District I 625 N. French Dr., Hobbs, NM 88240 District II 301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico **Energy Minerals and Natural Resources** Department Oil Conservation Division 1220 South St. Francis Dr.

Santa Fe, NM 87505

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office

	Closed-Loop Syst					- 00
	ternative Method nit of a pit, closed-loop s					
Existing BGT Clos	sure of a pit, closed-loop	system, belo				
	lification to an existing p		ng nermitted (or non-nermi	itted pit, closed-loop syste	em
below-grade tank, or prop		IOI AII CAISII	ng permitted (or non-perm	itted pit, eiosed-toop syste	-111,
Instructions: Please submit one appli		ndividual pit,	closed-loop sys	stem, below-g	rade tank or alternative requ	uest
Please be advised that approval of this request does environment. Nor does approval relieve the operator						
ı. Operator: XTO Energy, Inc.			OGRID #:_	53	80	
Address: #382 County Road 3100, Azteo	, NM 87410		57	73		
Facility or well name: Picway #1						
API Number: 30-045-32127						
U/L or Qtr/Qtr H Section 32						
Center of Proposed Design: Latitude 36.775						
Surface Owner: Tederal State Private						
Pit: Subsection F or G of 19.15.17.11 NN Temporary: □ Drilling □ Workover □ Permanent □ Emergency □ Cavitation □ □ Lined □ Unlined Liner type: Thickness □ String-Reinforced Liner Seams: □ Welded □ Factory □ Other Closed-loop System: Subsection H of 19 Type of Operation: □ P&A □ Drilling a new intent) □ Drying Pad □ Above Ground Steel Tank □ Lined □ Unlined Liner type: Thickness Liner Seams: □ Welded □ Factory □ Other 4.	P&A smil LLDF er .15.17.11 NMAC w well Workover or Dri cs Haul-off Bins Oc	Volume	s to activities w	bl Dimensio	ns: Lx Wx E	
Selow-grade tank: Subsection I of 19.15 Volume: 120	of fluid: Produced V	er, 6-inch lift isible sidewa	lls, vaulted, auto	omatic high-le	evel shut off, no liner	8/9/2021 9:25:02 AM
56.						202
Alternative Method:						8/9/
Submittal of an exception request is required.	Exceptions must be submit	ted to the Sar	ıta Fe Environn	nental Bureau	office for consideration of a	pproval. 🙀
Form C-144	Oil Cons	ervation Divi	sion		Page 1 of 5	Imag
g g g						d to
Submittal of an exception request is required. Form C-144						Release

, 6,	
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet	hospital,
Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing	
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)	
Signs: Subsection C of 19.15.17.11 NMAC ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers ☐ Signed in compliance with 19.15.3.103 NMAC	
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approoffice or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system.	priate district pproval.
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	⊠ Yes □ N
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 ☒ N
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ N ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ N ☑ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ N
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 🛛 N
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ N
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes 🛛
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes 🖾
Within a 100-year floodplain FEMA map	☐ Yes ☑ 1
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map Within a 100-year floodplain. - FEMA map Form C-144 Oil Conservation Division Page 2 of 5	☐ Yes ☑
	Position

28	
Jago 3 of	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.
d	Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
	Previously Approved Design (attach copy of design) API Number: or Permit Number:
	12. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
	Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
	Previously Approved Design (attach copy of design) API Number:
	Previously Approved Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use
Į	above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
	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 ₂ S, 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
Ī	Proposed Closure: 19.15.17.13 NMAC
	Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
	Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal
	Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial
L	Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Received by OCD: 3/11/2021 12-11-38 PM	Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Form C-144 Oil Conservation Division Page 3 of 5
d by OCD	Form C-144 Oil Conservation Division Page 3 of 5
Rocoivo	Release

