District I 1625 N. French Dr., Hobbs, NM 88240 District III 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

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.

14628	Dropo	end Altom	Pit, Bel native Meth		le Tank, c		nnlice	tion	
	Type of action:	Below g Permit o Closure Modifica Closure	rade tank regist of a pit or propos of a pit, below- ation to an exist plan only subm	ration (Pre 2 sed alternation grade tank, of ing permit/o	2008 Existing we method or proposed a r registration	Tank) Iternative meth	nod	OIL CONS. I JUN 0	1 2016
	Instructions: Plea hat approval of this re does approval relieve	quest does not i	relieve the operator	r of liability sh	ould operations	s result in pollution	on of surfa	ce water, ground	water or the
Operator: <u>XT</u> O	O Energy, Inc.			OGRID #:	5380				1.00
Address: #382 (	County Road 3100, A								
Facility or well r	name: Pinon Mes	aA4							
API Number:	30-045-26645	_		OCD Per	mit Number:				
	Section								<u></u>
Center of Propos	sed Design: Latitude	<u>36.853242</u>	Longitude -108	3.273553	_	NAD:	1927	1983	
	ction F, G or J of 19. Drilling 🗌 Workov Emergency 🗌 Ca nlined Liner type:	ver	&A 🗌 Multi-We		-				
Pit:       Subsect         Temporary:       Image: Component in the sector of the	Drilling 🗌 Workov Emergency 🗌 Ca nlined Liner type:	ver witation P& Thickness	&A D Multi-We	LLDPE 🗌 H	IDPE DPVC	C Other			
	Drilling 🗌 Workov Emergency 🗌 Ca Inlined Liner type: orced Welded 🗌 Factor	vitation	&A 🗌 Multi-We	LLDPE 🗌 H	IDPE DPVC	C Other			
Pit:       Subsect         Temporary:       Image: Comport of the sector of the s	Drilling 🗌 Workov Emergency 🗌 Ca Inlined Liner type: orced	vitation P& Thickness y Other I of 19.15.17.1	&A  Multi-We mil	LLDPE 🗌 F	IDPE DPVC	C Other			
Pit:       Subsect         Temporary:       Image: Constraint of the sector of th	Drilling Workow Emergency Ca nlined Liner type: orced Welded Factor	rer vitation	&A  Multi-We mil	LLDPE 🗌 F	IDPE DPVC	C Other			
Pit:       Subsect         Temporary:       Image: Construction of the sector of	Drilling 🗌 Workov Emergency 🗌 Ca Inlined Liner type: orced Welded 🗌 Factor e tank: Subsection	rer vitation	&A  Multi-We mil	LLDPE   F	IDPE DPVC	C Other	isions: L_		
Pit:       Subsect         Temporary:       Image: Construction of the sector of	Drilling Workow Emergency Ca Inlined Liner type: orced Welded Factor tank: Subsection	rer vitation	&A   Multi-We mil	LLDPE    F	IDPE DPVC	C Other	isions: L_		
Pit:       Subsect         Temporary:       Image: Construction of the string of	Drilling Workow Emergency Ca Inlined Liner type: orced Welded Factor tank: Subsection on material: <u>Steel</u> containment with leak walls and liner	rer vitation P& Thickness y Other I of 19.15.17.1 bbl Type of c detection D Visible sidewal	&A   Multi-We mil	LLDPE   F	IDPE   PVC	Dimen	isions: L_		
