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

Form C-144
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

13131

45-34344

OIL CONS. DIV DIST. 3

SEP 30 2015

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, 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 Road 3100, Aztec, New Mexico 87410
Facility or well name: McCarty Gas Com B # 1F
API Number: 30-045-34344 OCD Permit Number:
U/L or Qtr/Qtr J Section 16 Township 29N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.723784 Longitude -107.994339 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ 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_____

3.
☒ **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 Visable sidewalls, vaulted,automatic high-level shut off
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
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: _____

22

6.
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)

7.
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 19.15.16.8 NMAC

8.
Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
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. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
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. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. **(Does not apply to below grade tanks)** - 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. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any 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 spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

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: _____

11.

Multi-Well Fluid Management Pit 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.

☐ 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
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ 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
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
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 ☐ Multi-well Fluid Management Pit ☐ 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

14.
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 C 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
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 require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 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 25-50 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 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 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, 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 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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

16.
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 E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements 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 H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (~~only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 10/7/2015

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

19.
Closure Report (required within 60 days of closure completion): 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:** 9-3-15

20.
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.

21.
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 for private land only)
- ☐ 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

22.

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): Kurt Hoekstra Title: EHS Coordinator

Signature: Kurt Hoekstra Date: 9-28-15

e-mail address: Kurt_Hoekstra@xtoenergy.com Telephone: 505-333-3100

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

Lease Name: McCarty Gas Com B # 1F
API No.: 30-045-34344
Description: Unit J, Section 16, Township 29N, 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 September 3rd, 2015

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 September 3rd, 2015

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.

The below grade tank has been removed due to an integrity failure of the pit tank. The new pit tank met siting criteria and was installed in a registered upgraded cellar.

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 composite sample was taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached).

Components	Test Method	Limit (mg/Kg)	Results (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	**17 mg/kg**
BTEX	EPA SW-846 8021B or 8260B	50	**1002 mg/kg**
TPH	EPA 8015	100	**39,800 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.
A release has been confirmed for 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 excavation was backfilled using compacted, non-waste containing earthen material, and a new pit tank was re-installed in the upgraded cellar. .

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. Cory Smith with the Aztec office of the OCD via email on August 29th, 2015; 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 August 29th; Email has been approved as a means of surface owner notification to the State 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 location will be recontoured to match the above specifications after the well has been P & A'd.

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 will be 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 be reclaimed pursuant to OCD specifications

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 OCD specifications**
    viii. Photo documentation of the site reclamation. **attached**

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1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Road, Aztec, NM 87410
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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: Kurt Hoekstra
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3100
Facility Name: McCarty Gas Com B # 1F	Facility Type: Gas Well (Basin Dakota, Otero Chacra)

Surface Owner: State	Mineral Owner	API No.: 30-045-34344

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	16	29N	11W	1910	FSL	1745	FEL	San Juan

Latitude 36.723784 **Longitude** -107.994339

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 12 BBL's	Volume Recovered: None
Source of Release: Below Grade Tank	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 8-23-2015 11:00 am
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Cory Smith (NMOCD)	
By Whom? Kurt Hoekstra (EHS Coordinator XTO Energy)	Date and Hour: 8-25-2015 7:35 am	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* On Sunday, 8-23-2015 an XTO Lease Operator found the steel production pit tank on the McCarty Gas Com B#1F location leaking from the bottom of the pit tank . The Lease Operator estimated 12 barrels of produced water had seeped into the ground. The Lease Operator shut the well in and had a water truck pull the remaining fluid from the production pit. No fluid was recovered from the pit cellar .The site was then ranked according to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 20 due to an estimated depth to groundwater of 50 to 100 feet, distance to a water well greater than 1000 feet, and distance to surface water 200-1000 feet. This set the closure standard to 100 ppm TPH, 10 ppm benzene, and 50 ppm total BTEX.