9%7 F.99 1914 N.Y	m					
Disposal Facility Name:						
Disposal Facility Name:						
Yes (If yes, please provide the information	. —	vice and operation				
Re-vegetation Plan - based upon the appr	used for future service and operations: ations based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAG ropriate requirements of Subsection I of 19.15.17.13 NMAC appropriate requirements of Subsection G of 19.15.17.13 NMAC	с				
rovided below. Requests regarding changes i onsidered an exception which must be submit	thods only): 19.15.17.10 NMAC lemonstration of compliance in the closure plan. Recommendations of acceptable sour to certain siting criteria may require administrative approval from the appropriate distr tited to the Santa Fe Environmental Bureau office for consideration of approval. Justi Please refer to 19.15.17.10 NMAC for guidance.	rict office or may				
Ground water is less than 50 feet below the bott - NM Office of the State Engineer - iWA	tom of the buried waste. ATERS database search; USGS; Data obtained from nearby wells	Yes No				
Ground water is between 50 and 100 feet below - NM Office of the State Engineer - iWA	v the bottom of the buried waste ATERS database search; USGS; Data obtained from nearby wells	Yes No				
Ground water is more than 100 feet below the b - NM Office of the State Engineer - iWA	pottom of the buried waste. ATERS database search; USGS; Data obtained from nearby wells	Yes No				
Vithin 300 feet of a continuously flowing water that (measured from the ordinary high-water mark) - Topographic map; Visual inspection (continuous)		Yes No				
	chool, hospital, institution, or church in existence at the time of initial application. proposed site; Aerial photo; Satellite image	☐ Yes ☐ No				
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site						
dopted pursuant to NMSA 1978, Section 3-27-	vithin a defined municipal fresh water well field covered under a municipal ordinance -3, as amended. om the municipality; Written approval obtained from the municipality	☐ Yes ☐ No				
Vithin 500 feet of a wetland. - US Fish and Wildlife Wetland Identific	cation map; Topographic map; Visual inspection (certification) of the proposed site	Yes No				
Vithin the area overlying a subsurface mine. - Written confirmation or verification or	map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No				
Vithin an unstable area. - Engineering measures incorporated into Society; Topographic map	o the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological	Yes No				
Vithin a 100-year floodplain. - FEMA map		Yes No				
y a check mark in the box, that the document Siting Criteria Compliance Demonstratio Proof of Surface Owner Notice - based u Construction/Design Plan of Burial Tren Construction/Design Plan of Temporary Protocols and Procedures - based upon th Confirmation Sampling Plan (if applicab) Waste Material Sampling Plan - based up Disposal Facility Name and Permit Numl Soil Cover Design - based upon the appre Re-vegetation Plan - based upon the appre	3 NMAC) Instructions: Each of the following items must be attached to the closure plats are attached. ons - based upon the appropriate requirements of 19.15.17.10 NMAC upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC upon the appropriate burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	15.17.11 NMAC				

19.	<u> </u>		
Operator Application Certification:			
I hereby certify that the information submitted with this application is true,	accurate and complete to	the best of my knowledg	e and belief.
Name (Print): Kim Champlin	Title:	Environmental Repr	esentative
Signature: him Champlin	Date:	11/21/08	
e-mail address: kim_champlin@xtoenergy.com		(505) 333-3100	
20.			
OCD Approval: Permit Application (including closure plan) Clos	ure Plan (only) 🔲 OCI	O Conditions (see attachr	nent)
OCD Representative Signature:CRWhitehead		Approval Date: _	August 9, 2021
Title: Environmental Specialist	OCD Permit Nun	ther: BGT 1	
21.	302 1111111		
Closure Report (required within 60 days of closure completion): Subse Instructions: Operators are required to obtain an approved closure plan p The closure report is required to be submitted to the division within 60 day section of the form until an approved closure plan has been obtained and to	rior to implementing any is of the completion of the the closure activities have	closure activities and si closure activities. Plea	se do not complete this
22.			
Closure Method: Waste Excavation and Removal On-Site Closure Method A If different from approved plan, please explain.	Iternative Closure Method	l Waste Removal (Closed-loop systems only)
is. Closure Report Regarding Waste Removal Closure For Closed-loop Sys Instructions: Please indentify the facility or facilities for where the liquids two facilities were utilized.			
Disposal Facility Name:	Disposal Facility I	Permit Number:	
Disposal Facility Name:	Disposal Facility I	Permit Number:	
Were the closed-loop system operations and associated activities performed Yes (If yes, please demonstrate compliance to the items below) N		t be used for future servi	ce and operations?
Required for impacted areas which will not be used for future service and op Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	perations:		
		·	Please indicate, by a check
25. Operator Closure Certification:			
hereby certify that the information and attachments submitted with this close			
belief. I also certify that the closure complies with all applicable closure req		•	i ciosure pian.
Name (Print):			
Signature:	Date:		
e-mail address:	Telephone:		
			Page 5 of 5
Form C-144 Oil Conser	vation Division		Page 5 of 5
Name (Print): Signature: e-mail address: Form C-144 Oil Conser			

Received by OCD: 3/11/2021 12:11:38

District I PO 80x 1980, Hobbs, NM 88241-1980

District II PO Drawer OD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Ad., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Hinerals & Natural Resources Department

Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

Form C-102

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 87504-2088

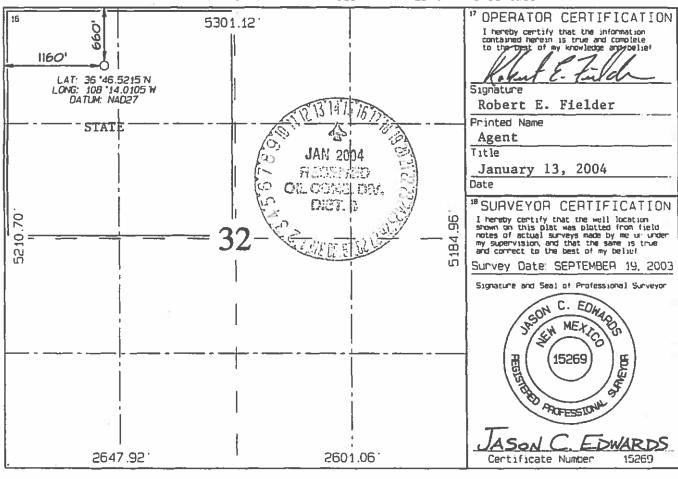
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	*Poo1 Code 77200	FULCHER KUTZ PICTURED CLIFFS					
Property Code		*Property Name PICWAY	*Well Number				
'0GRID No.\ 22044	McELVAI	*Operator Name N OIL & GAS PROPERTIES	*Elevation 5355				

¹⁰ Surface Location UL or lot no Lot Idn Feet from the North/South line 32 30N 13W 660 NORTH WEST D 1160 SAN JUAN 11 Bottom Hole Location If Different From Surface UL or lot no. Section Lat Idn North/South line Feet from the Count y Feet from the Madacated Acres Daint or Infall ¹⁴ Commolidation Code 160.0 Acres - NW/4 N

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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	T	Pit Permit		Client:	ATO Elloigy
Lodestar Services	*	Siting Criteria	2	Project:	Pit Permits
PO Box 4465, Durango,	CO 81302	Information She		Revised: Prepared by:	10/26/2008
V	information Sn	eet	Prepared by.	Daniel Newman	
API#:	80-30s	3004532127		USPLSS:	T30N,R13W,32H
Name:		PICKWAY #1	1	Lat/Long:	36.775354 / -108.234113
		-50	78	Geologic	
Depth to groundwater:		<50'		formation:	Kirtland and Fruitland Formations
Distance to closest continuously flowing watercourse:		est of the La Plata Rive	-		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:		north of Cottownwood Arroyo			
		المراب والمواري		Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'		No			
				Annual Precipitation:	8.08 inches average
Domestic fresh water well or spring within 500'		No		Precipitation Notes:	no significant precipatation events
Any other fresh water well or spring within 1000'		No			
Within incorporated municipal boundaries		No		Attached Documents:	
Within defined municipal fresh water well field		No			Topo map, ground water data map, arie photo, mines and quarries map, FEMA map
Wetland within 500'		No		Mining Activity:	No
Within unstable area		No			
Within 100 year flood plain		Zone X			
Additional Notes:					
			1.		

PICKWAY #1 Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be situated just west of the La Plata River floodplain.

The predominant geologic formation is the Fruitland Formation/Kirtland Shale of Late Cretaceous age, which underlies surface soils and is often exposed as broad shalely hills (Dane and Bachman, 1965). Deposits of Quaternary alluvial sands also occur prominently near the surface of the area, especially near streams and washes. The Fruitland Formation consists of interbedded sandy shale, carbonaceous shale, sandstone and coal units. The Kirtland Shale is divided into a lower shale member, a middle sandstone unit and an upper sandy shale member. The two formations are difficult to differentiate and are often treated together. The combined thickness of the Fruitland-Kirtland interval ranges from 100 to 2000 feet (Stone et al., 1983).

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). Aquifers within the Fruitland-Kirtland Formations are primarily limited to the Farmington Sandstone Member, which is the middle unit within the Kirtland Shale. Reported discharge from stock wells is about 10 gallons per minute (Stone et al., 1983). The aquifer supplies low yielding stock wells.

The prominent soil type at the proposed site is enitsols, which are defined as soils that exhibit little to no profile development (www.emnrd.state.nm.us). Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the San Juan River. These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes the soils that cover the area and prohibits effective recharge to the underlying aquifers.

Dry and arid weather further prohibit active recharge. The climate of the region is arid, averaging just over 8 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center www.wrcc.dri.edu).