Pit:       Subsect         Temporary:       Image: Construction of the sector of	Drilling Workow Emergency Ca Inlined Liner type: orced Welded Factor Welded Factor tank: Subsection on material: <u>Steel</u> containment with leal walls and liner V	rer vitation P& Thickness y Other I of 19.15.17.1 bbl Type of c detection D Visible sidewal	&A   Multi-We mil II NMAC f fluid: <u>Prod</u> Visible sidewall lls only   Othe	LLDPE   F	IDPE   PVC	Dimen	isions: L_		
Pit:       Subsect         Temporary:       Image: Construction of the sector of	Drilling Workow Emergency Ca Inlined Liner type: orced Welded Factor Welded Factor tank: Subsection on material: <u>Steel</u> containment with leal walls and liner V	rer vitation  Pd Thickness y  Other I of 19.15.17.1 bbl Type of c detection  Visible sidewal mil	&A   Multi-We mil           NMAC f fluid: <u>Prod</u>       Visible sidewall      s only   Othe    HDPE    P	LLDPE   F	IDPE   PVC	Dimen	hut-off	x W	
Pit:       Subsect         Temporary:       Permanent         Permanent       U         Lined       U         String-Reinfo       U         Secondary c       Secondary c         Visible side       Liner type: Thick         Alternative       Submittal of an c         S.       Submittal of an c	Drilling Workow Emergency Ca Inlined Liner type: orced Welded Factor we tank: Subsection on material: Steel containment with lead walls and liner S ckness	rer vitation	&A   Multi-We mil              NMAC f fluid: <u>Prod</u>       Visible sidewall       sonly    Othe    HDPE    P'       HDPE    P'	LLDPE   F	IDPE PVC	C D Other	hut-off	x W	xD
Pit:       Subsect         Temporary:       Permanent         Permanent       U         Lined       U         String-Reinford         Liner Seams:       U         Below-grade         Volume:       120         Tank Construction         Secondary or         Visible side         Liner type:         Iner type:         Submittal of an or         Secondary         Submittal of an or         Secondary	Drilling 🗌 Workov Emergency 🗌 Ca inlined Liner type: orced Welded 🗌 Factor e tank: Subsection on material: Steel containment with leal walls and liner 🖾 Y ckness Method: exception request is r oction D of 19.15.17.1 ix feet in height, two	rer  vitation   P&  Thickness  y   Other I of 19.15.17.1bbl Type of  c detection    Visible sidewalmil  required. Excee II NMAC (App	&A   Multi-We mil     	LLDPE   F	IDPE PVC	C D Other bbl Dimen matic overflow s vironmental Bure elow-grade tank	hut-off eau office	x W	x D
Temporary: Permanent Lined U String-Reinfo Liner Seams: Below-grade Volume: 120 Tank Constructio Secondary c Visible side Liner type: Thic Alternative Submittal of an o S. Fencing: Subse Chain link, si institution or chu	Drilling 🗌 Workov Emergency 🗌 Ca inlined Liner type: orced Welded 🗌 Factor e tank: Subsection on material: Steel containment with leal walls and liner 🖾 Y ckness Method: exception request is r oction D of 19.15.17.1 ix feet in height, two	rer vitation   P& Thickness y   Other I of 19.15.17.1bbl Type of c detection   Visible sidewalmil required. Excee II NMAC (App strands of bart	&A   Multi-We mil     	LLDPE   F	IDPE PVC	C D Other bbl Dimen matic overflow s vironmental Bure elow-grade tank	hut-off eau office	x W	x D

