District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV E. M. 07505 -~

ali.

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

Form C-144 July 21, 2008

District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	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.
Pit, 0 Proposed Alt	Closed-Loop System, Below-Grade ernative Method Permit or Closure	Tank, or NOV 25 PM 1 11
Type of action: Perm Existing BGT Clos	nit of a pit, closed-loop system, below-grade tank, ure of a pit, closed-loop system, below-grade tank ification to an existing permit ure plan only submitted for an existing permitted of	or proposed alternative method , or proposed alternative method
Please be advised that approval of this request does environment. Nor does approval relieve the operator	cation (Form C-144) per individual pit, closed-loop system not relieve the operator of liability should operations result or of its responsibility to comply with any other applicable a	t in pollution of surface water, ground water or the
1. Operator: XTO Energy, Inc.	OGRID #:	5380
	NM 87410	
	OCD Permit Number:	
U/L or Otr/Otr P P Section 07 77	Township 240 52N Range 14W MW County	v. San Juan
Center of Proposed Design: Latitude 36.954	10000000000000000000000000000000000000	S NAD: □1927 ⊠ 1983
Surface Owner: Federal State Private	Tribal Trust or Indian Allotment	
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: String-Reinforced String-Reinforced	AC	
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: String-Reinforced Liner Seams: Welded Factory 3. 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:	Image: Second state of the second s	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: String-Reinforced Liner Seams: Welded Factory 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tankage	Image: Second state of the second s	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: String-Reinforced Liner Seams: Welded Factory 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tanks Liner Seams: Welded Factory Other	Image: Second structure Image: Second structure Image: Second structure Image: Second structure <td>Other</td>	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: String-Reinforced Liner Seams: Welded Factory 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tank: Liner Seams: Welded Factory Othe Othe 4. Below-grade tank: Subsection I of 19.15. Volume: 120 bbl Type o	Image: Second structure Image: Second structure Image: Second structure Image: Second structure <td>Other</td>	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Image: Lined Unlined Liner type: Thickness String-Reinforced Liner Seams: Welded Factory Other 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tanks Liner Seams: Welded Factory Other 4. Below-grade tank: Subsection I of 19.15. Volume: 120 bbl Type of Tank Construction material: Steel Steel	Image: Second state of the second s	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Image: Lined Unlined Liner type: Thickness String-Reinforced Liner Seams: Welded Factory Other 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tanks Liner Seams: Welded Factory Other 4. Below-grade tank: Subsection I of 19.15. Volume: 120 bbl Type of Tank Construction material: Steel Steel	Image: Second structure Image: Second structure Image: Second structure Image: Second structure <td>Other</td>	Other
Surface Owner: Federal State Private 2. Pit: Subsection F or G of 19.15.17.11 NM Temporary: Drilling Workover Permanent Emergency Cavitation Lined Unlined Liner type: Thickness String-Reinforced Liner Seams: Welded Factory Other 3. Closed-loop System: Subsection H of 19. Type of Operation: P&A Drilling a new intent) Drying Pad Above Ground Steel Tank: Liner Seams: Welded Factory Other 4. Melded Factory Other 4. Melded Factory Other 4. Subsection I of 19.15. Volume: 120	Image: Second state of the second s	Other

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)

Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)

Four foot height, four strands of barbed wire evenly spaced between one and four feet

Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing

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

6.

8.

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 office for consideration of approval.

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

10. Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

 Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells 	Yes 🛛 No
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	Yes 🗌 No
 Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	☐ Yes ⊠ No ☐ NA
 Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) Visual inspection (certification) of the proposed site; Aerial photo; Satellite image 	$\square Yes \square No$ $\square NA$
 Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
 Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval obtained from the municipality 	🗌 Yes 🛛 No
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🛛 No
 Within the area overlying a subsurface mine. Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division 	🗌 Yes 🛛 No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	🗌 Yes 🛛 No
Within a 100-year floodplain. - FEMA map	🗌 Yes 🛛 No

11. Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.10 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: 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 Previously Approved Design (attach copy of design) API Number: Previously Approved Operating and Maintenance Plan API Number: Previously Approved Operating and Maintenance Plan API Number: above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
13. Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance 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 19.15.17.9 NMAC and 19.15.17.13 NMAC
14. Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
 15. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

