Form C-144 July 21, 2008

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
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 femporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent bits and exceptions submit to the Sahta fie Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

Type of action: Existing BGT Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
lease be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the national
1. Operator:XTO Energy, Inc, OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: McAdams CA B #2
API Number: 3004506258 OCD Permit Number:
U/L or Qtr/Qtr E Section 28 Township 27N Range 10W County: San Juan
Center of Proposed Design: Latitude <u>36.5483</u> Longitude <u>107.90661</u> NAD: □1927 ☑ 1983
Surface Owner: 🛛 Federal 🔲 State 🔲 Private 🗀 Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D 3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other
☑ Below-grade tank: Subsection 1 of 19.15.17.11 NMAC Volume: 21 bbl Type of fluid: Produced Water Tank Construction material: Steel ☐ Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off ☐ Visible sidewalls and liner Visible sidewalls only OtherVisible sidewalls, vaulted, automatic high-level shut off, no liner Liner type: Thickness

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)	l, hospital,
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 ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers ☑ Signed in compliance with 19.15.3.103 NMAC	
9. 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.	ı 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 accommaterial are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approffice or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryabove-grade tanks associated with a closed-loop system.	opriate district approval.
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	☐ Yes ☐ No ☑ 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
Vithin a 100-year floodplain FEMA map	☐ Yes ☒ No

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsectifustructions: Each of the following items must be attached to the application. Please indicate, by a check mark in attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subse 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 and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: or Permit Nu	the box, that the documents are 19.15.17.9 NMAC ction B of 19.15.17.9 NMAC f Subsection C of 19.15.17.9 NMAC
Treviously Approved Design (attach copy of design) Arrivation.	moor.
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 attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements 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 and 19.15.17.13 NMAC	Subsection B of 19.15.17.9 s of 19.15.17.10 NMAC
Previously Approved Design (attach copy of design) API Number:	
☐ Previously Approved Operating and Maintenance Plan API Number:(Applies or	ly to closed-loop system that use
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 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	AC IMAC
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 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 Environm	
15.	
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following 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 □ 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 □ 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	.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids, facilities are required.		
Disposal Facility Name:	Disposal Facility Permit Number:	
Disposal Facility Name:	Disposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities o ☐ Yes (If yes, please provide the information below) ☐ No	ccur on or in areas that will not be used for future serv	vice and operations?
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	e requirements of Subsection H of 19.15.17.13 NMAC 1 of 19.15.17.13 NMAC	C
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may requiconsidered an exception which must be submitted to the Santa Fe Environmenta demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	re administrative approval from the appropriate disti I Bureau 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; Database search;	a 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; Dat	a obtained from nearby wells	Yes No
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Database search; US	a obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sig lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	nificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or churcl - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that les watering purposes, or within 1000 horizontal feet of any other fresh water well or see NM Office of the State Engineer - iWATERS database; Visual inspection	spring, in existence at the time of initial application.	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh wat adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approx	•	☐ Yes ☐ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visu	al 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	g and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geolog Society; Topographic map	y & Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain FEMA map		☐ Yes ☐ No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Construction/Design Plan of Temporary Pit (for in-place burial of a drying protocols and Procedures - based upon the appropriate requirements of 19.15. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and of Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	uirements of 19.15.17.10 NMAC F Subsection F of 19.15.17.13 NMAC propriate requirements of 19.15.17.11 NMAC ad) - based upon the appropriate requirements of 19.15.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC drill cuttings or in case on-site closure standards cannot of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	15.17.11 NMAC
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Operator Application Certification: I hereby certify that the information submitted with this application is true, accur	me and complete to the best of my knowledge and belief
Name (Print): Kim Champlin	Title: Environmental Representative
Signature: Kim Champler	11/24/08
e-mail address: kim_champlin@xtoenergy.com	Telephone: (505) 333-3100
OCD Approval: Permit Application (including closure plan) Closure P OCD Representative Signature: Title: Environmental Engineer	Approval Date: 10/19/15
11. Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior to the closure report is required to be submitted to the division within 60 days of the section of the form until an approved closure plan has been obtained and the closure	to implementing any closure activities and submitting the closure report. the completion of the closure activities. Please do not complete this
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternate If different from approved plan, please explain.	ative Closure Method Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems Instructions: Please indentify the facility or facilities for where the liquids, drift two facilities were utilized.	
Disposal Facility Name:	Disposal Facility Permit Number:
Disposal Facility Name:	
Were the closed-loop system operations and associated activities performed on or Yes (If yes, please demonstrate compliance to the items below) No	r 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 operation	îons:
Closure Report Attachment Checklist: Instructions: Each of the following it 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 Longit	tude NAD: 1927 1983
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure is belief. I also certify that the closure complies with all applicable closure requirem	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128 Revised 5/1/57