Oil Conservation Division

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

Screen Netting Other

Monthly inspections (If netting or screening is not physically feasible)

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

#### Variances and Exceptions:

7

8.

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.

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) <ul> <li>Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</li> </ul>	Yes No
<ul> <li>Within an unstable area. (Does not apply to below grade tanks)</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	Yes No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	Yes No
Below Grade Tanks	
<ul> <li>Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🛛 No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	11 16
<ul> <li>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.)</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial	Yes No
<ul> <li>application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>	
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	
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>	Yes No
<ul> <li>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;</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 300 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
Permanent Pit or Multi-Well Fluid Management Pit	
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>	🗌 Yes 🗌 No
<ul> <li>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.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	Yes 🗌 No
<ul> <li>Within 500 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
10.         Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 N         Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the doce attached.         Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC         Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC         Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC         Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC         Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.13.17.13 NMAC         Previously Approved Design (attach copy of design)       API Number: or Permit Number:	nMAC
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 doc         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.         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	
<ul> <li>Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC</li> <li>Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC</li> </ul>	
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 F	luid 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	
	- the sheet to the
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	
<ul> <li>Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> <li>Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC</li> </ul>	
She Reclamation Fian - based upon the appropriate requirements of Subsection Fior 17.15.17.15 MMAC	
15.	
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC	rce material are
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adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality.	Written approval obtained from the m	unicipality 🗌 Yes 🗌 No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM I	EMNRD-Mining and Mineral Division	Yes No
Within an unstable area. - Engineering measures incorporated into the design; NM Bi Society Tonographic men	areau of Geology & Mineral Resources	
Society; Topographic map Within a 100-year floodplain.		
- FEMA map		Yes No
<ul> <li>16.</li> <li>On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions by a check mark in the box, that the documents are attached.</li> <li>Siting Criteria Compliance Demonstrations - based upon the proof of Surface Owner Notice - based upon the appropriate Construction/Design Plan of Burial Trench (if applicable) b</li> <li>Construction/Design Plan of Temporary Pit (for in-place but Protocols and Procedures - based upon the appropriate requite Confirmation Sampling Plan (if applicable) - based upon the appropriate requite Soil Cover Design - based upon the appropriate requirement Re-vegetation Plan - based upon the appropriate requirement Site Reclamation Plan - based upon the appropriate requirement</li> </ul>	appropriate requirements of 19.15.17. requirements of Subsection E of 19.15 ased upon the appropriate requirements ial of a drying pad) - based upon the ap rements of 19.15.17.13 NMAC appropriate requirements of 19.15.17. requirements of 19.15.17.13 NMAC ling fluids and drill cuttings or in case of Subsection H of 19.15.17.13 NMA ts of Subsection H of 19.15.17.13 NMA	10 NMAC .17.13 NMAC of Subsection K of 19.15.17.11 NMAC propriate requirements of 19.15.17.11 NMAC 13 NMAC on-site closure standards cannot be achieved) C AC
17. Operator Application Certification: I hereby certify that the information submitted with this application Name (Print): Logan Hixon		best of my knowledge and belief.
Name (Print): Logan Hixon Ti	tle : EHS Coordinator	
Signature: Jogan Huison	Date:May 25, 20	016
e-mail address: Logan_Hixon@xtoenergy.com Telephon	ne: (505) 333-3683	
18. OCD Approval: Permit Application (including closure plan)	Closure Plan (opty) CD OCD Co	anditions (see attachment)
OCD Representative Signature:	N in the	Approval Date: 6/15/16
Title: Ewertowne stel Spec	OCD Permit Number	
19.		
<u>Closure Report (required within 60 days of closure completion)</u> Instructions: Operators are required to obtain an approved closur The closure report is required to be submitted to the division with section of the form until an approved closure plan has been obtain	re plan prior to implementing any closin 60 days of the completion of the clo ned and the closure activities have been	sure activities. Please do not complete this n completed.
	Closure Complet	ion Date:
<ul> <li>20.</li> <li>Closure Method:</li> <li>Waste Excavation and Removal On-Site Closure Method</li> <li>If different from approved plan, please explain.</li> </ul>	Alternative Closure Method	] Waste Removal (Closed-loop systems only)
<ul> <li>21.</li> <li>Closure Report Attachment Checklist: Instructions: Each of the mark in the box, that the documents are attached.</li> <li>Proof of Closure Notice (surface owner and division)</li> <li>Proof of Deed Notice (required for on-site closure for private Plot Plan (for on-site closures and temporary pits)</li> <li>Confirmation Sampling Analytical Results (if applicable)</li> <li>Waste Material Sampling Analytical Results (required for or Disposal Facility Name and Permit Number</li> <li>Soil Backfilling and Cover Installation</li> <li>Re-vegetation Application Rates and Seeding Technique</li> <li>Site Reclamation (Photo Documentation)</li> <li>On-site Closure Location: Latitude</li> </ul>	land only)	the closure report. Please indicate, by a check

Oil Conservation Division

22. <u>Operator Closure Certification</u> : I hereby certify that the information and attachments submitted with this closure report belief. I also certify that the closure complies with all applicable closure requirements	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

### Cory or Vanessa,

This below grade tanks was missed during the 2008- Pit Rule Permitting Process. This below grade tanks was installed prior to June 1, 2008. This below grade tank meets the standards of the 2008 pit rule, and has visible sidewalls. We are requesting approved registration for this site. XTO will not be providing ground water data with this registration based on site analysis that potentially shows no indication of shallow groundwater. At the time of closure XTO will close this pit using the most stringent standards unless additional groundwater detail indicates a different standard may be utilized with approval from Aztec, NM NMOCD District Office. XTO believes that this below grade tanks does not pose a threat to fresh water, human health and the environment.