Describe Area Affected and Cleanup Action Taken.*Based on the loss of 12 BBL's of produced water, a release has been confirmed 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: Kurt Hoekstra	OIL CONSERVATION DIVISION Approved by Environmental Specialist:	
Printed Name: Kurt Hoekstra		
Title: EHS Coordinator	Approval Date:	Expiration Date:
E-mail Address: Kurt_Hoekstra@xtoenergy.com	Conditions of Approval:	Attached ☐
Date: 9-28-15 Phone: 505-333-3100		

* Attach Additional Sheets If Necessary

nJK1528056332

10

HALL ENVIRONMENTAL ANALYSIS LABORATORY

Hall Environmental Analysis Laboratory
4901 Hawkins NE
Albuquerque, NM 87109
TEL: 505-345-3975 FAX: 505-345-4107
Website: www.hallenvironmental.com

August 27, 2015

James McDaniel
XTO Energy
382 County Road 3100
Aztec, NM 87410
TEL: (505) 787-0519
FAX (505) 333-3280

RE: McCarty Gas Com B #1F OrderNo.: 1508B91

Dear James McDaniel:

Hall Environmental Analysis Laboratory received 1 sample(s) on 8/25/2015 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. In order to properly interpret your results it is imperative that you review this report in its entirety. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. When necessary, data qualifers are provided on both the sample analysis report and the QC summary report, both sections should be reviewed. All samples are reported, as received, unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

ADHS Cert #AZ0682 -- NMED-DWB Cert #NM9425 -- NMED-Micro Cert #NM0190

Sincerely,

Andy Freeman
Laboratory Manager
4901 Hawkins NE
Albuquerque, NM 87109

Hall Environmental Analysis Laboratory, Inc.

CLIENT: XTO Energy
Client Sample ID: S.E. Corner 6"-12"
Project: McCarty Gas Com B #1F
Collection Date: 8/24/2015 10:30:00 AM
Lab ID: 1508B91-001
Matrix: MEOH (SOIL)
Received Date: 8/25/2015 7:25:00 AM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed	Batch
EPA METHOD 8015M/D: DIESEL RANGE ORGANICS						Analyst: **TOM**	
Diesel Range Organics (DRO)	4400	970		mg/Kg	100	8/25/2015 1:59:33 PM	20954
Motor Oil Range Organics (MRO)	28000	4900		mg/Kg	100	8/25/2015 1:59:33 PM	20954
Surr: DNOP	0	57.9-140	S	%REC	100	8/25/2015 1:59:33 PM	20954
EPA METHOD 8015D: GASOLINE RANGE						Analyst: **NSB**	
Gasoline Range Organics (GRO)	7400	460		mg/Kg	100	8/25/2015 11:00:29 AM	20933
Surr: BFB	223	75.4-113	S	%REC	100	8/25/2015 11:00:29 AM	20933
EPA METHOD 8021B: VOLATILES						Analyst: **NSB**	
Benzene	17	4.6		mg/Kg	100	8/25/2015 11:00:29 AM	20933
Toluene	270	4.6		mg/Kg	100	8/25/2015 11:00:29 AM	20933
Ethylbenzene	45	4.6		mg/Kg	100	8/25/2015 11:00:29 AM	20933
Xylenes, Total	670	9.3		mg/Kg	100	8/25/2015 11:00:29 AM	20933
Surr: 4-Bromofluorobenzene	125	80-120	S	%REC	100	8/25/2015 11:00:29 AM	20933

Refer to the QC Summary report and sample login checklist for flagged QC data and preservation information.