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The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

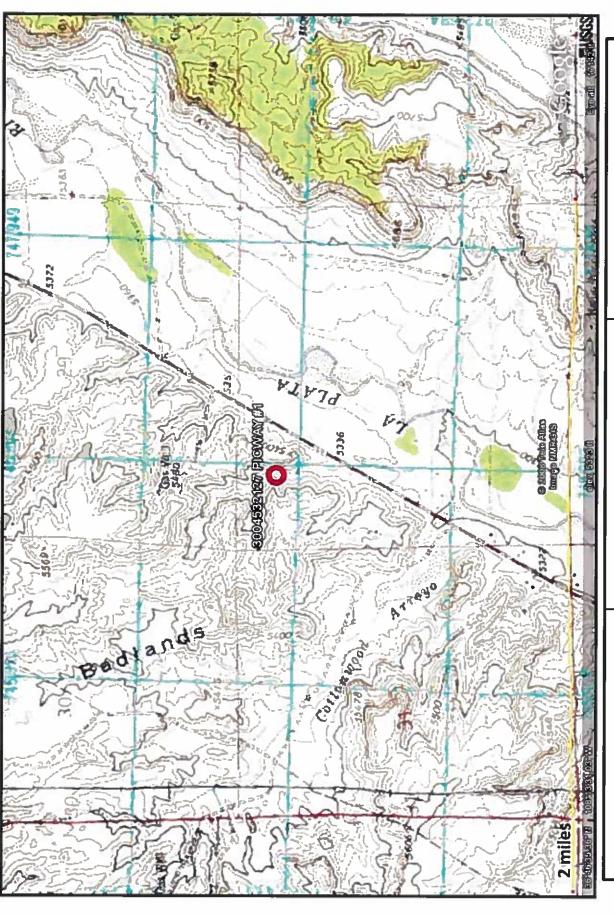
Site Specific Hydrogeology

Depth to groundwater is estimated to be less than 50 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

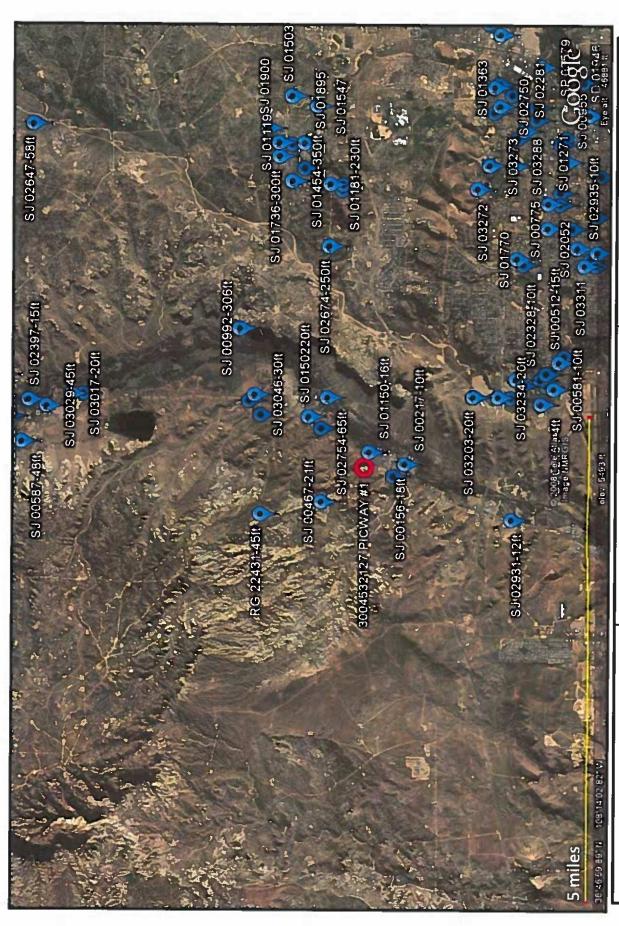
Beds of water-yielding sandstone are primarily confined to the Farmington Sandstone Member of the Fruitland Formation, which is 20-480 feet thick (Stone et al., 1983). The site is located in a shalely unit of the Fruitland Formation, as evidenced by the relatively flat topography that is easily eroded by arroyos. The eroded surfaces of the arroyos do not expose thick sequences of sandstone outcrops, the presence of which might indicate a water-bearing unit within the immediate subsurface.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at similar elevations and distances from the La Plata River contain groundwater at depths ranging from 12 to 65 feet. The site in question is located in a small arroyo at an elevation of approximately 5368 feet. The closest well to the proposed site sits at an elevation of approximately 5328 feet, at a distance if approximately 1,309 feet to the southeast. This site puts groundwater at a distance of 45 feet below the ground surface.

Proximity of the site to the La Plata River should also be considered. The elevation difference between the river and the proposed site is only 50 feet. Groundwater data recorded from wells drilled at similar distances from the San Juan River and within comparable topographic settings is less than 50 feet. Therefore, depth to groundwater is estimated to be less than 50 feet.



