District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Hilcorp Energy Company OGRID #: 372171
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name: STATE AX 1
API Number: 30-045-07688 OCD Permit Number:
U/L or Qtr/Qtr H Section 32 Township 29N Range 9W County: San Juan
Center of Proposed Design: Latitude 36.684257 Longitude -107.799005 NAD83
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ 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.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 120 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 ☒ Other _Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
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_____

6.

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

☐ Screen ☐ Netting ☐ Other_____

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

7.

Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

8.

Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

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

9.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☐ No ☒ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☒ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. **(Does not apply to below grade tanks)** - 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. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - 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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
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 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ 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

10.

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 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.

Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ 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_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data 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 obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, 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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; 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 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

16.
On-Site 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.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ 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 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Joel Stone **Approval Date:** 10/14/2025

Title: Senior Environmental Scientist **OCD Permit Number:** ycon0834747427

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date: 10/25/2025**

20.
Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check 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 for private land only)
- ☐ 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 _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Tammy Jones Title: Operations/Regulatory Technician – Sr

Signature: Tammy Jones Date: 11/11/2025

e-mail address: tajones@hilcorp.com Telephone: (505) 324-5185

Hilcorp Energy Company
San Juan Basin
Below Grade Tank Closure Report

Lease Name: STATE AX 1
API No.: 30-045-07688

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure of the below-grade tank referenced above. All proper documentation regarding closure activities is being included with the C-144.

General Plan:

1. HILCORP shall close a below-grade tank within 60 days of cessation of operations per Subsection G.4 of 19.15.17.13 NMAC. This will include a) below-grade tanks that do 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, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC; b) an earlier date that the division requires because of imminent danger to fresh water, public health or the environment. For any closure, HILCORP will file the C144 Closure Report as required.

   The below-grade tank referenced above was permitted and closed within 60 days of cessation of the below-grade tanks operation.

2. HILCORP shall remove liquids and sludge from a below-grade tank prior to implementing a closure method and shall dispose of the liquids and sludge in a division-approved facility. The facilities to be used will be Basin Disposal (Permit #NM-01-005), JFJ Landfarm % Industrial Ecosystem Inc. (Permit # NM-01-0010B) and Envirotech Land Farm (Permit #NM-01-011). The liner after being cleaned well (Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC) will be disposed of at the San Juan County Regional Landfill located on CR 3100.

   All recovered liquids were disposed of at Basin Disposal (Permit #NM-01-005) and any sludge or soil required to be removed to facilitate closure was hauled to Envirotech Land Farm (Permit #NM-01-011) and JFJ Landfarm % IEI (Permit #NM-01-0010B). The liner was cleaned per Subsection D, Paragraph 1, Subparagraph (m) of 19.15.9.712 NMAC was disposed of at the San Juan County Regional Landfill located on CR 3100.

3. HILCORP will receive prior approval to remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.

   The below-grade tank was disposed of in a division-approved manner.

4. If there is any on-site equipment associated with a below-grade tank, then HILCORP shall remove the equipment, unless the equipment is required for some other purpose.

   All on-site equipment associated with the below-grade tank was removed.

5. HILCORP will test the soils beneath the below-grade tank to determine whether a release has occurred. HILCORP shall collect, at a minimum, a five point, composite sample; collect individual grab samples from any area that is wet, discolored or showing other evidence of a release; and analyzed for the constituents listed in Table I of 19.15.17.13 NMAC. Hilcorp shall notify the division of its results on form C-141.

11/11/2025

A five point composite sample was taken of the below-grade tank using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached). Form C-141 is attached.

Components	Tests Method	Limit (mg/kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	100
Chlorides	EPA 300.0	250

6. If HILCORP or the division determines that a release has occurred, then HILCORP shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

   A release was not determined for the above referenced well.

7. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Table I of 19.15.17.13 NMAC, then HILCORP shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; recontour and re-vegetate the site.

   The below-grade tank area passed all requirements of Paragraph (4) of Subsection E of 19.15.17.13 NMAC and was backfilled with compacted, non-waste containing, earthen material.

8. Notice of Closure will be given prior to closure to the Aztec Division office between 72 hours and one week via email or verbally. The notification of closure will include the following:
   i. Operator's name
   ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.

   Notification is attached.