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^{16.} Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St Instructions: Please indentify the facility or facilities for the disposal of liquids, dr		
facilities are required.		
Disposal Facility Name: D	isposal Facility Permit Number:	
	visposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occu Yes (If yes, please provide the information below) No		
 Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specifications based upon the appropriate re Re-vegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection 	equirements of Subsection H of 19.15.17.13 NMAC of 19.15.17.13 NMAC	2
^{17.} Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the cl provided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental H demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	administrative approval from the appropriate disti Sureau office for consideration of approval. Justi	rict office or may be
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data of the State Engineer - iWATERS database	obtained from nearby wells	□ Yes □ No □ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data of	obtained from nearby wells	□ Yes □ No □ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data of	obtained from nearby wells	□ Yes □ No □ NA
 Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signilake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	ficant watercourse or lakebed, sinkhole, or playa	Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or church in - Visual inspection (certification) of the proposed site; Aerial photo; Satellite i		🗌 Yes 🗌 No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less t watering purposes, or within 1000 horizontal feet of any other fresh water well or spr - NM Office of the State Engineer - iWATERS database; Visual inspection (ce	ing, in existence at the time of initial application.	🗌 Yes 🗌 No
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval	-	🗌 Yes 🗌 No
Within 500 feet of a wetland.US Fish and Wildlife Wetland Identification map; Topographic map; Visual	inspection (certification) of the proposed site	🗌 Yes 🗌 No
Within the area overlying a subsurface mine.Written confirmation or verification or map from the NM EMNRD-Mining a	nd Mineral Division	🗌 Yes 🗌 No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology of Society; Topographic map 	& Mineral Resources; USGS; NM Geological	🗌 Yes 🗌 No
Within a 100-year floodplain. - FEMA map		🗌 Yes 🗌 No
 18. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the Job of the	rements of 19.15.17.10 NMAC ubsection F of 19.15.17.13 NMAC ropriate requirements of 19.15.17.11 NMAC I) - based upon the appropriate requirements of 19.1 7.13 NMAC rements of Subsection F of 19.15.17.13 NMAC ubsection F of 19.15.17.13 NMAC Il cuttings or in case on-site closure standards cannot	15.17.11 NMAC

19. Operator Application Certification: I hereby certify that the information submitted with this application is true, acc	urate and complete to t	he best of my knowledge and belief
Name (Print): Kim Champlin	Title:	
Signature: Kim Champlie		1124-08
e-mail address: kim_champlin@xtoenergy.com	Telephone:	(505) 333-3100
20. OCD Approval: Permit Application (including closure plan) Closure OCD Representative Signature:		
Title: Senior Hydrologist	OCD Permit Num	
^{21.} <u>Closure Report (required within 60 days of closure completion)</u> : Subsection Instructions: Operators are required to obtain an approved closure plan prion The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the	r to implementing any f the completion of the	closure activities and submitting the closure report. closure activities. Please do not complete this been completed.
22.		
Closure Method: Waste Excavation and Removal On-Site Closure Method Alter If different from approved plan, please explain.	mative Closure Method	Waste Removal (Closed-loop systems only)
^{23.} Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, d two facilities were utilized.		
Disposal Facility Name:		Permit Number:
Disposal Facility Name:		Permit Number:
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not	be used for future service and operations?
Required for impacted areas which will not be used for future service and oper Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ations:	
24. Closure Report Attachment Checklist: Instructions: Each of the following mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude		
25. Operator Closure Contification:		
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closur belief. I also certify that the closure complies with all applicable closure requir		
Name (Print):	Title:	
Signature:	Date:	
e-mail address:		

District I	State of I	New Mexico
1625 N. French Dr., Hobbs, NM 88240		tural Resources Department
District II		
811 South First, Artesia, NM 88210	OIL CONSERV	ATION DIVISION
District III		St. Francis Dr.
1000 Rio Brazos Rd., Aztec, NM 87410		. NM 87505
Diatrict IV		
1220 S. St. Francis Dr., Santa Fe, NM 87505		
W	ELL LOCATION AND A	CREAGE DEDICATION PLAT
A Dt Number	1 Pool Code	³ Boal Name

Form C-102 Revised August 15, 2000

Submit to Appropriate District Office State Lease - 4 Copies Fce Lease - 3 Copies