TOPOGRAPHIC MAP SAN JUAN COUNTY, NM T30N,R13W,32D PICWAY #1 Lodestar Services, Inc Durango, CO 81302 PO Box 4465



SAN JUAN COUNTY, NM T30N,R13W,32D PICWAY #1 Lodestar Services, Inc Durango, CO 81302 PO Box 4465

i-Waters Ground Water Data Map

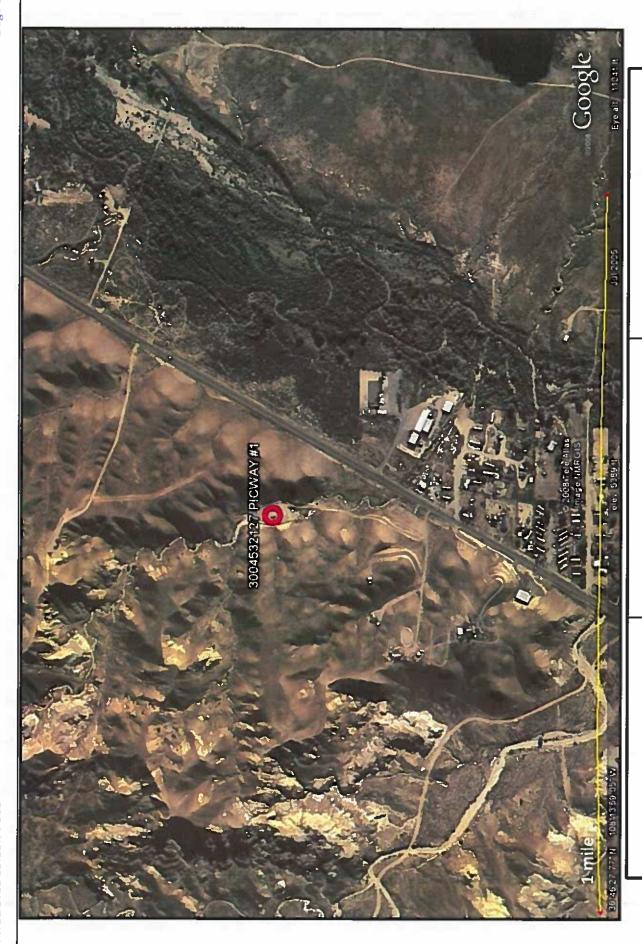
New Mexico Office of the State Engineer POD Reports and Downloads New Mexico Office of the State Engineer

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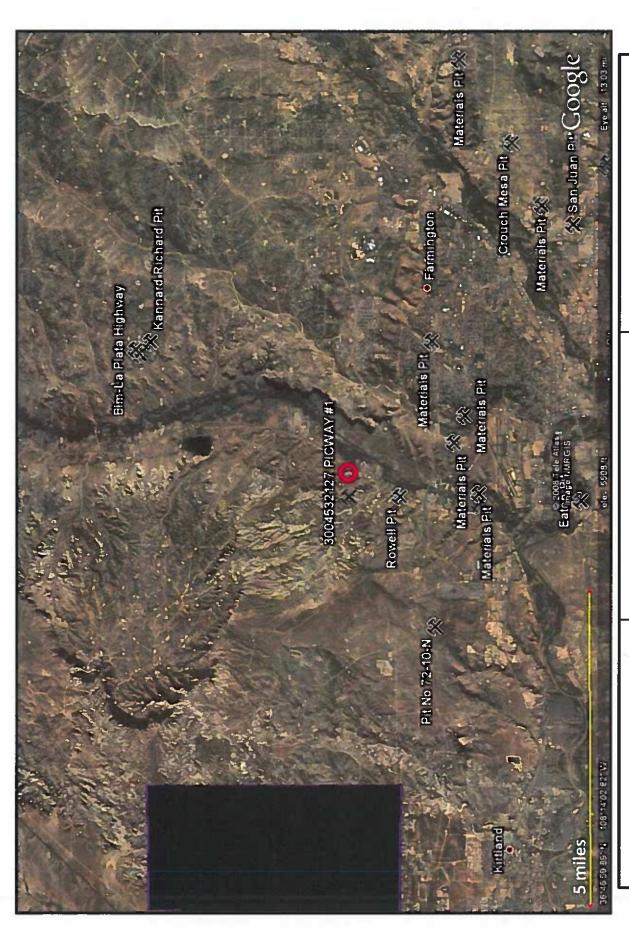


