8018</u> | | | | | | | | | | | | |
| | | Email Results to: <u>Logan, James, Kurt</u> | | | | | | | | | | | | | | |
| Well Site/Location <u>Mary Shepherd #4</u> | | API Number <u>30-045-23355</u> | | Test Reason <u>Bgt Closure</u> | | <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | | | | | | | | | |
| Collected By <u>Logan Hixon</u> | | Samples on Ice <u>(Y/N)</u> | | Turnaround | | | | | | | | | | | | |
| Company <u>XTO</u> | | QA/QC Requested | | <input type="checkbox"/> Standard <input type="checkbox"/> Next Day <input checked="" type="checkbox"/> <u>Two Day</u> <input type="checkbox"/> Three Day <input type="checkbox"/> Std. 5 Bus. Days (by contract) | | | | | | | | | | | | |
| Signature <u>Joy H</u> | | Gray Areas for Lab Use Only! | | Date Needed _____ | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Sample ID | | Sample Name | | Media | Date | Time | Preservative | No. of Conts. | <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | | | | | Sample Number | |
| <u>FARLH-03ZSH-9:00</u> | | <u>Bgt composite</u> | | <u>S</u> | <u>3-25</u> | <u>9:00</u> | <u>Cool</u> | <u>1-401</u> | | | | | | | <u>P403087-01</u> | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Media : Filter = F Soil = S Wastewater = WW Groundwater = GW Drinking Water = DW Sludge = SG Surface Water = SW Air = A Drill Mud = DM Other = OT | | | | | | | | | | | | | | | | |
| Relinquished By: (Signature) <u>Joy H</u> | | | | Date: <u>3-25-14</u> | | Time: <u>11:11</u> | | Received By: (Signature) | | | | Number of Bottles: | | Sample Condition | | |
| Relinquished By: (Signature) | | | | Date: | | Time: | | Received By: (Signature) | | | | Temperature: <u>11.9</u> | | <u>Cool</u> Other Information | | |
| Relinquished By: (Signature) | | | | Date: | | Time: | | Received for Lab by: (Signature) <u>Minister</u> | | | | Date: <u>3/25/14</u> | | | | Time: <u>11:11</u> |
| Comments | | | | | | | | | | | | | | | | |

* Sample ID will be the office and sampler-date-military time FARJM-MMDDYY-1200

0364

Hixon, Logan

From: Hixon, Logan
Sent: Tuesday, March 25, 2014 1:45 PM
To: BRANDON POWELL (brandon.powell@state.nm.us); Jonathan Kelly (jonathan.kelly@state.nm.us)
Cc: McDaniel, James; Hoekstra, Kurt
Subject: BGT Closure Notification- Hun Ne Pah #1 (30-045-23355)

Brandon & Jonathan,

Please accept this email as the required 72 hour notification for BGT closure activities at the following site:

-Mary Shepherd #1 (API 30-045-23355) located in Section 10 (K), Township 30N, Range 11W, San Juan County, New Mexico.

This BGT is being closed due to the P&A'ing of this well site.

Thank you and have a good day!

Thank You!

XTO ENERGY INC., an ExxonMobil subsidiary

Logan Hixon | 72 Suttle Street, Suite J | Durango, CO 81303 | ph: 970-247-7708 | Cell: 505-386-8018

Logan Hixon | 382 CR 3100 | Aztec, NM 87410 | ph: 505-333-3100 | Logan.Hixon@xtoenergy.com

March 25, 2014

Mark and Marta Chapman
508 French Drive
Aztec, NM 87410

Re: Mary Shepherd #1

Unit K, Section 10, Township 30N, Range 11W, San Juan County, New Mexico

Mark & Marta Chapman,

This submittal is pursuant to Rule 19.15.17.13 requiring operators to notify surface owners of the closure of a below grade tank pit. XTO Energy, Inc. (XTO) is hereby providing written documentation of our proposal to close the below grade tank pit associated with the above mentioned well site by excavation and removal.