AMENDED REPORT

	PI Number 045-3160										
⁴ Property C			³ Property Name ⁶ Well Number								
			1		Ute India	ns A			36		
OGRID N	No.		⁸ Operator Name								
167067	7				XTO Energy Inc 5,983' GR						
					¹⁰ Surface	Location					
UL or lot no.	Section	Township	Township Range I		Range Lot Idi		Feet from the	North/South line	Feet from the	East/West line	County
P	27	32N	14W		932'	South	845'	East	San Juan		
			¹¹ Be	ottom Ho	le Location I	f Different From	m Surface				
UL or lot no.	Section	Township			Peet from the	North/South line	Feet from the	East/West line	County		
Dedicated Acres	¹³ Joint o	r Infill ¹⁴ C	onsolidation	Code ¹⁵ Or	rder No.				1		
320											

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

16		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein
		is true and complete to the best of my knowledge and
		belief.
		Darie Stal
		Darrin Steed Printed Name
		Regulatory Supervisor
		Title
		September 5, 2003
		Date
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this
		plat was plotted from field notes of actual surveys
		made by me or under my supervision, and that the
		same is true and correct to the best of my belief.
		August 23, 2001
		Date of Survey
		Signature and Seal of Professional Surveyor: Original signed by Roy Rush
	♀ 845' →	Original signed by Koy Kush
	932'	8894
		Certificate Number

PO Box 4465, Durange	-	Pit Permit Siting Criteria Information Sheet	Client: Project: Revised: Prepared by:	XTO Energy Pit Permits 9/22/2008 Daniel Newman
API#:		3004531604	USPLSS:	T31N,R14W,02D
Name:	UT	E INDIAN A#36	Lat/Long:	36.95417, -108.29028
Depth to groundwater:		>100'	Geologic formation:	Menefee Formation
Distance to closest continuously flowing watercourse:	5.6 mile	s east to the La Plata River		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	140' SS	W to Barker Arroyo		
			Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'		No		
			Annual Precipitation:	8.21" Farmington FAA Airport
Domestic fresh water well or spring within 500'		No	Precipitation Notes:	3.82" largest daily rainfall on record
Any other fresh water well or spring within 1000'		No		
Within incorporated			Attached	
municipal boundaries		No	Documents:	
Within defined municipal fresh water well field		No		Topo map, ground water data map, arie photo, mines and quarries map,
Wetland within 500'		No	Mining Activity:	No
Within unstable area		No		
Within 100 year flood plain	No Fi	EMA data availble		
Additional Notes:				

Ute Indians A#36 Below Grade Tank Siting Criteria and Closure Plan

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 below ground tank location will be located in the northwest corner of the San Juan Basin, where the Hogback monocline ends. Thicker sequences common throughout the central basin begin to pinch out and older units of Cretaceous Age are exposed, specifically components of the Late Cretaceous Mesaverde Group (Point Lookout Sandstone, Menefee Formation and Cliff House Sandstone; (Brister and Hoffman, 2002). The resistant Point Lookout and Cliff House soft the more exposed at lower, more eroded elevations. The stratigraphic section reflects deposition in a transgressive marine to coastal plain environment and consists of gray, brownish and tank sandstone interbedded with dark, carbonaceous shales and coal beds. Also, deposits of Quaternary alluvial and aeolian sands occur prominently near the surface, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). Within the Menefee Formation, thinner confining units that consist of shale, as well as coal and thick sandstone beds, are present. In general, the water from Cretaceous aquifers is minimal (less than 5 gpm), although moderate quantities (5 - 25 gpm) may be supplied from aquifers within the Menefee Formation (Stone et al., 1983). Aquifer depths range from very shallow depths to over 6000 feet below ground surface. Groundwater within these aquifers flows toward the nearby La Plata River, which is a tributary of the San Juan River.

The prominent soil type at the proposed site is rockland, which are basically little to no soils that do not show any profile development. Soils that are present are unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the La Plata River (www.emnrd.state.nm.us). 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).