# *If you have any questions or concerns do not hesitate to contact me at anytime. 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

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

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.

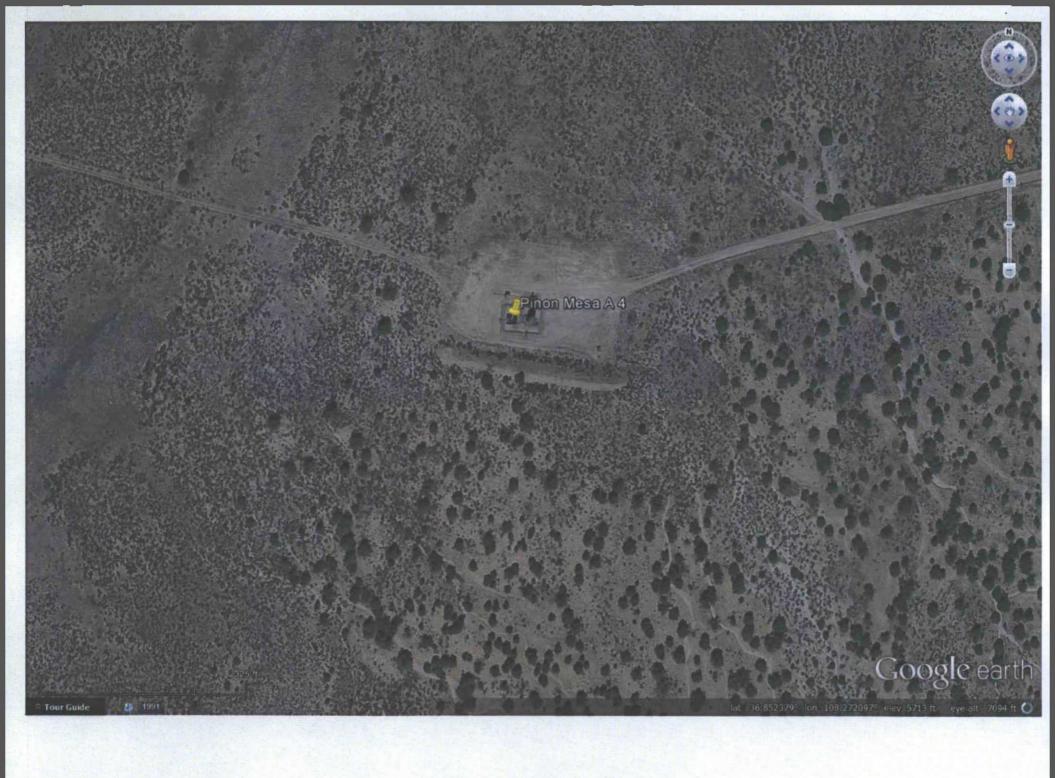
## Fencing

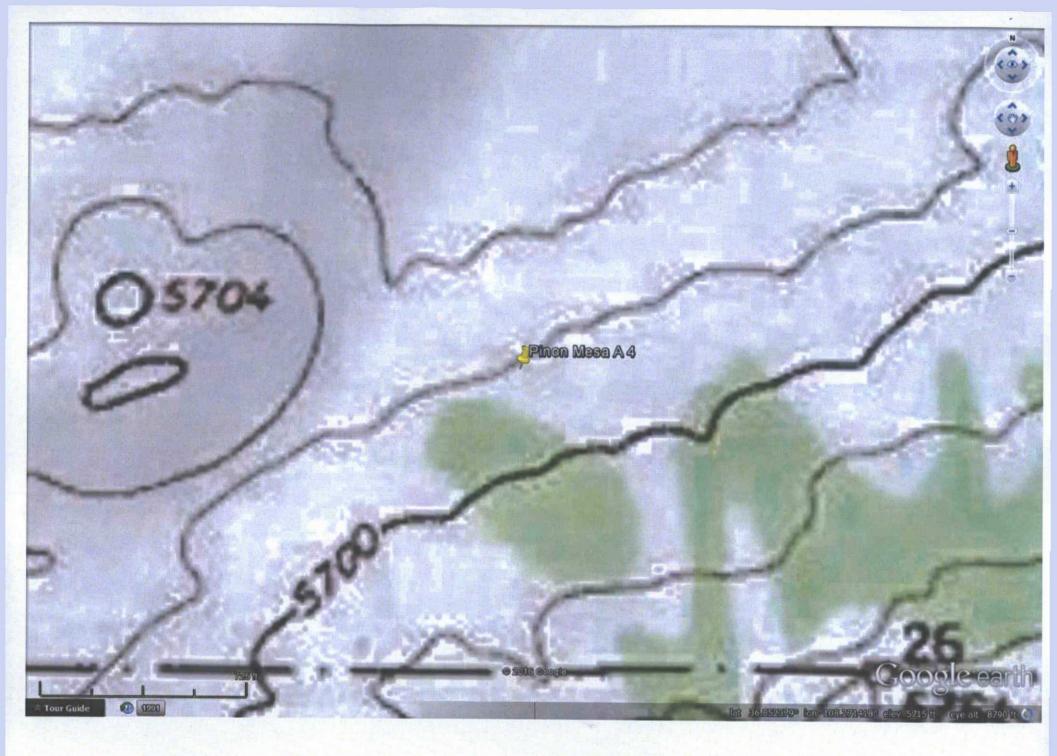
XTO requests a variance on rule 19.15.17.11.D(3) NMAC which requires fencing around below grade tanks to have at least four (4) strands of barbed wire evenly spaced in the interval between one foot and four feet above ground level. XTO instead requests to utilize hogwire fencing at least four (4) feet 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** 

