



XTO Permian Operating, LLC
An ExxonMobil Subsidiary

Kristen Houston
Regulatory Analyst
XTO Permian Operating, LLC
3716 N Big Spring St
Midland, TX 79705

Victoria Venegas
ENMRD–Oil Conservation Division
Environmental Bureau
506 W. Texas Ave.
Artesia, NM 88210

March 10, 2026

Re: Administrative Order 2RF-155
Shanghai Recycling Facility: Notice of fluid detection
Facility ID (fv2103456039)

Victoria,

XTO Permian Operating, LLC (OGRID: 373075)—hereafter “XTO”—in accordance with the conditions of approval for the Cessation of Operations Extension approval (Submission ID 508591) respectfully notifies the NM OCD that during the refilling of the WEST pit (containment YCON1914250252), fluids were detected in the pit’s leak detection system. The fluids were detected when increasing the fluid level in the pit from 4 ft to 5 ft. It is currently unknown the composition of the fluids. The leaks were located and remedied we will be returning this recycling containment to operations.

Notification of the leak was emailed to you on 1/27/26 to remedy the detection of fluids in the leak detection system, XTO emptied the WEST pit (containment YCON1914250252) for investigation and remedied all potential leak points in the primary liner. XTO has complied with 19.15.34.13 NMAC. All identified leak points have been verified and believed fixed. XTO is planning to begin the refill process to verify the integrity of the liner in accordance with the original Conditions of Approval.

The EAST pit (containment YCON1914250253) has remained in operation.

If you have any questions or need any additional information, please feel free to contact me at (432) 894-1588.

Sincerely,

A handwritten signature in black ink that reads "Kristen Houston".

Kristen Houston
Regulatory Analyst

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-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: Recycling Facility Recycling Containment*
Type of action: Permit Registration
 Modification Extension
 Closure Other (explain) Start Up After Leak Detection

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

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 Permian Operating, LLC (For multiple operators attach page with information) OGRID #: 373075
Address: 6401 Holiday Hill Road, Bldg 5, Midland, TX 79707
Facility or well name (include API# if associated with a well): Shanghai
OCD Permit Number: _____ (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr _____ Section 22 Township 25 South Range 29 East County: Eddy County
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Recycling Facility:
Location of recycling facility (if applicable): Latitude 32.118675° Longitude -103.974825° NAD83
Proposed Use: Drilling* Completion* Production* Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
 Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*
 Fluid Storage
 Above ground tanks Recycling containment Activity permitted under 19.15.17 NMAC explain type _____
 Activity permitted under 19.15.36 NMAC explain type: _____ Other explain _____
 For multiple or additional recycling containments, attach design and location information of each containment
 Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: _____

3.
 Recycling Containment:
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.117775° Longitude -103.974687 NAD83
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 60 mil LLDPE HDPE PVC Other 40 mil HDPE (secondary liner)
 String-Reinforced
Liner Seams: Welded Factory Other Field Volume: 1,000,000 bbl each Dimensions: L 1500 ft x W 1200 ft x D 16 ft
 Recycling Containment Closure Completion Date: _____

4.
Bonding:
 Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
 Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
 Attach closure cost estimate and documentation on how the closure cost was calculated.

5.
Fencing:
 Four foot height, four strands of barbed wire evenly spaced between one and four feet
 Alternate. Please specify_Eight (8) feet high game fence with three (3) strands of barbed wire on top _____

6.
Signs:
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC

7.
Variances:
 Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.
Check the below box only if a variance is requested:
 Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.
If a Variance is requested, it must be approved prior to implementation.

8.
Siting Criteria for Recycling Containment
Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting	
Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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. - Written confirmation or verification from the municipality; written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

9.
Recycling Facility and/or Containment Checklist:
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data -
- Siting Criteria Compliance Demonstrations -
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.
Operator Application Certification:
 I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kristen Houston Title: Regulatory Advisor
 Signature: *Kristen Houston* Date: 3/10/2026
 e-mail address: Kristen.houston@exxonmobil.com Telephone: (432)894-1588

11.
 OCD Representative Signature: *Victoria Venegas* Approval Date: 03/13/2026
 Title: Senior Environmental Scientist OCD Permit Number: 2RF-155 [fVV2103456039]

OCD Conditions _____
 Additional OCD Conditions on Attachment _____

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 561523

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 3617 Big Spring St. MIDLAND, TX 79705	OGRID: 373075
	Action Number: 561523
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	3/13/2026