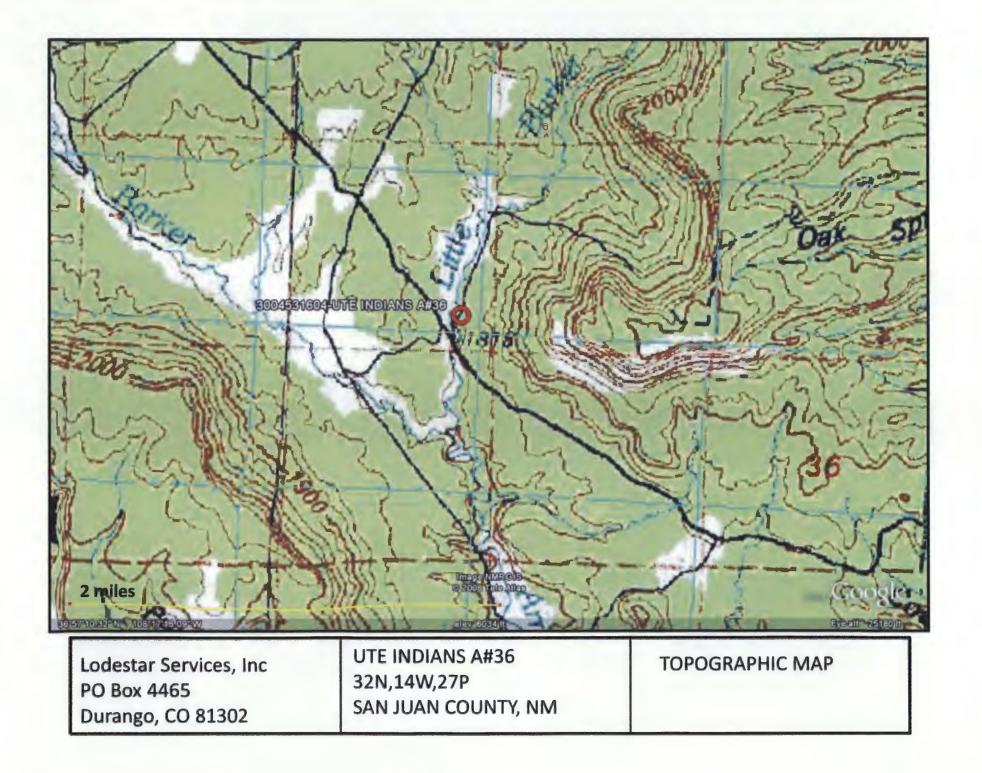
The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

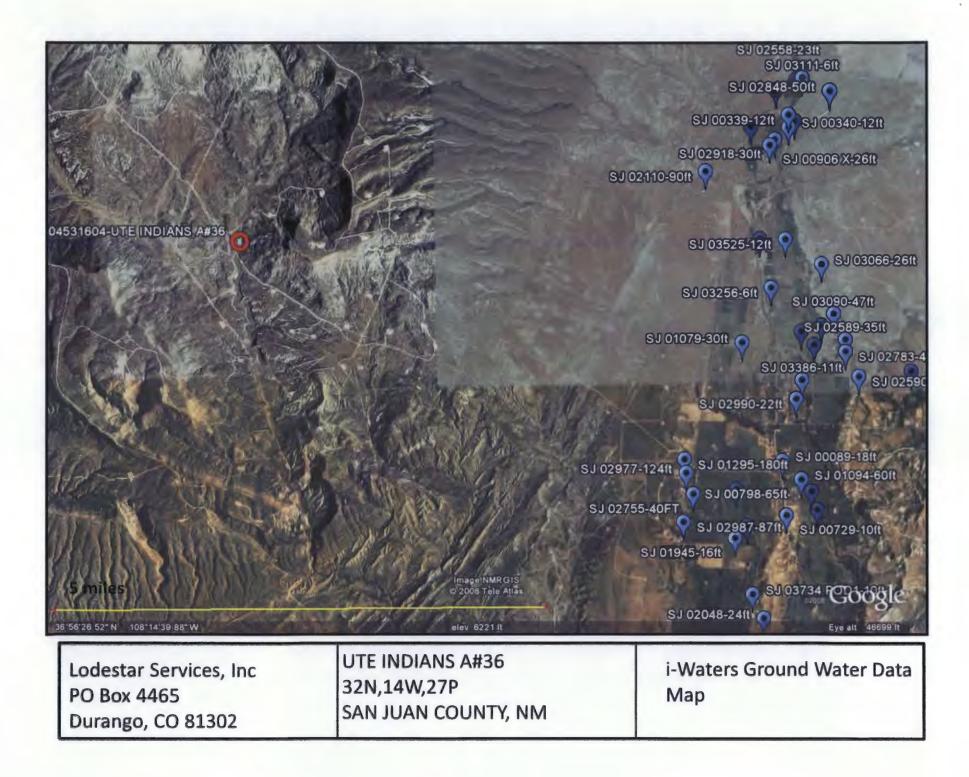
Site Specific Hydrogeology

Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others, 1983 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.