WELL LOCATION AND ACREAGE DEDICATION PLAT

June 11, 1959 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE SECTION A Well No. Lease Operator Pan American Potrolous Corporation County Township Range Unit Letter Section 18 West 27 Borth Actual Footage Location of Well: feet from the north line line and feet from the west 1850 Dedicated Acreage: Producing Formation Pool Ground Level Elev. Angels Peak Gallup Acres 80 Gallup 6033 NO X . ("Ouner" means the person 1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES _ who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.) 2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or other-. If answer is "yes," Type of Consolidation Joint Acres to Holdings wise? YES I NO ___ If the answer to question two is "no," list all the owners and their respective interests below: Land Description Owner SECTION B CERTIFICATION I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief. Original /s/ R. M. Bewer, Jr. Name H. Bauer, Jr. Ares Engineer Company Pen American Petrolesm Corporatio 790 x Santa Fe 077941-4 I hereby destify that the well Hote: shown on the gistin ES plotted from fight ford of surveys made by me or we Form G-128 filed to show acreage dedication for Gallup some on dual well presently resupervision; covering lead oil from the Callup and correct to the best of my knowledge and belief. Date Surveyed Pehruary 14, 1959 Registered Professional Engineer and/or Land Surveyor Original /s/ James P. Leese Certificate No. 2000 1500 500 330 660 990 1320 1660 1980 2310 2640 1000

1 1		Pit Permit	Client:	XTO Energy
Lodestar Service	es, Inc.		Project:	Pit Permits
PO Box 4465, Duran	go, CO 81302	Siting Criteria	Revised:	10-Nov-08
V		Information Shee	t Prepared by:	Devin Hencmann
API#:		3004506258	USPLSS:	27N, 10W, 28E
Name:	М	CADAMS CA B #2	Lat/Long:	36.5483/-107.90661
Depth to groundwater:		< 50'	Geologic formation:	Naciemento
Distance to closest continuously flowing watercourse:	10.7 mi	les N to the 'San Juan River'		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	212' SW	/ to Kutz Canyon wash		
			Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'		No		
		Haller	Annual Precipitation:	Bloomfield: 8.71" , Farmington: 8.21", Otis: 10.41"
Domestic fresh water well or spring within 500'		No	Precipitation Notes:	Historical daily max: Bloomfield (4.19")
Any other fresh water well or spring within 1000'		No		
Within incorporated municipal boundaries		No	Attached Documents:	27N 11W i-Waters pdf.27N 12W i-Waters pdf
Within defined municipal fresh water well field		No		Topo map pdf, Aerial pdf, Mines and Quarries Map pdf,i-Waters Ground Water Data Map pdf, FEMA flood zone map pdf
Wetland within 500'		No	Mining Activity:	None
Within unstable area		No	1	
Within 100 year flood plain	N	o-FEMA Zone 'X'		
Additional Notes:				
				II.

MCADAMS CA B #2 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 located in the southernmost Kutz Canyon region of the San Juan Basin. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, 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). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River.

The prominent soil type at the proposed site are entisols and aridisols, which are defined as soils that exhibit little to no any 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. 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 8 to 12 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). However, vegetation is very sparse and discontinuous.