Should you have questions or require additional information, please feel free to contact me at your convenience at (505) 333-3100. Thank you for your time in regards to this matter.

Respectfully Submitted,

Logan Hixon

Logan Hixon

EHS Coordinator
XTO Energy, Inc.
Western Division

For delivery information visit our website at www.usps.com

OFFICIAL

AZTEC NM 87410

Postmark Here
MAR 25 2014

| | | |
|--|----|--------|
| Postage | \$ | \$0.49 |
| Certified Fee | | \$3.30 |
| Return Receipt Fee (Endorsement Required) | | \$2.70 |
| Restricted Delivery Fee (Endorsement Required) | | \$0.00 |
| Total Postage & Fees | \$ | \$6.49 |

Sent To
Mark and Marta Chapman
508 French Drive
Aztec, NM 87410

PS Form 3800, August 2003

See Reverse for Instructions

LH

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature <i>X Marta Chapman</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> |
| <p>1. Article Addressed to: <i>Mark and Marta Chapman 508 French Drive Aztec, NM 87410</i></p> | <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |
| <p>2. Article Number (Transfer from service label)</p> | |

7012 1010 0002 9433 4964

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540



Well Below Tank Inspection Report

| RouteName | StopName | | Pumper | Foreman | WellName | | | | APIWellNumber | Section | Range | Township |
|-------------------------------|-----------------|-----------------|--------------------|--------------------------|-------------------------|------------------|--------------|-----------------|---------------|---------|----------------------------|----------|
| Below Grade Pit Forms (Temp.) | mary shepherd | | Blackburn, Shawn | Unassigned | MARY SHEPHERD 01 (PA) | | | | 3004523355 | 10 | 11W | 30N |
| InspectorName | Inspection Date | Inspection Time | Visible LinerTears | VisibleTankLeak Overflow | Collection OfSurfaceRun | Visible LayerOil | Visible Leak | Freeboard EstFT | PitLocation | PitType | Notes | |
| jrodgers | 08/24/2008 | 09:00 | No | No | No | Yes | No | 5 | | | years of serv. | |
| jrodgers | 09/23/2008 | 10:45 | No | No | No | Yes | No | 5 | | | years of serv. | |
| jrodgers | 10/21/2008 | 08:30 | No | No | No | Yes | No | 5 | Well Water | Below G | years of serv. | |
| jrodgers | 11/18/2008 | 08:00 | No | No | No | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 12/22/2008 | 08:00 | No | No | No | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 01/18/2009 | 08:00 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 03/21/2009 | 02:30 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 04/25/2009 | 09:00 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 05/28/2009 | 09:15 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 06/25/2009 | 11:30 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 07/30/2009 | 08:45 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 08/28/2009 | 08:00 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 09/29/2009 | 10:35 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 10/20/2009 | 11:15 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 11/29/2009 | 09:30 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 12/21/2009 | 11:05 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 01/28/2010 | 12:48 | No | No | Yes | Yes | No | 5 | Well Water | Below G | fiberglass pit | |
| jrodgers | 02/07/2010 | 01:20 | No | No | Yes | Yes | No | 5 | Well Water | Below G | 6' melting snow on loc. jr | |
| jrodgers | 03/09/2010 | 01:46 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| jrodgers | 04/06/2010 | 11:00 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| jrodgers | 06/17/2010 | 09:34 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| jrodgers | 07/15/2010 | 11:43 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| jrodgers | 10/13/2010 | 09:06 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| jrodgers | 11/01/2010 | 11:50 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| TB | 09/07/2011 | 12:16 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| TB | 10/10/2011 | 12:16 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| TB | 11/10/2011 | 11:55 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |
| TB | 12/21/2011 | 11:55 | No | No | No | Yes | No | 5 | Well Water | Below G | good | |

XTO Energy, Inc.
Mary Shepherd 1 (30-045-23355)
Section 10 (K), Township 30N, Range 11W
Closure Date: April 9, 2014



Photo 1: Mary Shepherd 1 after Reclamation.



Photo 2: Mary Shepherd 1 after Reclamation.