Local aquifers include sandstones within the Menefee Formation, which range from shallow depths to over 6000 feet deep in this area (Stone et al., 1983). The site in question is located at the base of an outcrop of the Point Lookout Sandstone pushing up from the Menefee Formation. The outcrop is almost 800 feet high. The site is within the head of Little Barker Arroyo, but is greater than 150' higher in elevation than the main portion of the canyon.

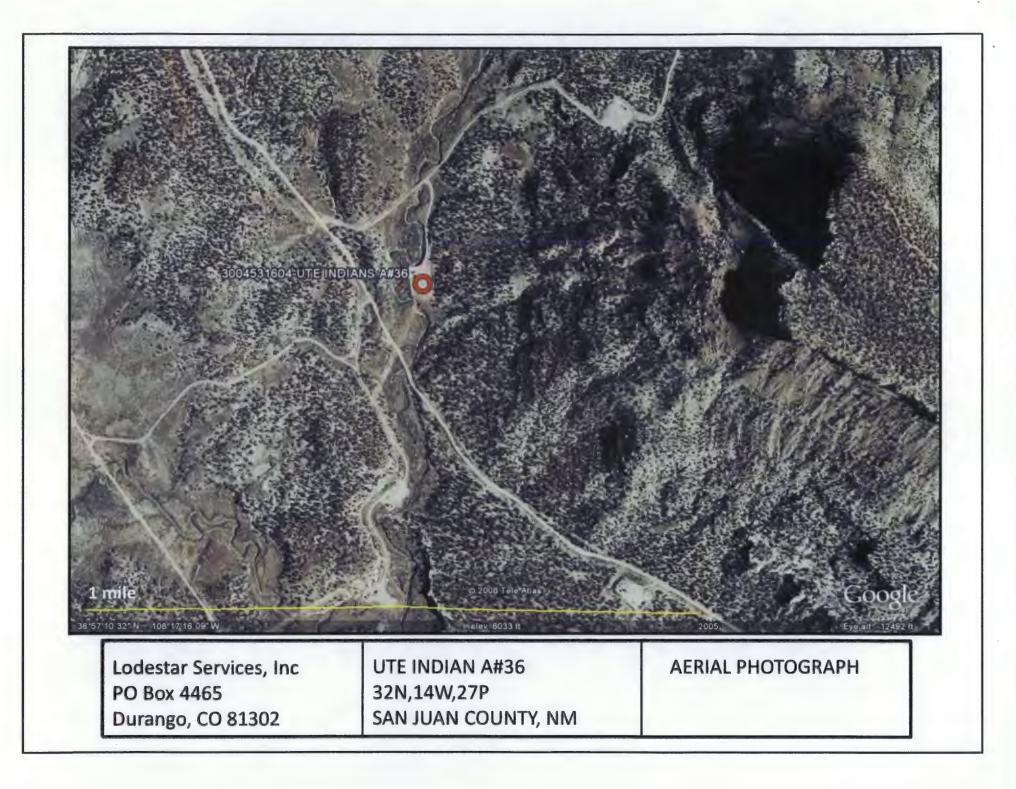
Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the location of wells in reference to the proposed pit location is attached. Pinpoints show locations of wells and the labels for each pinpoint indicate depth to groundwater in feet. Wells are clustered near populated areas along the La Plata River east of the proposed site. These sites contain shallow groundwater, but topographic and hydrographic conditions are not representative of the site in question. Many data points exist east of the site and indicate groundwater at 10-180 feet in depth. These groundwater wells are located approximately 5.5 miles to the east and are approximately 120 feet lower in elevation than the proposed site.