AERIAL PHOTOGRAPH

PO Box 4465 Durango, CO 81302

Lodestar Services, Inc

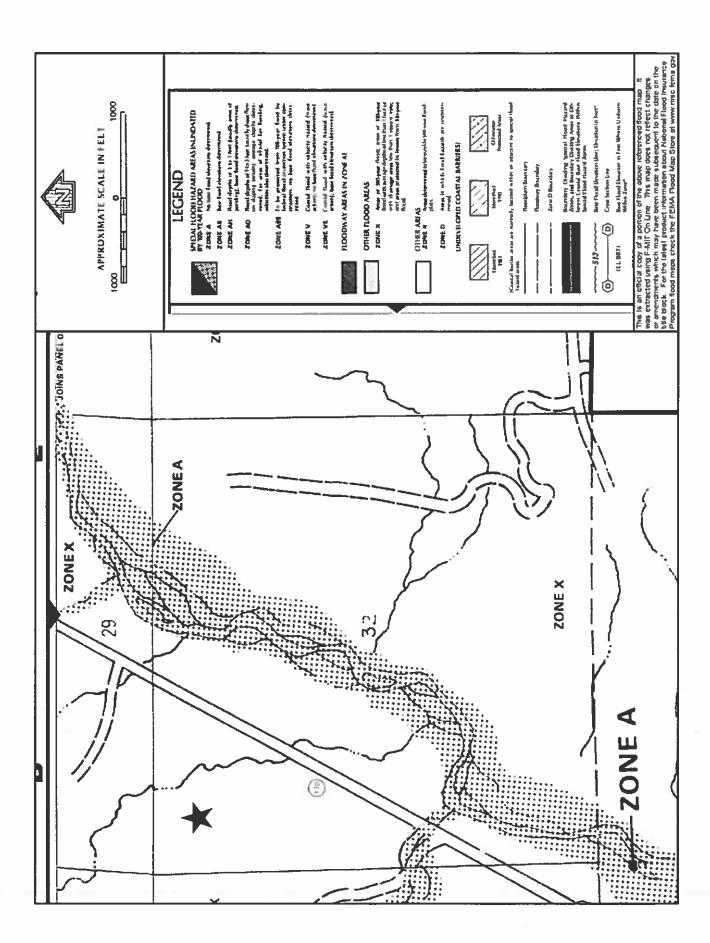
PICWAY #1
T30N,R13W,32D
SAN JUAN COUNTY, NM



Lodestar Services, Inc PO Box 4465 Durango, CO 81302

PICWAY #1 T30N,R13W,32D SAN JUAN COUNTY, NM

Mines and Quarries Map



XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Design and Construction Plan For Below-Grade Tanks

In accordance with Rule 19.15.17.11 NMAC the following information describes the design and construction 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.