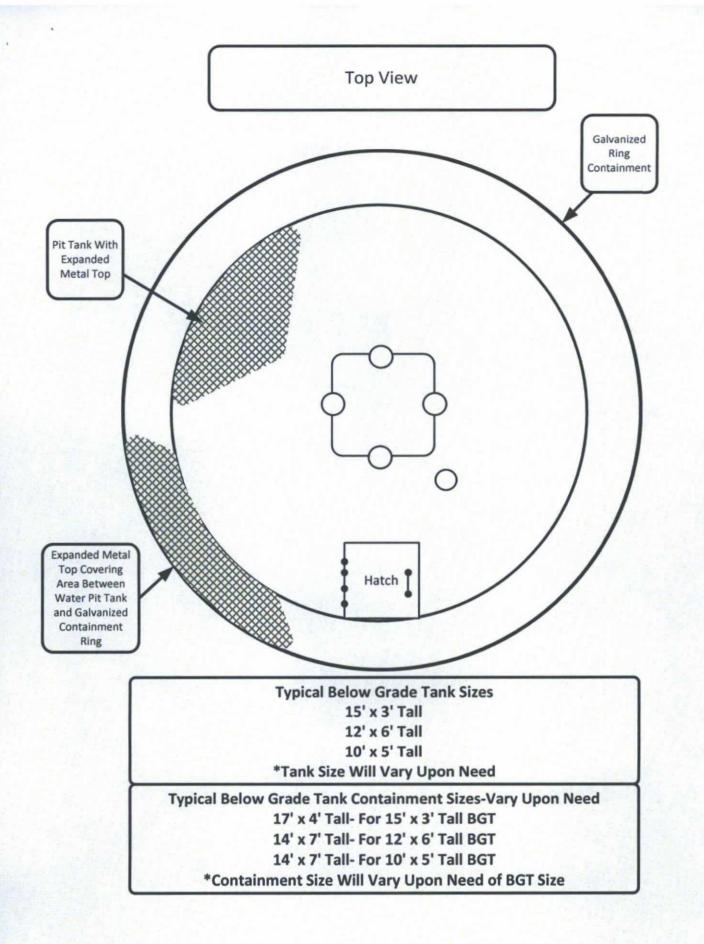
XTO requests a variance on rule 19.15.17.13.C(3)(a) NMAC which requires operators to analyze closure samples for the constituents listed in Table I of 19.15.17.13 NMAC. XTO instead requests to replace the USEPA analytical method 300.0 for total chloride to USEPA Method 9056. The SW846 9056 method <u>Determination of Inorganic Anions By Ion</u> <u>Chromatography</u>, 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 <u>Determination of Inorganic Anions by Ion Chromatography</u> is taken from <u>Methods for Chemical Analysis of Waters and</u> 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.