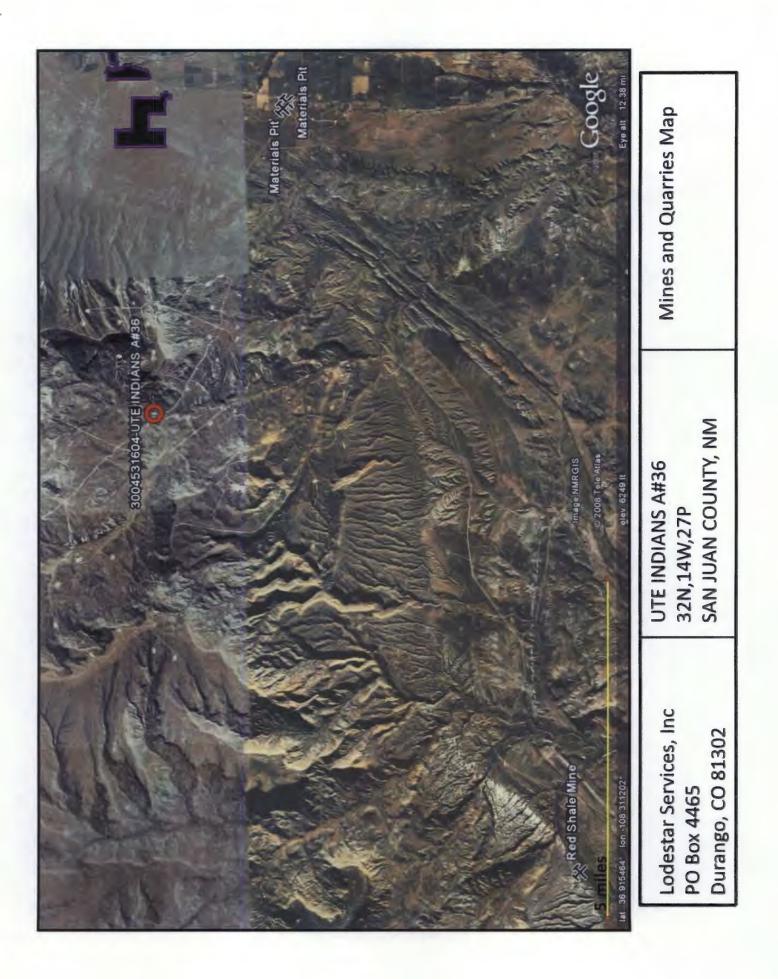




New Mexico Office of the State Engineer POD Reports and Downloads WATER COLUMN REPORT 09/16/2008

(qu	arter	are	1=	NI7	2=	NE :	3=SW 4=SE)							
(qu	arters	are	bi	gge	st	; to	smallest)			Depth	Depth	Water	(in	feet)
POD Number	Twa	Rng		P	P	P	Zone	x	Y	Well	Water	Column		
SJ 01187 CLW226675	32N	13W	10	3	4	4				24	9	15		
SJ 01187	32N	13W	10	3	4	4				24	9	15		
SJ 01353	32N	13W		4	-						38			
SJ 01439	32N	13W	10	4	3					45	25	20		
SJ 02068	32N	13W		2						45	16	29		
SJ 01549	32N	13W	15	2						47	28	19		
SJ 02985	32N	13W	15	2	1	2				47	25	22		
SJ 02865	32N	13W	15	2	3	2				44	29	15		
SJ 02558	32N	13W	15	3	2	4				41	23	18		
SJ 02934	32N	13W	15	4	1	1				34	18	16		
SJ 02890	32N	13W	15	4	1	2				55	30	25		
SJ 02705	32N	13W	22	1	4	2				25	12	13		
SJ 02704	32N	13W	22	1	4	2				25	12	13		
SJ 03111	32N	13W	22	2	1	4				19	6	13		
SJ 02848	32N	13W	22	2	4	3				608	50	558		
SJ 00922	32N	13W	22	3	1	4				27	12	15		
SJ 00906 X	32N	13W	22	3	4					86	26	60		
SJ 02918	32N	13W	22	3	4	2				51	30	21		
SJ 00736	32N	13W	22	4	1					40	15	25		
SJ 00339	32N	13W	22	4	1	1				50	12	38		
SJ 00340	32N	13W	22	4	1	3				50	12	38		
SJ 02847	32N	13W	22	4	4	1				1255		1255		
SJ 03524	32N	13W	27	3	4	1				33	10	23		
SJ 03525	32N	13W	27	4	3	1				71	12	59		
SJ 03256	32N	131	34	1	4	2				21	6	15		
SJ 03066	32N	13W	34	2	2	2				41	28	13		
SJ 01079	32N	13W	34	3	3					100	30	70		
SJ 01943	32N	13W	34	4						8	3	5		
SJ 03635	32N	13W	34	4	2	4				44	35	9		
SJ 02577	32N	13W	34	4	4					30	15	15		
SJ 03090	32N	13W	35	3	1	1				59	47	12		
SJ 02589	32N	13W	35	3	3	2				60	35	25		
SJ 02783	32N	13W	35	3	3	4				62	48	14		





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.