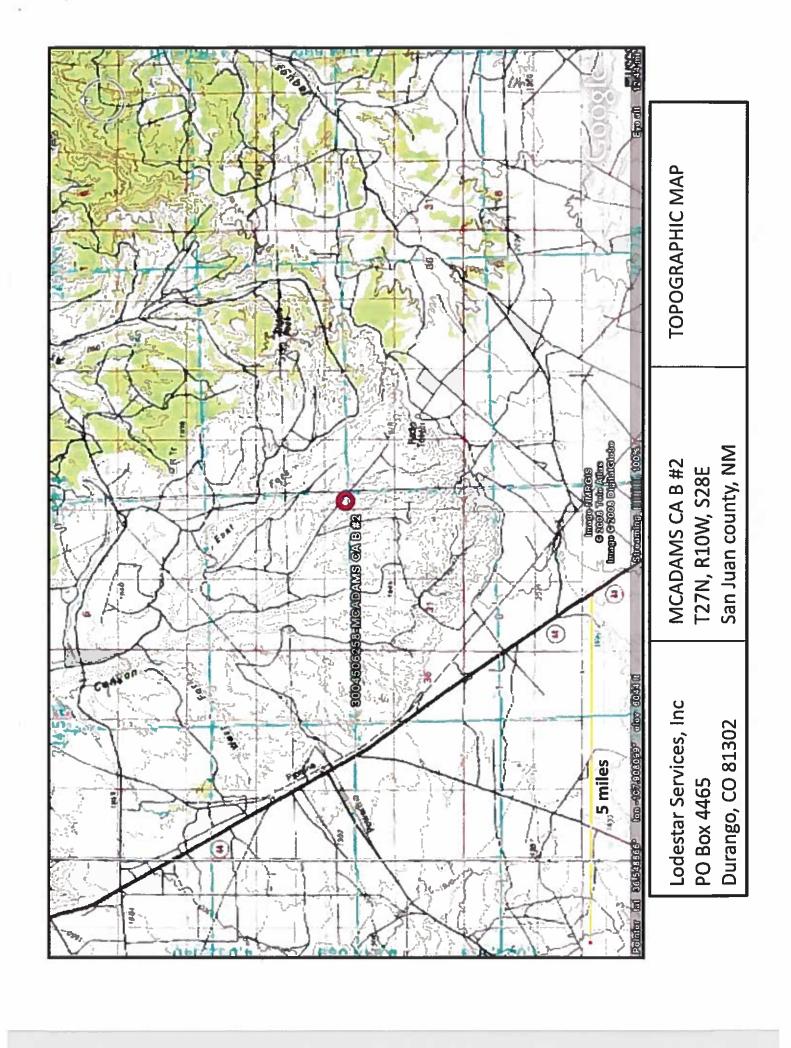
Site Specific Hydrogeology

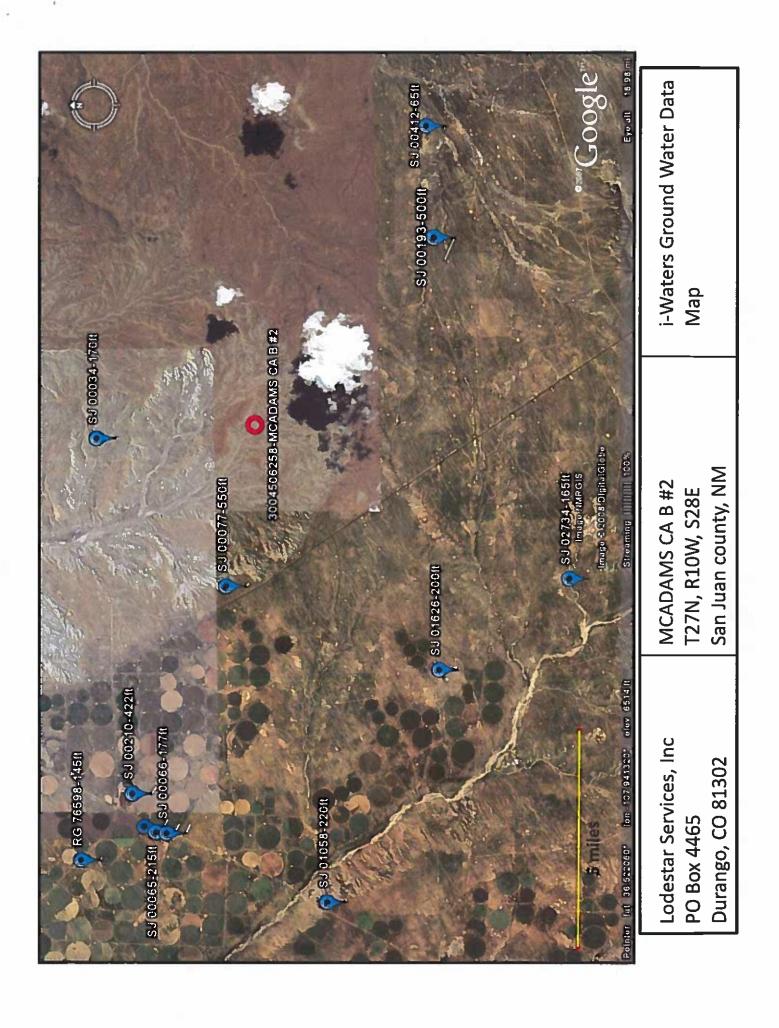
Depth to groundwater is estimated to be less than 50'. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to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

Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the Nacimiento Formation at depth s greater than 100 feet and thicknesses of the aquifer can be up to 3500 feet (USGS, Groundwater Atlas of the US).

The site in question is located near the edge of Kutz Canyon, where deeply eroded sandstone-capped mesas and slope-forming mudstones occur in a sparsely vegetated and arid badlands-type setting. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image.

The pit will be located at an elevation of approximately 6044 feet near the head of Kutz Wash. It will be located within the Kutz Canyon tributary system 212 feet northeast of Kutz Wash. Groundwater is expected to be shallow within Kutz Wash. The close proximity of the Canyon and the site, as well as an elevation difference of less than 15 feet suggests groundwater is less than 50 feet at the proposed site.





New Mexico Office of the State Engineer POD Reports and Downloads

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WAIER COLUMN REPORT 03/22/2006

	(quarters are 1=NW 2=NE 3=SW 4=SE)	are	II.	(V	=NE	3=SW 4	-SE)							
	(quarters are biggest to smallest)	are	big	ges	it נו	o small	est)			Lepth	Depth	Water	£	(in feet)
POD Number	Tws	Rng :	ec.	р. О	H	Zone		×	ÞI	Well	Water	Column		
SJ 01787		117	120	CI.						000				
SJ 00077	27H 11W 26 2 1 3	113	w	01	m					1103	0.00	CB 10		

Record Count:

WATER COLUMN REPORT 09/23/2008

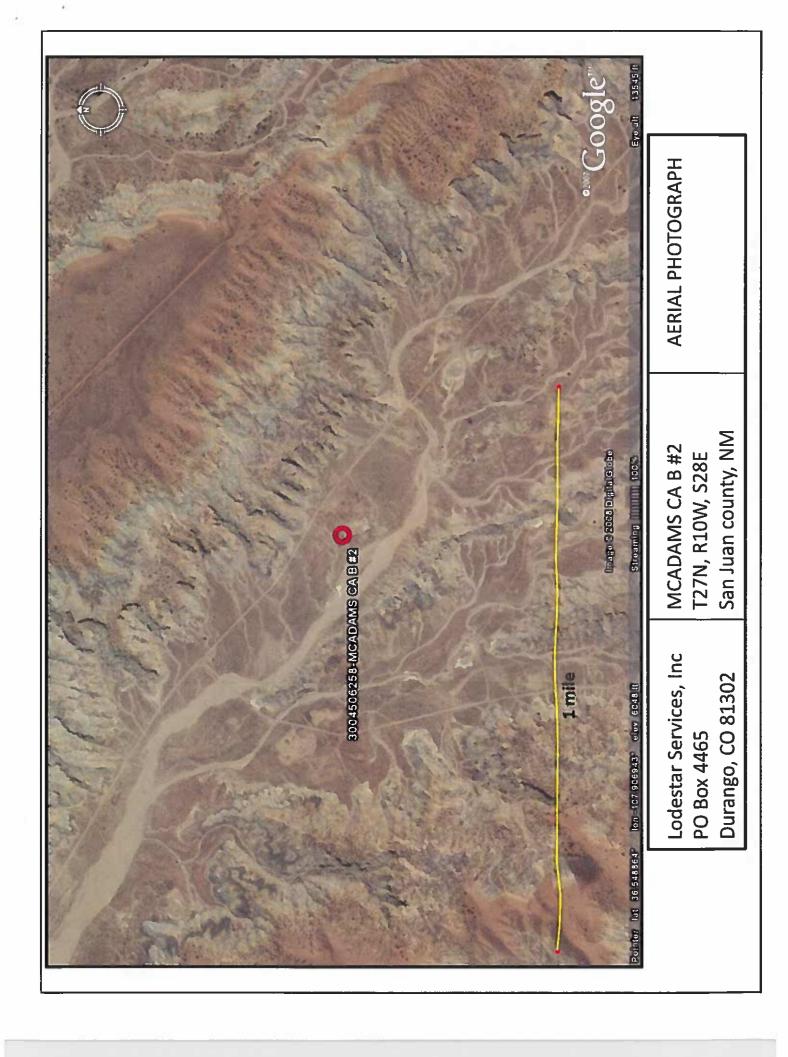
		Water Column	500
	Depth	Well	10) (1)
		≯ı	
quarters are 1=NW 2=NB 3=SW 4=SB)	<pre>st to smallest)</pre>	Tws Rng Sec q q q Zone X	en ei
tre 1=NW	re bigge	ig Sec q	2 50 M
(quarters	(quarters ;	Twa Ru	E 272
		POD Number	SJ 00034

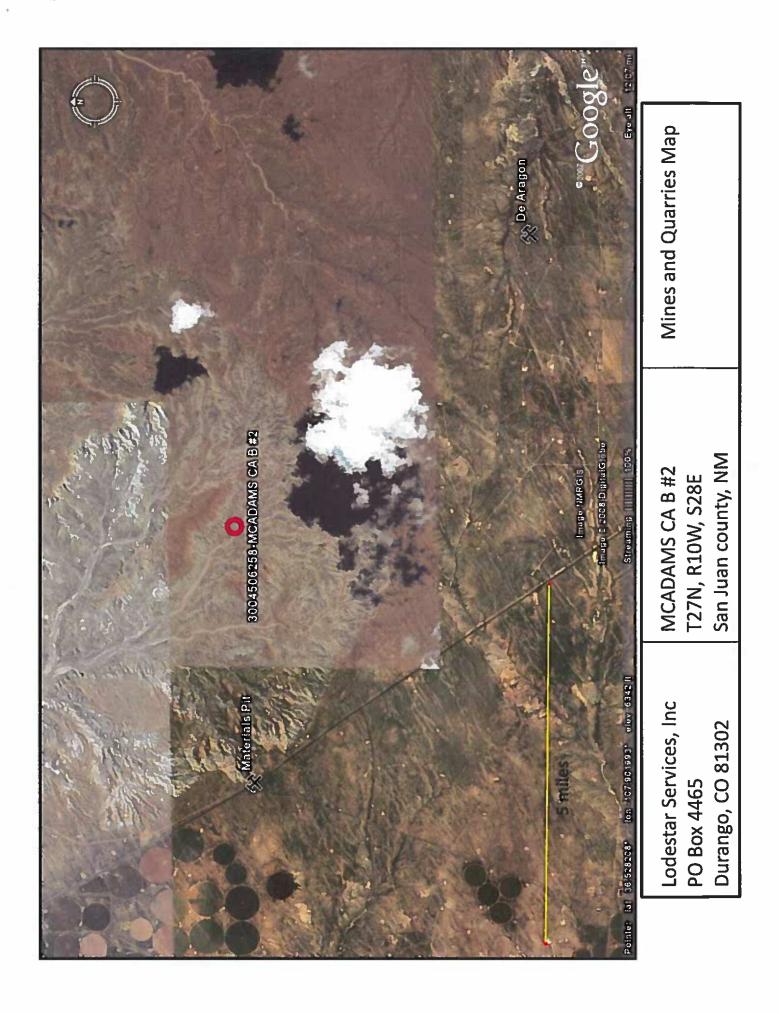
New Mexico Office of the State Engineer POD Reports and Downloads