Qualifiers:

*	Value exceeds Maximum Contaminant Level.	B	Analyte detected in the associated Method Blank
D	Sample Diluted Due to Matrix	E	Value above quantitation range
H	Holding times for preparation or analysis exceeded	J	Analyte detected below quantitation limits
ND	Not Detected at the Reporting Limit	P	Sample pH Not In Range
R	RPD outside accepted recovery limits	RL	Reporting Detection Limit
S	% Recovery outside of range due to dilution or matrix		

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: **1508B91**

27-Aug-15

Client: XTO Energy

Project: McCarty Gas Com B #1F

Sample ID **MB-20954**	SampType: **MBLK**	TestCode: **EPA Method 8015M/D: Diesel Range Organics**
Client ID: **PBS**	Batch ID: **20954**	RunNo: **28430**
Prep Date: **8/25/2015**	Analysis Date: **8/25/2015**	SeqNo: **859048** Units: **mg/Kg**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	ND	10								
Motor Oil Range Organics (MRO)	ND	50								
Surr: DNOP	8.2		10.00		82.2	57.9	140			

Sample ID **LCS-20954**	SampType: **LCS**	TestCode: **EPA Method 8015M/D: Diesel Range Organics**
Client ID: **LCSS**	Batch ID: **20954**	RunNo: **28430**
Prep Date: **8/25/2015**	Analysis Date: **8/25/2015**	SeqNo: **859049** Units: **mg/Kg**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	48	10	50.00	0	96.9	57.4	139			
Surr: DNOP	4.0		5.000		80.3	57.9	140			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: **1508B91**

27-Aug-15

Client: XTO Energy

Project: McCarty Gas Com B #1F

Sample ID	MB-20933	SampType:	MBLK	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	PBS	Batch ID:	20933	RunNo:	28433					
Prep Date:	8/24/2015	Analysis Date:	8/25/2015	SeqNo:	859725	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	ND	5.0								
Surr: BFB	840		1000		83.6	75.4	113			

Sample ID	LCS-20933	SampType:	LCS	TestCode:	EPA Method 8015D: Gasoline Range					
Client ID:	LCSS	Batch ID:	20933	RunNo:	28433					
Prep Date:	8/24/2015	Analysis Date:	8/25/2015	SeqNo:	859726	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	25	5.0	25.00	0	99.5	79.6	122			
Surr: BFB	880		1000		88.2	75.4	113			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: **1508B91**

27-Aug-15

Client: XTO Energy

Project: McCarty Gas Com B #1F

Sample ID **MB-20933**	SampType: **MBLK**	TestCode: **EPA Method 8021B: Volatiles**
Client ID: **PBS**	Batch ID: **20933**	RunNo: **28433**
Prep Date: **8/24/2015**	Analysis Date: **8/25/2015**	SeqNo: **859761** Units: **mg/Kg**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	ND	0.050								
Toluene	ND	0.050								
Ethylbenzene	ND	0.050								
Xylenes, Total	ND	0.10								
Surr: 4-Bromofluorobenzene	0.99		1.000		99.3	80	120			

Sample ID **LCS-20933**	SampType: **LCS**	TestCode: **EPA Method 8021B: Volatiles**
Client ID: **LCSS**	Batch ID: **20933**	RunNo: **28433**
Prep Date: **8/24/2015**	Analysis Date: **8/25/2015**	SeqNo: **859762** Units: **mg/Kg**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.97	0.050	1.000	0	97.0	76.6	128			
Toluene	0.99	0.050	1.000	0	99.0	75	124			
Ethylbenzene	1.0	0.050	1.000	0	103	79.5	126			
Xylenes, Total	3.0	0.10	3.000	0	101	78.8	124			
Surr: 4-Bromofluorobenzene	1.1		1.000		109	80	120			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- D Sample Diluted Due to Matrix
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S % Recovery outside of range due to dilution or matrix
- B Analyte detected in the associated Method Blank
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH Not In Range
- RL Reporting Detection Limit

SAME DAY RUSH

XTO ENERGY
Western Division

Quote Number	Page 1 of 1	
XTO Contact: Kurt	XTO Contact Phone #: 505-486-9543	
Email Results to: James, Kurt, Logan		
Well Site/Location: McCarty Gas Com B #1F	API Number: 30-045-34344	Test Reason: SPILL
Collected By: Kurt	Samples on Ice: (Y) N	Turnaround: ___ Standard; X SAME Next Day; ___ Two Day; ___ Three Day; ___ Std. 5 Bus. Days (by contract); Date Needed ___
Company: XTO	QA/QC Requested: Y	
Signature: Kurt Hoekstra	Gray Areas for Lab Use Only!	