9. The surface owner shall be notified of HILCORP's closing of the below-grade tank 72 hours, but not more than one week, prior to closure as per the approved closure plan via certified mail, return receipt requested.

   The closure process notification to the landowner was sent via email, certified mail. (See Attached) (Well located on Federal Land, certified mail is not required for Federal Land per BLM/OCD MOU.)

10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding. 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 place 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.

    The below-grade tank area was re-contoured to match fit, shape, line, form and texture of the surrounding area. Re-shaping including drainage control, to prevent ponding and erosion. Natural drainages were unimpeded and water bars and/or silt traps were placed in areas where needed to prevent erosion on a large scale. Final recontour has a uniform appearance with smooth surface, fitting the natural landscape.

11. HILCORP shall seed the disturbed areas the first favorable growing season following closure of a below-grade tank. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM stipulated seed mixes will be used on federally regulated lands and division-approved seed mixtures (administratively approved if required) will be utilized on all State or private lands. A uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre- disturbance levels and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds. If alternate seed mix is required by the state, private owner or tribe, it will be implemented with administrative approval if needed. Hilcorp will repeat seeding or planting will be continued until successful vegetative growth occurs.

11/11/2025

Provision 13 was accomplished through complying with BLM seeding requirements as allowed by the BLM/OCD MOU.

12. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material, with chloride concentrations less than 600 mg/kg as analyzed by EPA Method 300.0, to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

    The below-grade tank area was backfilled and more than four feet of cover was achieved and the cover included one foot of suitable material to establish vegetation at the site.

13. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on C-144 and incorporate the following:
    - Soil Backfilling and Cover Installation **(See Report)**
    - Re-vegetation application rates and seeding techniques **(See Report)**
    - Photo documentation of the site reclamation **(Included as an attachment)**
    - Confirmation Sampling Results **(Included as an attachment)**
    - Proof of closure notice **(Included as an attachment)**

Tammy Jones

From: Tammy Jones
Sent: Monday, July 21, 2025 10:25 AM
To: April L. Elliott; Ben Mitchell; Brandon Sinclair; Bryan Hall; Chad Perkins; Clara Cardoza; Dale Crawford; eco@nmslo.gov; Elizabeth A. Bisbey-Kuehn; Farmington Regulatory Techs; 'Jeffrey.Harrison@emnrd.nm.gov'; 'joel.stone@emnrd.nm.gov'; Joey Becker; Kate Kaufman; 'Kennedy, Joseph, EMNRD'; Lisa Jones; Max Lopez; Mitch Killough; Patrick Hudman; Ramon Hancock; Tami C. Knight; Travis Munkres; 'Victoria Venegas; Mike Murphy; William Shuss
Subject: 72 hour BGT Closure Notice – STATE AX 1 (API# 30-045-07688)
Attachments: State AX 1 BGT Approved.pdf

Subject: 72 Hour BGT Closure Notification

Anticipated Start Date: **Friday, 07/25/2025 at 9:00 AM MST**

The subject well has a below-grade tank that will be permanently removed. The BGT permit is attached. Please contact me if you have any questions or concerns.

Well Name: STATE AX 1

API#: 30-045-07688

Location: Unit H (SENE), Section 32, T29N, R09W

Footages: 1840' FNL & 810' FEL

Operator: Hilcorp Energy **Surface Owner:** STATE

Reason: **Well has been P&A'd.**

****Please Note Required Photos for Closure****

- Well site placard
- Photos of the BGT prior to closure
- The sample location or, more preferred, photos of actual sample collection
- Final state of the area after closure.
- Photos will require captioning including direction of photo, date and time of photo and a description of the image contents.

Thanks,

Tammy Jones | HILCORP ENERGY COMPANY | San Juan Regulatory | 505.324.5185 | tajones@hilcorp.com

DIRECTION
56 deg(T)

36.68413°N
107.79864°W

ACCURACY 4 m
DATUM WGS84

State AX 1

Placard

2025-07-25
09:07:48-06:00

DIRECTION
31 deg(T)

36.68434°N
107.79868°W

ACCURACY 5 m
DATUM WGS84


DIRECTION
232 deg(T)
36.68464°N
107.79861°W
ACCURACY 4 m
DATUM WGS84
State AX 1
After Removal
2025-07-25
09:42:59-06:00