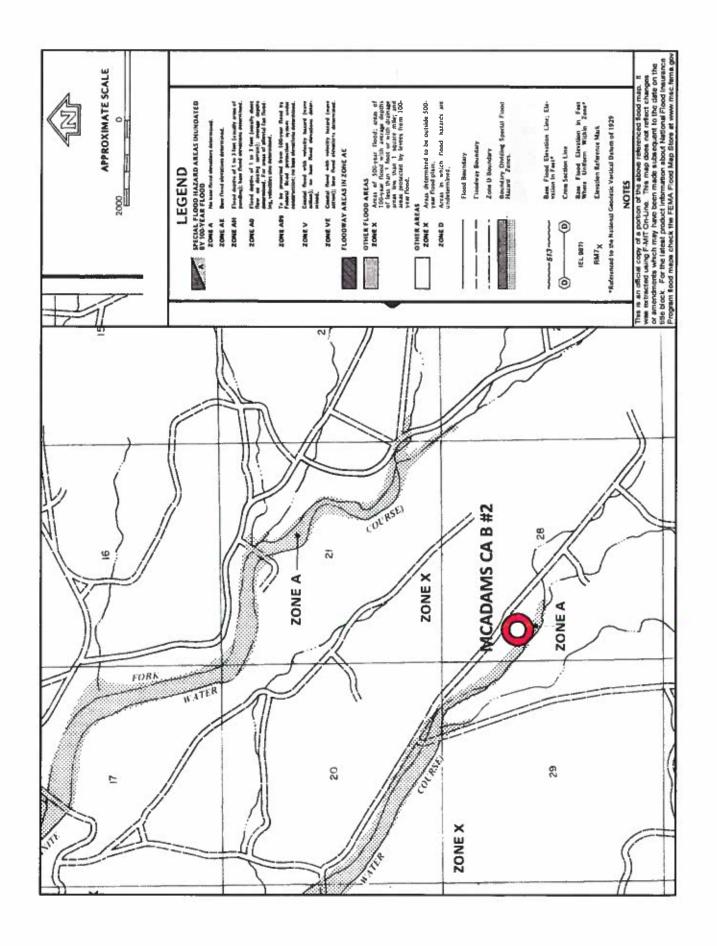
WATER COLUMN REPORT 08/22/2008

(in feet)					
_	Column	າ ຫ ຕ (1	ເກ) ຕັນ (1)	456	573
Depth	Water	9 E G	() () 전	(i) ;=1 (:)	177
Depth	Well	641	717	€71	750
	×				
(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)	ing Sec q q q	SK 13 1 3	2W 13 2 2	ZW 13 3 1	2W 13 3 3
	PCD Number RG 76598	SJ 00076	SJ 00210	SJ 00065	SJ 00066

Record Counc: 5







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.