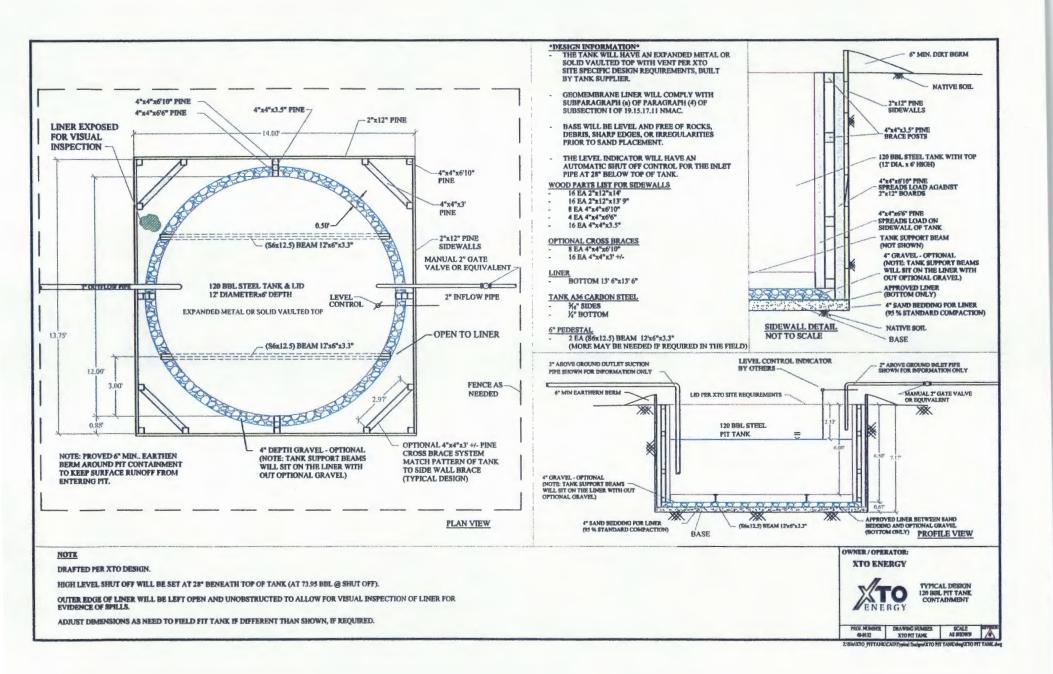
General Plan

- 1. 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.
- 4. 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 ¼" 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.
- 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 belowgrade tank will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected. (See attached drawing).

- 9. 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).
- 10. 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

- 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.
- 3. 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.
 - 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 layer of oil 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.
- 7. 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,

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.

Well Nar	ne:				API No.:			
egals	Sec:		Township:		Range:			
XTO Inspector's	Inspection	Inspection	Any visible liner	Any visible signs of	Collection of surface	Visible layer		Freeboa
Name	Date	Time	tears (Y/N)	tank overflows (Y/N)	run on (Y/N)	of oil (Y/N)	of a tank leak (Y/N)	Est. (ft
	<u> </u>							
Notes:	Provide De	etailed Descr	iption:					
							· · · · · · · · · · · · · · · · · · ·	
Misc:		<u>.</u>						

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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

- 1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- 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 Soill contaminated by exempt petroleum hydrocarbons Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes Basin Disposal Permit No. NM01-005 Produced water

- 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.
- 6. 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.
- 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 divisionapproved 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:
 - i. Proof of closure notice to division and surface owner;
 - ii. Details on capping and covering, where applicable;
 - iii. Inspection reports;
 - iv. Confirmation sampling analytical results;
 - v. Disposal facility name(s) and permit number(s);
 - vi. Soil backfilling and cover installation;
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
 - viii. Photo documentation of the site reclamation.