DIRECTION
128 deg(T)
36.68462°N
107.79866°W
ACCURACY 5 m
DATUM WGS84
State AX 1
Sampling
2025-07-25
09:47:14-06:00

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Hilcorp Energy Company	OGRID 372171
Contact Name Mitch Killough	Contact Telephone: (713) 757-5247
Contact email mkillough@hilcorp.com	Incident # *(assigned by OCD)*
Contact mailing address 382 Road 3100 Aztec NM 87410	

Location of Release Source

Latitude 36.684442 Longitude -107.798119
(NAD 83 in decimal degrees to 5 decimal places)

Site Name State AX 1	Site Type Gas Well
Date Release Discovered **N/A**	API# *(if applicable)* 30-045-07688

Unit Letter	Section	Township	Range	County
H	32	29N	09W	San Juan

Surface Owner: ☒ State ☐ Federal ☐ Tribal ☐ Private

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

☐ Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	☐ Yes ☐ No
☐ Condensate	Volume Released (bbls)	Volume Recovered (bbls)
☐ Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
☐ Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

No release was encountered during the BGT Closure.

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☒ No	If YES, for what reason(s) does the responsible party consider this a major release? **N/A**

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?

Not Required

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

- ☐ The source of the release has been stopped.
- ☐ The impacted area has been secured to protect human health and the environment.
- ☐ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
- ☐ All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Mitch Killough Title: Environmental Specialist

Signature: Date: 9/25/2025

email: mkillough@hilcorp.com Telephone: (713-757-5247)

OCD Only

Received by: Date:

ENSOLUM

August 22, 2025

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, New Mexico, 87501

Re: Proposed Reclamation Plan
State AX #001
San Juan County, New Mexico

To Whom It May Concern,

Ensolum, LLC (Ensolum), on behalf of Hilcorp Energy Company (Hilcorp), has prepared the following *Proposed Reclamation Plan* (*Reclamation Plan*) for the State AX #001 well pad (Site). This *Reclamation Plan* documents the Site history and conditions and proposes reclamation and vegetation monitoring activities.

SITE INFORMATION

Operator: Hilcorp Energy Company (Hilcorp)

Well Name: State AX #001

API Number: 30-045-07688

GPS Coordinates: 36.6844597, -107.7987061

Location: Unit H, Section 32, Township 29N, Range 09W, San Juan County, New Mexico

Landowner: New Mexico State Land Office (NMSLO)

NMSLO Lease Number: E065130001

SITE HISTORY

- The State AX #001 well was a gas well that was drilled in June 1959 and was in production until December 2023.
- The well was plugged and abandoned on March 17, 2025, in accordance with the procedures provided in the approved Form C-103, *Sundry Notices and Reports on Wells*.
- A review of the New Mexico Oil Conservation Division (NMOCD) well records and available historical satellite imagery was completed.
    - One pit, a below ground tank (BGT), is recorded in the NMOCD well records. The BGT was removed on July 25, 2025 in accordance with the BGT Closure Plan, provided in the C-144 permit application and approved by the NMOCD on June 29, 2022 (Appendix A).
        - Laboratory analytical results indicate that the composite soil sample collected from beneath the removed BGT is in compliance with the BGT closure criteria (Appendix B).

        - Permanent closure of the BGT is pending NMOCD review.
    - No reportable releases were documented at the Site in the NMOCD well records
    - No surface staining was identified during a review of historical satellite imagery.
    - A copy of the NMOCD Site summary is included in Appendix C.

SITE CONDITIONS

- A Site visit was conducted on August 8, 2025, to evaluate current Site conditions. An additional Site visit was conducted on August 20, 2025, to further evaluate Site conditions following the meter run removal. Photographs from the Site visits are included in Appendix D and a Site location map showing access to the Site is attached as Figure 1.
    - The well pad is adjacent to an active access road and the meter run associated with this Site is southwest of the well pad and adjacent to another access road. The well pad and meter run areas to be reclaimed are presented on Figure 2.
    - The plugged and abandoned well bore was marked with a steel well marker.
    - The meter run and associated pipelines were removed from the Site.
        - Gravel, used for the footprint of the meter run housing remains at the Site. In addition, the electrical hookup and conduit associated with the meter run remains at the Site.
    - A gravel pile near the well marker remains at the Site.
    - The well pad surface is up gradient of a cliff to the east. Fill material was used to flatten the pad in areas to the east.
    - No caliche or pad construction gravel were present on the surface of the well pad. A small gravel footprint associated with the meter run remains at the Site.
    - No soil staining was noted during the Site visit.
    - No historical drilling pit was observed during the Site visit.
    - No erosional features were observed during the Site visit.
    - The well pad is perched on a sandstone Mesa. The surrounding topography is composed of sandstone cliffs, valleys, and Mesa's.
    - Local vegetation consists of rabbitbrush, sage, and pinon-juniper. No weeds were observed during the Site visit
    - The surrounding land consists of native rangeland and is predominantly used as oil and gas operations and livestock grazing.