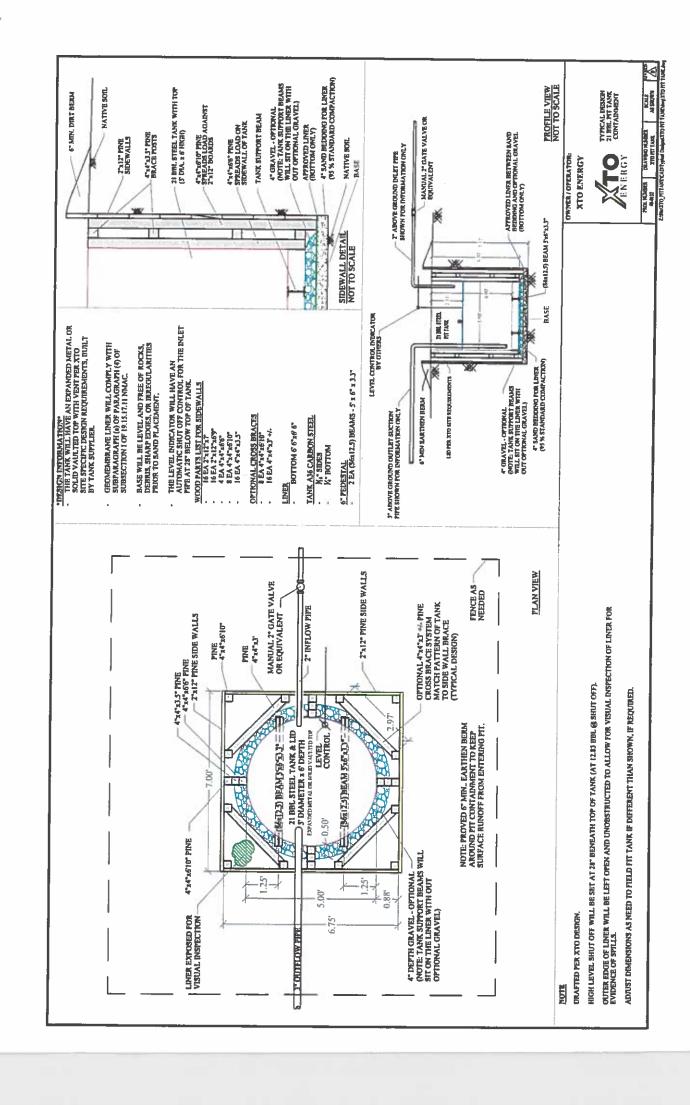
General Plan

- 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.
- 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 \(\frac{1}{2} \)" 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.
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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).

- 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).
- 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 hydrautic 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 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.
- 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.

		MONTH	ILY BELO	MONTHLY BELOW GRADE TANK INSPECTION FORM	INSPECTION	N FORM		
Well Name:					API No.:			
Legals	Sec:		Township:		Range:			
XTO Inspector's	Inspection	Inspection	Any visible liner	Any visible signs of	Collection of surface	Visible laver	Any visible sions	Treeboord
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)
				1-3				
Notes:	Provide De	Provide Detailed Description:	tion:					
5								
Misc:								
						;		

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.
- 2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- 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 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

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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.

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- 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:
 - 1. 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,
 - Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
 - viii. Photo documentation of the site reclamation.

From: Lowe, Leonard, EMNRD

To: "Hixon, Logan"; Smith, Cory, EMNRD

Cc: McDaniel, James; Hoekstra, Kurt; Naegele, Otto; Farnsworth, Rex

 Subject:
 APPROVEDC-144_ 2015-10-8 Closure Plans

 Date:
 Tuesday, October 20, 2015 2:26:00 PM

Importance: High

Mr. Logan Hixon,

OCD approves the BGT closure via C-144 for the following:

The C-144 for the stated well site could not be found. XTO will need to submit a C-144 to the Aztec OCD office to process this BGT.

-API: 30-045-23566

Well Name: Hare Gas Com C 1E

The volume units in red are the C-144's that were found and processed. XTO requested a different volume, those could not be found.