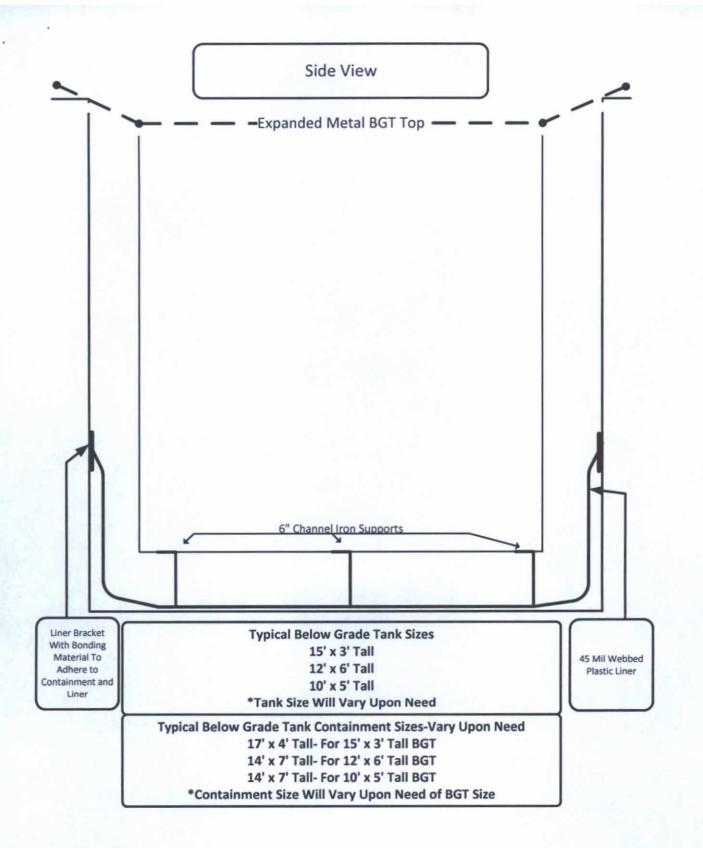
XTO Energy is requesting this variance on the grounds that USEPA Method 418.1 is an outdated analytical method that reports a full range of hydrocarbons from C<sub>8</sub> through C<sub>40</sub>. (*Reference: American Petroleum Institute*). This range of hydrocarbons is above the range that can reasonably 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<sub>6</sub>-C<sub>10</sub> for GRO, C<sub>10</sub>-C<sub>28</sub> for DRO, and C<sub>28</sub>-C<sub>36</sub> 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<sub>6</sub>, 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 8015M are not a mobile form of hydrocarbon, and are not a threat to human health and the environment.

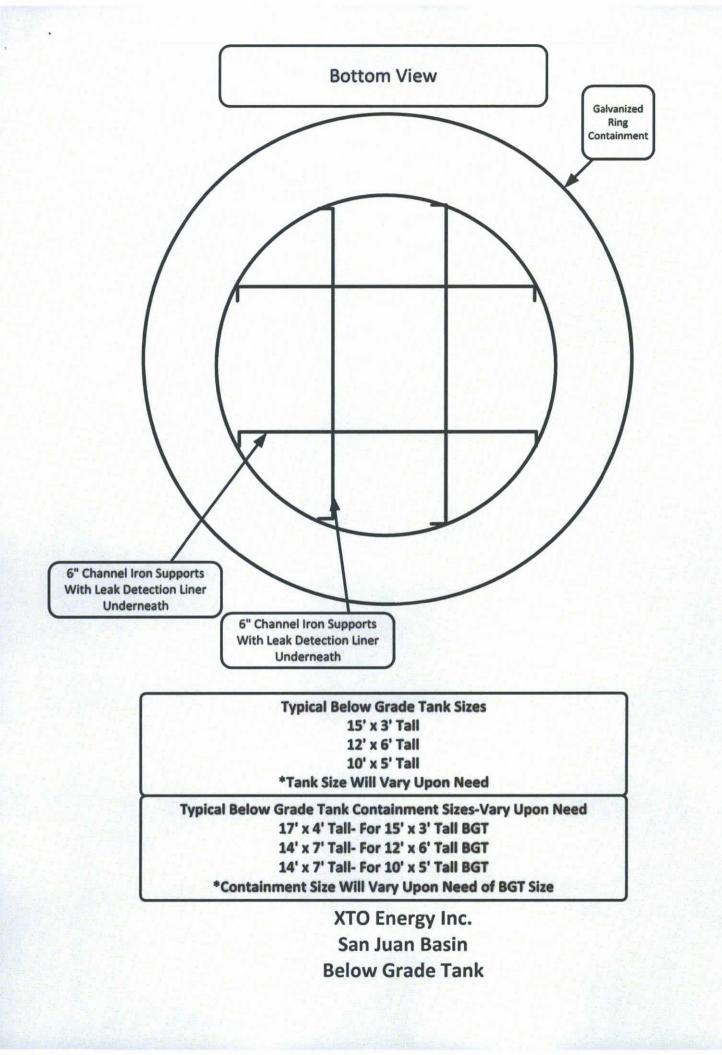
XTO requests a variance on rule 19.15.17.13.E(2) requiring that operators notify the appropriate division office verbally AND in writing at least 72 hours prior to any closure operation. XTO instead requests that the verbal notification be waived, as suggested by the local division office. XTO will provide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