- The Natural Resources Conservation Service (NRCS) Web Soil Survey classifies the soil type at the Site as Farb-Persayo-Rock outcrop complex.

  Summary of Farb soils:

    - Typical Soil Profile
        - 0 to 7 inches: Fine sandy loam
        - 7 to 10 inches: Sandy loam
        - 10 to 20 inches: Bedrock
    - Properties
        - Slope: 3 to 30 percent slopes

- Depth to restrictive feature: 5 to 20 inches to lithic bedrock
- Drainage Class: Excessively drained
- Runoff class: High

Summary of Persayo soils:

- Typical Soil Profile
  - 0 to 2 inches: Clay loam
  - 2 to 15 inches: Clay loam
  - 15 to 20 inches: Bedrock
- Properties
  - Slope: 3 to 30 percent slopes
  - Depth to restrictive feature: 5 to 20 inches to paralithic bedrock
  - Drainage Class: Well drained
  - Runoff class: Very High

- Cultural and Biological Review:
  - The intent of the Site reclamation is to restore habitat and vegetation cover/composition to pre-disturbance conditions. Native vegetation outside of the well pad extent will not be disturbed during reclamation activities.
  - Reclamation activities are anticipated to remain in previously disturbed areas of the well pad. If any surface disturbing activities encroach into undisturbed areas, the Cultural Properties Protection (CPP) Rule will be followed.
  - A review of the U.S. Fish and Wildlife Services Information for Planning and Consultation (IPaC) resources indicated there are no critical wildlife habitats at the Site.
    - IPaC resources indicate that threatened bird species Yellow-billed Cuckoo are potentially present in the area near the Site. In addition, IPaC resources indicate that the endangered flowering plant species Knowlton's Cactus and threatened flowering plant species Mesa Verde Cactus are potentially present in the area near the Site.
    - No native vegetation/habitat outside of the well pad extent will be disturbed during reclamation activities.
    - If reclamation activities extend outside of the well pad extent, a biological survey will be completed.
  - The Site is located in an area with no potential karst occurrence.
  - The Site is adjacent to an unnamed arroyo, defined as a significant watercourse, and designated wetland, approximately 40 feet northwest of the western edge of the well pad. The United States Fish and Wildlife Service National Wetlands Inventory designates this feature as a Riverine, Intermittent, Streambed, Intermittently Flooded (R4SBJ) wetland.
  - Reclamation activities are not expected to negatively impact sensitive receptors or sensitive soils.
  - The Site was characterized to assess the applicability of Table I, Closure Criteria for Soils Impacted by a Release, of Title 19, Chapter 15, Part 29 (19.15.29) of the New Mexico Administrative Code (NMAC) to determine the Site Closure Criteria at depths greater than 4 feet bgs. The results of the Site characterization are provided in Appendix E and Site receptors are identified on Figure 1.

RECLAMATION PLAN

- The well pad and meter run areas to be reclaimed are presented on Figure 2.
- Reclamation activities will take place following approval of the BGT closure by the NMOCD
    - Following approval of BGT closure, the BGT footprint will be backfilled with clean, locally procured soil, prior to beginning Site reclamation activities.
- The gravel meter run footprint and electrical line and conduit will be removed from the Site.
- The gravel pile by the well marker will be removed from the Site.
- The well pad, meter run footprint, and area between the meter run and the remaining access road, will be recontoured to match the surrounding topography. Any salvaged topsoil from well pad construction will be replaced across the area between the access road and the meter run and contoured for initial seedbed preparation.
    - Fill, used for leveling the eastern portion of the well pad, will be redistributed between the meter run and access road to match the surrounding topography.
- The well pad and meter run area will be ripped to alleviate compaction. Ripping will be completed to an approximate depth of 18 inches; however, ripping depth will be reduced as needed to prevent bringing rocks to the surface. Soil will be ripped perpendicular to the water flow direction where slopes will remain.
- The surface soil will be prepared for seeding and the reclamation areas will be seeded.
    - Seeding will be completed within two weeks following completion of final seedbed preparation, if conditions are favorable. Alternatively, seeding will be completed the following spring/fall when temperatures and precipitation are the most conducive to vegetation growth.
- A certified noxious weed-free seed mix will be used, designed by the United States Bureau of Land Management (BLM) to meet reclamation standards for this region:

Common Name	Scientific Name	Drilled Application Rate (pounds/acre)
Indian Ricegrass	*Oryzopsis hymenoides*	3.0
Squirrel tail	*Elymus elymoides*	2.0
Western Wheatgrass	*Pascopyrum smithii*	2.0
Sand dropseed	*Sporobolus cryptandrus*	1.0
Winterfat	*Krascheninnikovia lanata*	0.5
Sagebrush	*Artemisia tridentata*	0.1

- The seed mix will be applied via drill seeding or broadcast seeding. If broadcast seeding is selected, the PLS/acre will be doubled and the seed will be raked in by chaining or dragging the Site.
- The seeded areas may be fenced, if warranted, to prevent livestock and wildlife from impacting vegetation establishment.
- Erosion control of the newly reclaimed areas will include prompt revegetation and contouring of the surface perpendicular to flow direction, mainly at the area between the meter run and the access road, to prevent concentrated surface water flow.

  - Windrows will be constructed on the top of the slope between the meter run and the access road and along the easter portion of the recontoured well pad, in a generally northwest-southeast orientation, perpendicular to water flow, to limit concentrated surface flow. Approximate windrow locations and orientation are presented on Figure 2.

- Reclamation activities will be documented with photographs and will be timestamped with Global Positioning System (GPS) data in decimal degrees.

RECLAMATION MONITORING

- The Site will be monitored for vegetation growth to verify that reclamation activities were successful. The focus for this phase will be to prevent erosion and Site degradation, and to monitor for and treat invasive and noxious weed species.
  - If the constructed windrows are not effective, and additional erosion control management is necessary to support vegetation growth and minimize erosion until the root structures take hold, the following best management practices (BMPs) may be applied:
    - Placement of swales, water bars, or waddles in areas with a propensity for high run off rates;
    - Straw cover, if high winds are anticipated, to support moisture retention and limit wind from blowing seeds away before they have had time to germinate; and/or
    - Other erosional control BMPs as necessary to support timely and healthy regrowth of vegetation in disturbed areas.
  - Noxious and invasive weeds will be identified and treated by a licensed contracted herbicide applicator or mechanically removed.
- Semi-annual inspections (at a minimum) will take place at the location until vegetation has been established that reflects pre-disturbance vegetation cover with a total percent plant cover of greater than 70 percent of pre-disturbance levels, excluding invasive or noxious weeds.
- Upon completion of revegetation, a *Closure Report* documenting the vegetation assessment results will be submitted to the NMSLO for final inspection and release.

SCHEDULE OF IMPLEMENTATION

All Site activities are planned to be completed within 90 days of submission of this *Reclamation Plan*. The schedule will be amended as necessary pending approval of this *Reclamation Plan* by the NMSLO.

A follow-up *Reclamation Activities Report* will be submitted to the NMSLO upon completion of reclamation and seeding activities.

If you have any questions or comments, please contact Reece Hanson at (970) 210-9803 or rhanson@ensolum.com.