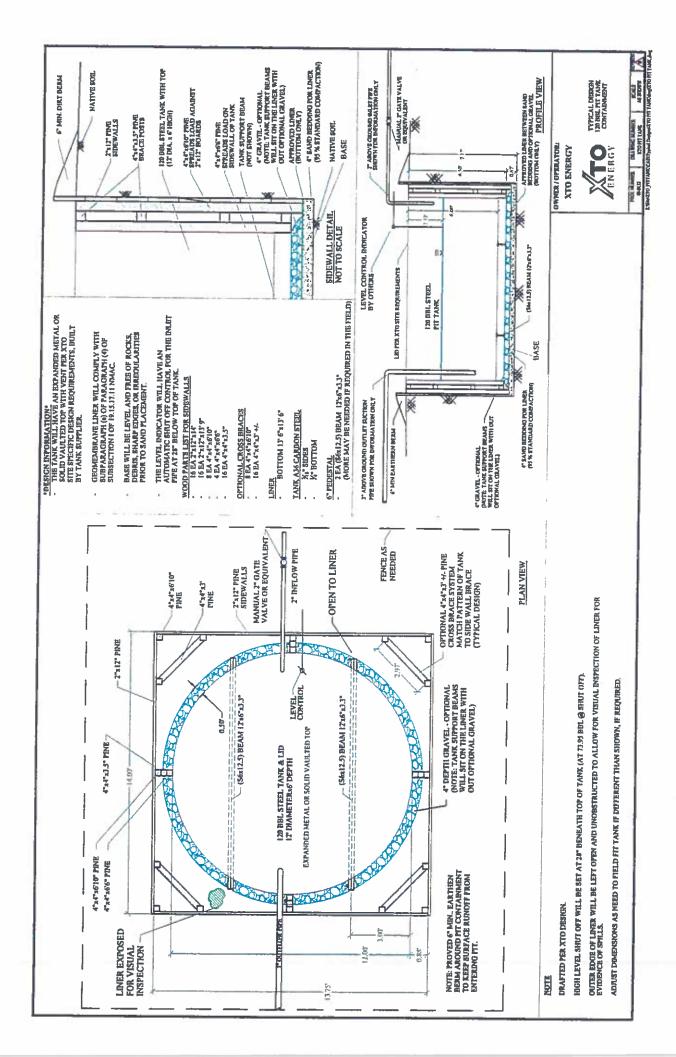
General Plan

- XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the existing well site operated by XTO where the existing below-grade tank is located. The sign will list the Operator on record as the operator, the location of the well site by unit letter, section, township, range, and emergency telephone numbers.
- 3. XTO is requesting approval of an alternative fencing to be used on below-grade tank locations. Below-grade tank locations will be fenced utilizing 48" steel mesh field-fence (hogwire) with pipe railing along the top. A 6' chain link fence will be utilized around the well pad if the well site is within a city limits or ¼ mile of a permanent residence, school, hospital, institution or church. Below-grade tanks located within 1000' of a permanent residence, school, hospital, institution or church will be fenced by 6' chain link fence with at least two strands of barbed wire at the top. All gates associated with below-grade tanks will remain closed and locked when responsible individuals are not on site.
- XTO shall construct below-grade tanks with an expanded metal covering or solid vaulted top on the top of the below-grade tank.
- 5. XTO will ensure that below-grade tanks are constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight. Tanks will be constructed of A36 carbon steel with 3/16" sides and '4" bottom. (See attached drawing).
- 6. The below-grade tank system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom. Sand bedding (4") will be placed on top of a level foundation to ensure prevention of punctures, cracks or indentations of the liner or tank bottom.
- 7. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on. Below-grade tanks will be equipped with automatic high level shut-off devices as well as manually operated shut-off valves. (See attached drawing).
- 8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Design and Construction Plan
For Below-Grade Tanks
Page 2

bottom will be elevated a minimum of 6" above the underlying ground surface and the below-grade tank will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected. (See attached drawing).

- XTO will equip below-grade tanks designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows. (See attached drawing).
- XTO will demonstrate to the OCD that the geomembrane liner complies with the specifications of Subparagraph (a) of Paragraph (4) of Subsection I of 19.15.17.11 NMAC and obtain approval from OCD prior to the installation of the design. The geomembrane liner shall have a hydraulic conductivity no greater than 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidics and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A. (See attached drawing).
- 11. The general specifications for design and construction are attached.



XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Maintenance and Operating Plan For Below-Grade Tanks

In accordance with Rule 19.15.17.12 NMAC the following information describes the operation and maintenance 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 operate and maintain below-grade tanks to contain liquids and solids, maintain the integrity of the liner and secondary containment system, prevent contamination of fresh water and protect public health and the environment. Fluid levels will be monitored weekly and high levels will be removed as necessary. Monthly inspections will be conducted to monitor integrity of below-grade tank systems and below-grade tanks will be equipped with automatic high-level shut-off devices.
- 2. XTO will not allow below-grade tanks to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the below-grade tank. Below-grade tanks will be equipped with automatic high-level shut-off control devices as well as manually operated shut-off valves. See attached drawing for vault design and placement of diversion berms and shut-off devices.
- XTO will continuously remove any visible or measurable layer of oil from the fluid surface of below-grade tanks in order to prevent significant accumulation of oil.
 - 4. XTO will inspect the below-grade tank monthly and maintain written records for five years. Monthly inspections will consist of documenting the following: (see attached template).

Well Name
API #
Sec., Twn., Rng.
XTO Inspector's name
Inspection date and time
Visible tears in liner
Visible signs of tank overflow
Collection of surface run on
Visible signs of tank leak

Visible signs of tank leak Estimated freeboard

- 5. XTO will maintain adequate freeboard to prevent over topping of the below-grade tank. High level shut-off devices control the freeboard at an average of 28" beneath the top of the tank.
- 6. XTO will not discharge into or store any hazardous waste in any below-grade tank.
- If a below-grade tank develops a leak, or if any penetration of a below-grade tank occurs below the liquids surface, XTO will remove all liquids above the damage or leak line within 48 hours.

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XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Maintenance and Operating Plan
For Below-Grade Tanks
Page 2

notify the appropriate division district office within 48 hours of the discovery and repair the damage or replace the below-grade tank. If an existing below-grade tank does not meet current requirements of Paragraphs 1-4 of Subsection I of 19.15.17.11 NMAC the tank will be modified or retrofitted to comply. If compliance can not be achieved XTO will implement the approved closure plan.

		MONTH	1LY BELO	MONTHLY BELOW GRADE TANK INSPECTION FORM	INSPECTION	N FORM		
Well Name:	800				API No.:			
Legals	Sec:		Township:		Range:			
XTO Inspector's	Inspection	Inspection	Any visible liner	Anv visible signs of	Collection of	Visible laver	Any vicible signs	T. Code
Name	Date		tears (Y/N)	tank overflows (Y/N)	run on (Y/N)	of oil (Y/N)	of a tank leak (Y/N)	Est. (ft)
						:		
Notes:	Provide De	Provide Detailed Description:	otion:		·			
				:				
Misc:							i	1
				;				

XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Closure Plan For Below-Grade Tanks

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

- 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.
- 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.
- 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.
- 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

Basin Disposal Permit No. NM01-005 Produced water

- 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 has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per 19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.
- XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
- 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

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Closure Plan
For Below-Grade Tanks
Page 2

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.