Analysis: 8015, GRO, DRO, HEM; 8021, BTEX

Lab Information

Office Abbreviations
Farmington = FAR
Durango = DUR
Bakken = BAK
Raton = RAT
Piceance = PC
Roosevelt = RSV
La Barge = LB
Orangeville = OV

Sample ID	Sample Name	Media	Date	Time	Preservative	No. of Conts.	8015	8021	Sample Number
FARKH-082415-1030	S.E. Corner 6"-12"	S	8-24	10:30	on ice	1	X	X	1508B91-001

Media: Filter = F, Soil = S, Wastewater = WW, Groundwater = GW, Drinking Waster = DW, Sludge = SG, Surface Water = SW, Air = A, Drill Mud = DM, Other = OT

Relinquished By: (Signature) Kurt Hoekstra	Date: 8-24-15	Time: 11:45	Received By: (Signature) Mat Walt	Number of Bottles	Sample Condition
Relinquished By: (Signature) Martin Meeks	Date: 8/24/15	Time: 1921	Received By: (Signature) 08/25/15 0725	Temperature: 1.6°C	Other Information
Relinquished By: (Signature)	Date:	Time:	Received for Lab by: (Signature)	Date:	Time:

Comments

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

Hoekstra, Kurt

From: Hoekstra, Kurt
Sent: Saturday, August 29, 2015 6:28 AM
To: John Taschek (jtaschek@slo.state.nm.us); Smith, Cory, EMNRD
Subject: McCarty Gas Com B # 1F BGT Closure

Mr. Taschek & Mr. Smith,
Please accept this email as the required 72 hour notification for BGT closure activities at the following site: McCarty Gas Com B # 1F (API 30-045-34344) located in Section 16(J), Township 29N, Range 11W, San Juan County, New Mexico.
This BGT is being closed due to the pit tank integrity failure.
Work is tentatively scheduled for Tuesday September 1st, 2015

Thank You.

Kurt Hoekstra
EHS Coordinator
XTO Energy
505-333-3202 Office
505-486-9543 Cell
Kurt_Hoekstra@xtoenergy.com
An **ExxonMobil Subsidiary**

XTO ENERGY

Well Below Tank Inspection Report

Division: Denver

Dates: 06/01/2008 - 08/01/2015

Type: Route Stop

Type Value: M

RouteName | StopName | Pumper | Foreman | WellName | APIWellNumber | Section | Range | shlp