Sincerely,
Ensolum, LLC

Reece Hanson
Project Geologist

Stuart Hyde, PG (licensed in TX, WA, & WY)
Senior Managing Geologist

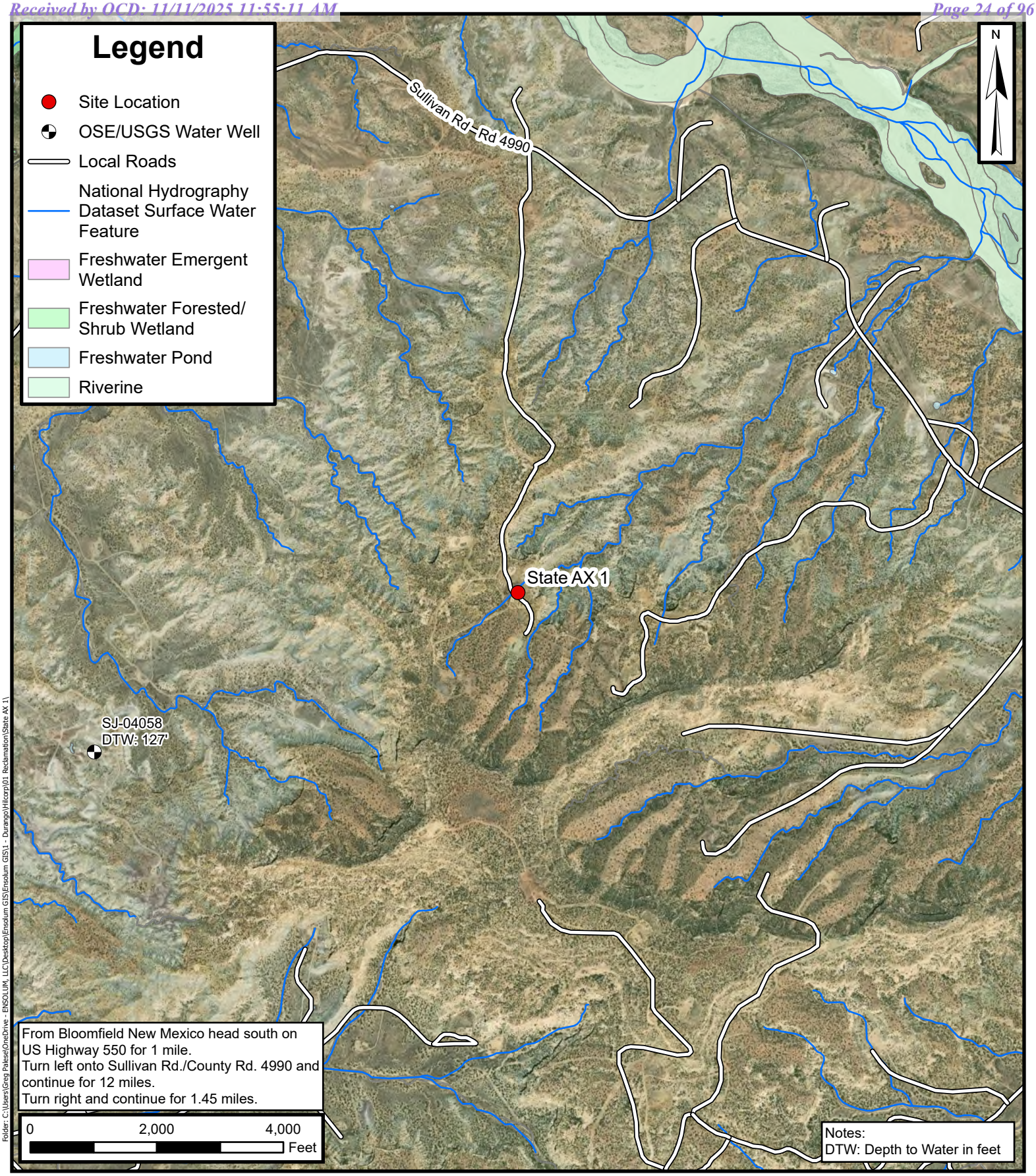
cc: Mitch Killough, Hilcorp

Appendices:

Figure 1	Site Location Map
Figure 2	Site Reclamation Area
Appendix A	Approved C-144 BGT Permit
Appendix B	Laboratory Analytical Report – BGT Removal
Appendix C	NMOCD Site Summary
Appendix D	Photographic Log
Appendix E	Site Characterization

ENSOLUM

FIGURES



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ENSOLUM
Environmental, Engineering and Hydrogeologic Consultants