## General Design and Construction Plan

In accordance with Rule 19.15.17.11 NMAC the following information describes the general design and construction requirements of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard design and construction for all below-grade tanks. Because this below-grade tank is already installed, this design and construction plan would apply only if the below grade tank was upgraded or replaced.

## General Plan

- Criteria to be met for existing tank.
- 1. XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water, and protect human health and the environment.
- XTO will post a well sign, pursuant to 19.15.16.8 NMAC, on the existing well site where the below grade tank is located. The sign will list the Operator, the location of the well site by Unit letter, section, township and range, county, and an emergency telephone number.
- 3. XTO is requesting approval of an alternative fencing to be used on below grade tank locations. XTO instead requests to utilize hog wire 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. A 6' chain link fence with two strands of barbed wire on top will be used on locations within city limits or within ¼ mile of a permanent residence, school, hospital, institution or church.
- 4. XTO shall construct below grade tanks with an expanded metal covering.
- 5. The below grade tank cellar will be constructed with a foundation consisting of a level base free of rocks, debris, sharp edges, or irregularities to prevent punctures, cracks or indentations of the tank bottom or liner.
- Below grade tanks will be constructed inside a berm in order to prevent the collection of surface water and run on. Below grade tanks will be equipped with automatic high level shut off devices as well as manually operated shut off valves.
  - In addition to the plans above, if the below grade tank is upgraded or replaced the following will be utilized as well:
- XTO will use single walled below grade tanks. The tanks will be placed into a circular, galvanized steel cellar with the sidewalls opened for visual inspection, and the bottom will be elevated a minimum of 6" above the underlying ground surface to allow for leak detection. (see attached diagram)
- XTO will equip below grade tanks with a properly functioning, automatic high level high-level shut off control device, as well as manual controls, to prevent overflows.
- The geomembrane liner will be compliant with the specifications outlined in 19.15.17.11 NMAC. The liner will be composed of an impervious material that is resistant to hydrocarbons, salts and acids, and sunlight.

# XTO Energy Inc. San Juan Basin Below Grade Tank Operation and Maintenance Procedures

In accordance with Rule 19.15.17.12 NMAC the following information describes the operation and maintenance requirements of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard operation procedure for all below-grade tanks.