3004534344 | 16 | 11W | 29N

InspectorName	Inspection Date Run 54A	Inspection Time	Visible LinerTears GAS COM B	VisibleTankLeak Overflow	Collection OfSurfaceRun Breadmont. Tonv	Visible LayerOil Bramwell. Chris	Visible Leak GC B 01F	Freeboard EstFT	PitLocation	PitTvpe	Notes
Tony Breadmont	08/10/2008	02:41	No	No	No	Yes	No	4	Well Water Pit	Below Ground	
Tony Breadmont	09/12/2008	11:41	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge
Tony Breadmont	10/07/2008	03:30	No	No	No	Yes	No	3	Well Water Pit	Below Ground	
Tony Breadmont	11/02/2008	09:45	No	No	No	Yes	No	2	Well Water Pit	Below Ground	
Tony Breadmont	12/26/2008	09:30	No	No	No	Yes	No	4	Well Water Pit	Below Ground	
Tony Breadmont	01/13/2009	03:00	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	02/28/2009	03:30	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	03/23/2009	10:27	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	04/12/2009	09:49	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	05/11/2009	12:05	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	06/09/2009	01:00	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	07/10/2009	03:00	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	08/04/2009	10:56	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
Tony Breadmont	09/08/2009	09:22	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
LR	10/12/2009	11:22	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
TB	11/07/2009	02:35	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Oil from separator discharge.
TB	12/15/2009	12:40	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
rf	01/15/2010	11:00	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Oil from separator discharge.
rf	04/11/2010	12:57	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Oil from separator discharge.
tb	05/09/2010	01:58	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
rf	06/04/2010	01:18	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
tb	07/06/2010	09:53	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
tb	08/04/2010	09:18	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
tb	09/09/2010	11:34	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Oil from separator discharge.
tb	10/06/2010	02:07	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
tb	11/01/2010	02:49	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Oil from separator discharge.
tb	12/03/2010	12:01	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
tb	01/20/2011	12:15	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Oil from separator discharge.
tb	02/12/2011	01:49	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
tb	03/05/2011	01:49	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Oil from separator discharge.
tb	04/07/2011	01:08	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Oil from separator discharge.
cw	04/29/2011	07:51	No	No	No	Yes	No	1	mpressor Water	Below Ground	Oil from separator discharge.
cw	05/23/2011	09:32	No	No	No	Yes	No	3	Well Water Pit	Below Ground	called in pit @ 7:50a
	06/20/2011	2:48	No	No	No	Yes	No	3	Well Water Pit	Below Ground	comp lube oil
	07/06/2011	9:26	No	No	No	Yes	No	5	Well Water Pit	Below Ground	comp lube oil
	08/02/2011	9:48	No	No	No	Yes	No	3	Well Water Pit	Below Ground	
	09/21/2011	10:00	No	No	No	Yes	No	3	Well Water Pit	Below Ground	
	10/10/2011	9:18	No	No	No	Yes	No	2	Well Water Pit	Below Ground	
	11/04/2011	10:45	No	No	No	Yes	No	2	Well Water Pit	Below Ground	
	12/15/2011	10:23	No	No	No	Yes	No	3	Well Water Pit	Below Ground	
	01/09/2012	12:20	No	No	No	Yes	No	3	Well Water Pit	Below Ground	
	02/02/2012	9:00	No	No	No	No	No	2	Well Water Pit	Below Ground	
	03/06/2012	1:21	No	No	No	No	No	2	Well Water Pit	Below Ground	
	04/02/2012	10:56	No	No	No	No	No	3	Well Water Pit	Below Ground	
	05/07/2012	10:33	No	No	No	No	No	5	Well Water Pit	Below Ground	
	06/06/2012	10:24	No	No	No	No	No	3	Well Water Pit	Below Ground	
	07/06/2012	11:17	No	No	No	No	No	3	Well Water Pit	Below Ground	
	08/07/2012	1:41	No	No	No	No	No	3	Well Water Pit	Below Ground	
	09/06/2012	10:36	No	No	No	No	No	3	Well Water Pit	Below Ground	
	10/02/2012	1:05	No	No	No	No	No	3	Well Water Pit	Below Ground	
	11/07/2012	9:45	No	No	No	No	No	3	Well Water Pit	Below Ground	
	12/03/2012	2:44	No	No	No	No	No	3	Well Water Pit	Below Ground	
	01/31/2013	9:02	No	No	No	No	No	3	Well Water Pit	Below Ground	Good Condition
	02/04/2013	2:42	No	No	No	No	No	5	Well Water Pit	Below Ground	Good Condition
	02/04/2013	2:42	No	No	No	Yes	No	5	Well Water Pit	Below Ground	comp lube oil
	03/06/2013	12:36	No	No	No	No	No	2	Well Water Pit	Below Ground	Good Condition
	04/03/2013	2:06	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Good condition
	05/08/2013	12:55	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	06/04/2013	7:52	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	07/01/2013	12:20	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	08/02/2013	1:41	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	09/04/2013	10:10	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	10/01/2013	7:53	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	11/04/2013	7:07	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	12/03/2013	1:54	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Good condition
	01/06/2014	11:52	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	02/05/2014	9:41	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Good condition
	03/05/2014	11:43	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	04/02/2014	9:01	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	05/02/2014	11:18	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	06/02/2014	10:03	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	07/08/2014	8:57	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	08/05/2014	1:30	No	No	No	Yes	No	4	Well Water Pit	Below Ground	Good condition
	09/03/2014	10:22	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	10/03/2014	9:56	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	11/03/2014	9:24	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	12/01/2014	2:47	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Good condition
	01/07/2015	9:05	No	No	No	Yes	No	5	Well Water Pit	Below Ground	Good condition
	02/03/2015	2:23	No	No	No	Yes	No	2	Well Water Pit	Below Ground	Good condition
	03/01/2015	1:40	No	No	No	Yes	No	3	Well Water Pit	Below Ground	Good condition
	04/01/2015	9:09	No	No	No	Yes	No	6	Well Water Pit	Below Ground	Good condition
	05/14/2015	0:00						0			0
	06/07/2015	2:48						5			0
	07/06/2015	10:23						3			0