API # 30-045-06258

Well Name: CA McAdams B 2

Volume: 21 BBL

API # 30-045-23890 **Well Name:** Federal A 3E

Volume: *120 BBL*

API # 30-045-23908 **Well Name:** Fee 3A **Volume:** 120 BBL

API # 30-045-30088

Well Name: Johnson Gas Com D 2

Volume: 21 BBL

API # 30-045-31630 **Well Name:** *La Plata* 9-2

Volume: 120 BBL

API # 30-045-21247 **Well Name:** Canyon 1 **Volume:** 120 BBL

API # 30-045-21393 **Well Name:** Canyon 11 **Volume:** 120 BBL **API** # 30-045-22047 **Well Name:** Canyon 19 **Volume:** 120 BBL

API # 30-045-29334 **Well Name:** Canyon 11E

Volume: 95 BBL

API # 30-045-29270 **Well Name:** Canyon 12E

Volume: 120 BBL

API # 30-045-29212 **Well Name:** Canyon 19E

Volume: 120 BBL

API # 30-045-29710 **Well Name:** Canyon 7E **Volume:** 120 BBL

API # 30-045-29333 **Well Name:** Canyon 9E **Volume:** 120 BBL

API # 30-045-25508

Well Name: Carson Gas Com 1E

Volume: 120 BBL

Your approved C-144 is (are) located in the OCD imaging link below:

Open link below:

http://ocdimage.emnrd.state.nm.us/imaging/default.aspx.

Leonard Lowe

Environmental Engineer

[Environmental Bureau]

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/

From: Hixon, Logan [mailto:Logan_Hixon@xtoenergy.com]

Sent: Thursday, October 08, 2015 1:29 PM

To: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us>

Cc: McDaniel, James <James_McDaniel@xtoenergy.com>; Hoekstra, Kurt

<Kurt_Hoekstra@xtoenergy.com>; Naegele, Otto <Otto_Naegele@xtoenergy.com>; Farnsworth,

Rex <Rex_Farnsworth@xtoenergy.com>

Subject: 2015-10-8 Request for Approved Closure Plans Only

Mr. Lowe

We are requesting an approved below grade tank closure plans only for the following sites:

Submitted: Our records show submittal of November 25, 2008 for the following sites:

-API: 30-045-06258

Well Name: CA McAdams B 2, located in Section 28 (E), Township 27N, Range

10W, San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-23890

Well Name: Federal A 3E, located in Section 26 (P), Township 30N, Range 13W,

San Juan County, New Mexico

Volume: 45 BBL

-API: 30-045-23908

Well Name: Fee 3A, located in Section 3(K), Township 30N, Range 11W, San

Juan County, New Mexico

Volume: 95 BBL

-API: 30-045-23566 (COULD NOT BE FOUND)

Well Name: Hare Gas Com C 1E, located in Section 25(F), Township 29N, Range

10W, San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-30088

Well Name: Johnson Gas Com D 2, located in Section 15(G), Township 30N,

Range 12W, San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-31630

Well Name: La Plata 9-2, located in Section 9(K), Township 31N, Range 13W,

San Juan County, New Mexico

Volume: 120 BBL

Submitted: Our records show submittal of December 5, 2008 for the following

sites:

-API: 30-045-21247

Well Name: Canyon 1, located in Section 10(O), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-21393

Well Name: Canyon 11, located in Section 11(G), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-22047

Well Name: Canyon 19, located in Section 2 (P), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-29334

Well Name: Canyon 11E, located in Section 11 (O), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-29270

Well Name: Canyon 12E, located in Section 13(E), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-29212

Well Name: Canyon 19E, located in Section 2 (K), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-29710

Well Name: Canyon 7E, located in Section 15 (G), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-29333

Well Name: Canyon 9E, located in Section 1 (F), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-25508

Well Name: Carson Gas Com 1E, located in Section 32 (F), Township 30N, Range

12W, San Juan County, New Mexico

Volume: 120 BBL

Thank you for the help.

Thank You!

XTO ENERGY INC., an ExxonMobil subsidiary

Logan Hixon | 72 Suttle Street, Suite J | Durango, CO 81303 | ph: 970-247-7708 | Cell: 505-386-8018

Logan Hixon | 382 CR 3100 | Aztec, NM 87410 | ph: 505-333-3100 | Logan Hixon@xtoenergy.com

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