- 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.
- 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.
- 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

The surface owner shall also be notified prior to the implementation of any closure operations of below-grade tanks as per the approved closure plan using certified mail, return receipt requested.

- 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.
- 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. Soil cover will be constructed to the site's existing grade and ponding of water and erosion of the cover material will be prevented with drainage control, natural drainages and silt traps where needed.
- 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.

XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Closure Plan For Below-Grade Tanks Page 3

- 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:
 - Proof of closure notice to division and surface owner,
 - ii. Details on capping and covering, where applicable;
 - Inspection reports; 111.
 - iv. Confirmation sampling analytical results;
 - Disposal facility name(s) and permit number(s); v.
 - vi. Soil backfilling and cover installation;
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);

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viii. Photo documentation of the site reclamation.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 20534

QUESTIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	20534
	Action Type:
	[C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Facility and Ground Water	
Please answer as many of these questions as possible in this group. More information will help us identify the appropriate associations in the system.	
Facility or Site Name	PICWAY 1
Facility ID (f#), if known	Not answered.
Facility Type	Below Grade Tank - (BGT)
Well Name, include well number	PICWAY 1
Well API, if associated with a well	30-045-32127
Pit / Tank Type	Production
Pit / Tank Name or Identifier	Not answered.
Pit / Tank Opened Date, if known	Not answered.
Pit / Tank Dimensions, Length (ft)	Not answered.
Pit / Tank Dimensions, Width or Diameter (ft)	12
Pit / Tank Dimensions, Depth (ft)	6
Ground Water Depth (ft)	50
Ground Water Impact	No
Ground Water Quality (TDS)	Not answered.

Below-Grade Tank	
Subsection I of 19.15.17.11 NMAC	
Volume / Capacity (bbls)	120
Type of Fluid	Produced Water
Pit / Tank Construction Material	Steel
Secondary containment with leak detection	Not answered.
Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Not answered.
Visible sidewalls and liner	Not answered.
Visible sidewalls only	True
Tank installed prior to June 18. 2008	True
Other, Visible Notation. Please specify	Per XTO, visible sidewalls, vaulted, auto high level shut off, no liner
Liner Thickness (mil)	Not answered.
HDPE (Liner Type)	Not answered.
PVC (Liner Type)	Not answered.
Other, Liner Type. Please specify (Variance Required)	Not answered.

Fencing	
Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-g	rade 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)	Not answered.
Four foot height, four strands of barbed wire evenly spaced between one and four feet	Not answered.
Alternate, Fencing. Please specify (Variance Required)	4' steel mesh (hogwire) pipe top railing

Netting	
Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
Screen	Not answered.
Netting	Not answered.
Other, Netting. Please specify (Variance May Be Needed)	expanded metal or solid vaulted top

Signs	
Subsection C of 19.15.17.11 NMAC (If there are multiple operators at a site, each operator n	nust have their own sign in compliance with Subsection C of 19.15.17.11 NMAC.)
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	Not answered.
Signed in compliance with 19.15.16.8 NMAC	True

Variances and Exceptions		
Justifications and/or demonstrations ofequivalency 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.	Not answered.	
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	Not answered.	

Siting Criteria (regarding permitting)

19.15.17.10NMAC

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.

Siting Criteria, General Siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank	No
NM Office of the State Engineer - iWATERS database search	Not answered.
USGS	True
Data obtained from nearby wells	Not answered.

Siting Criteria, 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)	No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption	No

Proposed Closure Method	
Below-grade Tank	Below Grade Tank - (BGT)
Waste Excavation and Removal	True
Alternate Closure Method. Please specify (Variance Required)	Not answered.

Operator Application Certification	
Registered / Signature Date	11/21/2008

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ACKNOWLEDGMENTS

Action 20534

ACKNOWLEDGMENTS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	20534
	Action Type:
	[C-144] Legacy Below Grade Tank Plan (C-144LB)

ACKNOWLEDGMENTS

V	I acknowledge that I have received prior approval from the OCD to submit documentation of a legacy below-grade tank on behalf of my operator.
V	I hereby certify that the information submitted with this documentation is true, accurate and complete to the best of my knowledge and belief.

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CONDITIONS

Action 20534

CONDITIONS

Operator:	OGRID:
HILCORP ENERGY COMPANY	372171
1111 Travis Street	Action Number:
Houston, TX 77002	20534
	Action Type:
	[C-144] Legacy Below Grade Tank Plan (C-144LB)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	8/9/2021