XTO Energy Inc.
San Juan Basin
Below Grade Tank
Variance Page

Lease Name: **McCarty Gas COM B #1F**
API No.: **30-045-34344**
Description: **Unit J, Section 16, Township 29N, Range 11W, San Juan County**

In accordance with Rule 19.15.17.15 NMAC, the following outlines all variances that are being requested for below grade tanks at XTO facilities. All variances requested provide equal or better protection of fresh water, public health and the environment.

Fencing
XTO requests a variance on rule 19.15.17.11.D(3) NMAC which requires fencing around below grade tanks to have at least four (4) strands of barbed wire evenly spaced in the interval between one foot and four feet above ground level. XTO instead requests to utilize hogwire fencing at least four (4) feet high with a top rail for fencing around below grade tanks. This will provide equal protection for livestock from the below grade tank.

Closure Requirements
XTO requests a variance on rule 19.15.17.13.C(3)(a) NMAC which requires operators to analyze closure samples for the constituents listed in Table I of 19.15.17.13 NMAC. XTO instead requests to replace the USEPA analytical method 300.0 for total chloride to USEPA Method 9056. The SW846 9056 method Determination of Inorganic Anions By Ion Chromatography, from *Test Methods for Evaluating Solid Waste, Physical/Chemical Methods*, which also contains methods for the analysis of groundwater, is customarily used to comply with RCRA regulations. EPA Method 300.0 Determination of Inorganic Anions by Ion Chromatography is taken from *Methods for Chemical Analysis of Waters and Wastes*, and includes test procedures that are approved for monitoring under the Safe Drinking Water Act (SDWA) and the National Pollutant Discharge Elimination System (NPDES). The Scope of Application for each method is the same, and both methods utilize ion chromatograph instrumentation. Following either procedure, steps for instrument calibration and data calculation are equivalent. Sample preservation, holding time, handling and storage is identical between the two methods. It is expected that data produced from either method should be consistent.