## Procedures

- XTO will operate below grade tanks in such a way as to contain liquids, and maintain the integrity of the liner, liner system, and secondary containment, prevent contamination of fresh water, and protect public health and the environment.
- 2. XTO will not discharge into or store any hazardous waste into a below grade tank.
- 3. In the event of a leak in the below grade tank, XTO will:
  - a. Remove all liquids above the leak within 48 hours
  - b. Notify the Aztec Office of the NMOCD of the leak within 48 hours
  - c. Repair the leak, or replace the below grade tank as necessary
- All below grade tanks will be installed and operated in such a way as to prevent surface water run on or collection.
- 5. XTO will remove any measurable layer of oil from the fluid surface of a below grade tank.
- XTO will inspect the below grade tank for leaks and damage at least monthly, documenting the inspections, and maintaining a record of the inspections for five (5) years.
- XTO will operate the below grade tank in such a way as to maintain adequate freeboard to prevent overtopping of the below grade tank.
- In the event the below grade tank no longer demonstrates integrity, XTO will close the below grade tank in accordance with the requirements of 19.15.17.11.I (5) NMAC. If the below grade tank was modified or retrofitted then it will be closed per 19.15.17.13 NMAC.
- In the event that the below grade tank requires modification, XTO will make any modifications to the existing below grade tank following the attached *Construction Design* and *Design And Construction Plans* meeting the requirements of 19.15.17.11 along with 19.15.17.12.D(6)

## XTO Energy Inc. San Juan Basin Below Grade Tank Closure Plan

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of belowgrade 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**

- 10. XTO will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC
- 11. XTO will notify the surface owner by certified mail, return receipt requested, that the operator plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
  - a. Well Name
  - b. API #
  - c. Well Location
- 12. XTO will notify the NMOCD Aztec Office by email that the operator plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
  - a. Well Name
  - b. API #
  - c. Well Location
- 13. Within 60 days of cessation of operations, 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:
  - Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at: Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B
  - Produced Water will be disposed of at: Basin Disposal: Permit #NM01-005 and XTO owned salt water Disposal Facilities

- 14. Within six (6) months of cessation of operations, 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. If there is any equipment associated with a below-grade tank, then the operator shall remove the equipment, unless the equipment is required for some other purpose.
- 15. XTO will collect a closure sample of the soil beneath the location of the below grade tank or liner that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH (C6-C36), benzene and BTEX.

	TA	BLE I	
Depth Below bottom of pit to groundwater less than 10,000 mg/l TDS	Constituent	Method	Limit
	Chloride	EPA 9056	600 mg/kg
	TPH (C6-C36)	Method 8015	100 mg/kg
$\langle \rangle$	BTEX	Method 8021B	50 mg/kg
≤ 50 Feet	Benzene	Method 8021B	10 mg/kg
	Chloride	EPA 9056	10,000 mg/kg
	TPH (C6-C36)	Method 8015	2,500 mg/kg
	GRO + DRO	Method 8015	1,000 mg/kg
	BTEX	Method 8021B	50 mg/kg
51 feet - 100 feet	Benzene	Method 8021B	10 mg/kg
	Chloride	EPA 9056	20,000 mg/kg
	TPH (C6-C36)	EPA 8015	2,500 mg/kg
	GRO + DRO	Method 8015	1,000 mg/kg
	BTEX	Method 8021B	50 mg/kg
> 100 feet	Benzene	Method 8021B	10 mg/kg

XTO will meet the limits for <50' to groundwater detailed in Table I.

- a. In accordance with Rule 19.15.17.13.C(3)(b) if contaminant concentrations exceed the proposed limit and groundwater is found to be deeper than 50', XTO may elect to submit additional groundwater information to the Division and request a higher closure limit. XTO will submit the additional groundwater data via email documenting the depth to groundwater at the location. XTO will wait for approval of the groundwater data by the NMOCD, prior to completing closure activities at the site.
- b. If a higher closure limit is submitted and approved by the Division, XTO will submit a copy of the request, the groundwater information and the received approval in their closure report
- 16. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and the operator must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then the operator can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.

- 17. After closure has occurred, XTO will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the surface area to the condition that existed prior to oil and gas operations. XTO will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.
- 18. XTO will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseeding shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.

\*Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.

- 19. XTO will notify the Aztec Office of the NMOCD by C-103 when reclamation and closure activities are completed, unless the site is managed by another regulatory agency whose reclamation requirements provide equal or greater cover than NMOCD requirements. In those instances, the requirements of the other regulatory agency will be followed.
- 20. Within 60 days of closure, XTO will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
  - a. Proof of closure notice to NMOCD and surface owner
  - b. Confirmation sampling analytical results
  - c. Soil backfill and cover installation information
  - d. Photo documentation of site reclamation
  - e. Alternative Table I groundwater criteria request, groundwater information and received approval. (If Needed)