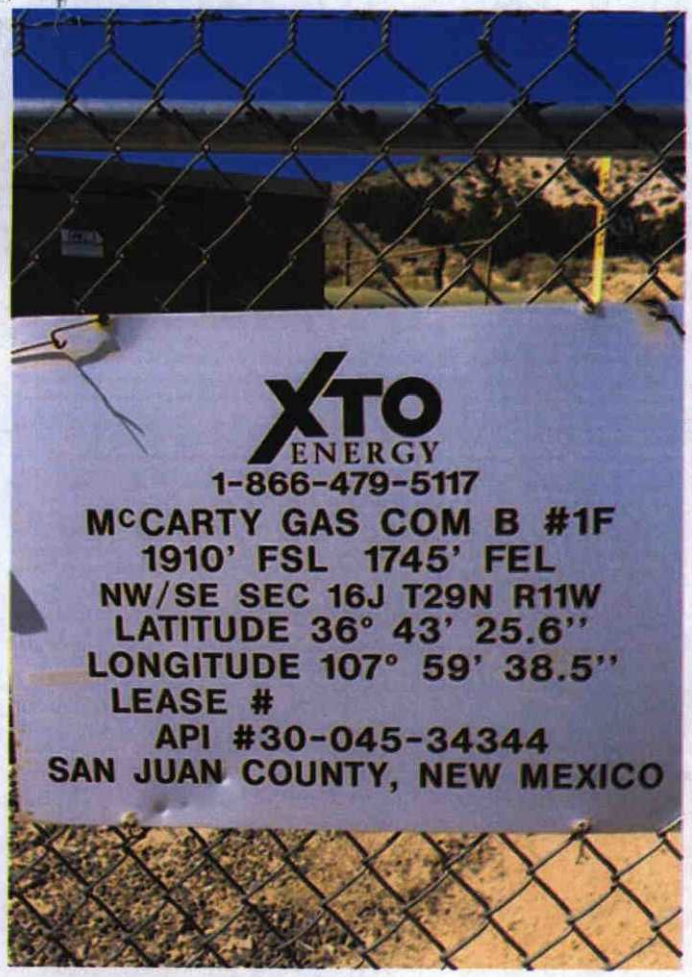
XTO Energy is requesting this variance on the grounds that USEPA Method 418.1 is an outdated analytical method that reports a full range of hydrocarbons from C_8 through C_{40}. (*Reference: American Petroleum Institute*). The attached table demonstrates the carbon ranges, and the typical hydrocarbon products that can be found in those ranges. As you can see, lube oil ranges from C_{28}-C_{35}. Analytical Method USEPA 418.1 extends past lube oils from C_{35} through C_{40}. This range of hydrocarbons is above the range that can reasonably be expected to be found in our field in both drilling pits and beneath below grade tanks. USEPA Method 8015M (GRO/DRO + extended analysis) will report hydrocarbons ranging from C_6-C_{10} for GRO, C_{10}-C_{28} for DRO, and C_{28}-C_{36} for extended analysis. This information was provided by Environmental Science Corporation Laboratories. As the information demonstrates, the 8015M analytical method reports as low as C_6, reporting lower than USEPA Method 418.1. Utilizing analytical method 8015M, lighter range hydrocarbons will be reported instead of higher range, heavy hydrocarbons that may not be reasonably expected to be found in our field. Utilization of USEPA Method 8015M will better protect groundwater resources by identifying lighter, more mobile

hydrocarbons that USEPA Method 418.1 cannot identify. The heavier range hydrocarbons, C_{36}-C_{40}, that are not identified by USEPA Method 8015M are not a mobile form of hydrocarbon, and are not a threat to human health and the environment.

XTO requests a variance on rule 19.15.17.13.E(2) requiring that operators notify the appropriate division office verbally AND in writing at least 72 hours prior to any closure operation. XTO instead requests that the verbal notification be waived, as suggested by the local division office. XTO will provide written notification to the division office in the form of an email at least 72 hours prior to beginning closure activities.

Carbon Ranges of Typical Hydrocarbons

Hydrocarbon	Carbon Range
Condensate	C2-C12
Aromatics	C5-C7
Gasoline	C7-C11
Kerosene	C6-C16
Diesel Fuel	C8-C21
Fuel Oil #1	C9-C16
Fuel Oil #2	C11-C20
Heating Oil	C14-C20
Lube Oil	C28-C35


XTO
ENERGY
1-866-479-5117
McCARTY GAS COM B #1F
1910' FSL 1745' FEL
NW/SE SEC 16J T29N R11W
LATITUDE 36° 43' 25.6''
LONGITUDE 107° 59' 38.5''
LEASE #
API #30-045-34344
SAN JUAN COUNTY, NEW MEXICO