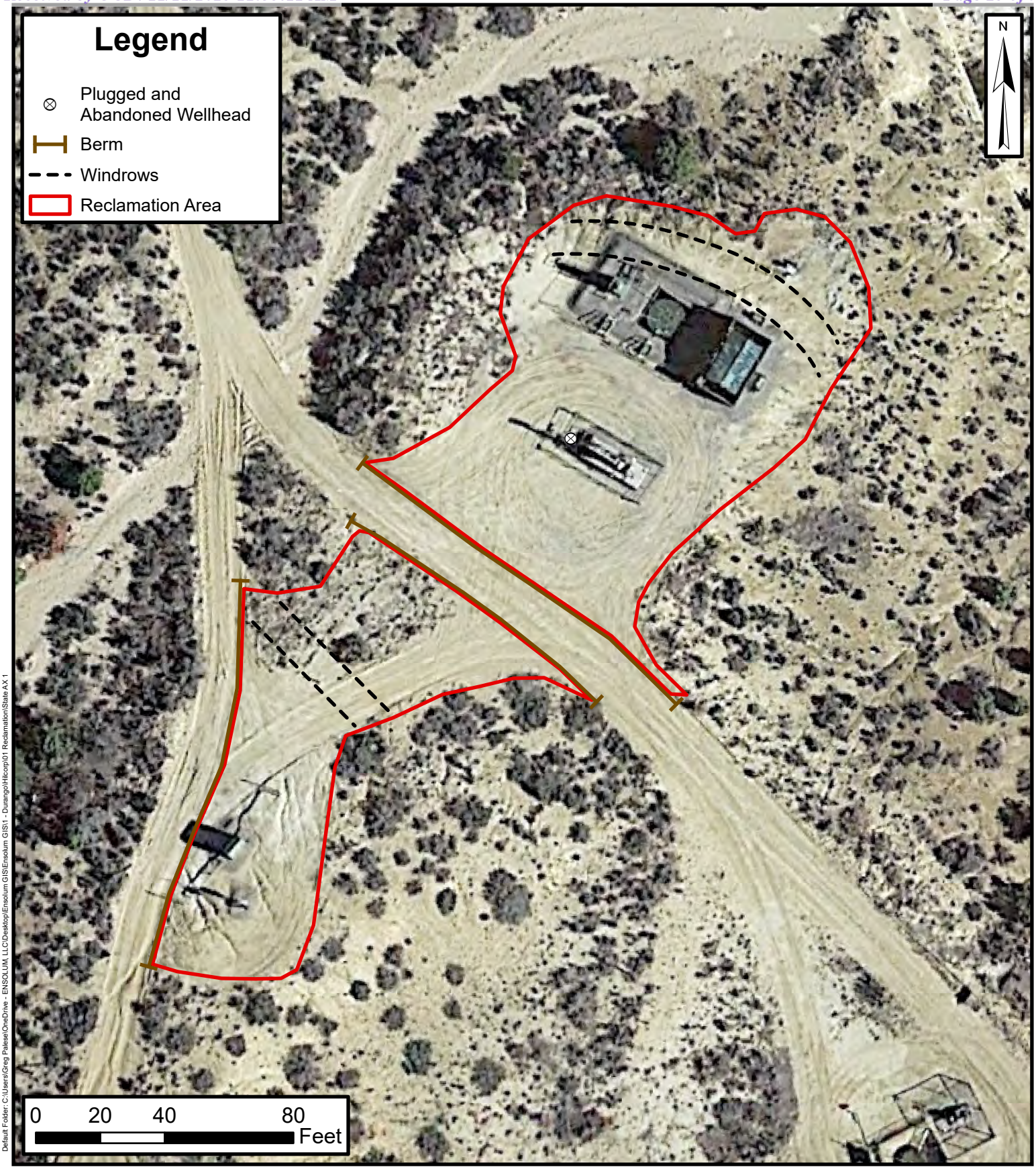
Site Location Map

State AX #001
Hilcorp Energy Company

36.6844597, -107.7987061
San Juan County, New Mexico

FIGURE
1

Sources: Environmental Systems Research Institute (ESRI), NM Office of the State Engineer (OSE), USGS, USFWS, Maxar



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ENSOLUM
Environmental, Engineering and Hydrogeologic Consultants

Site Reclamation Area

State AX #001
Hilcorp Energy Company

36.6844597, -107.7987061
San Juan County, New Mexico

FIGURE
2

Sources: Google Earth (2019)

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APPENDIX A

Approved C-144 BGT Permit

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

Form C-144
July 21, 2008

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

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
Existing BGT ☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
BGT1 ☐ 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

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: STATE AX # 1
API Number: 30-045-07688 OCD Permit Number:
U/L or Qtr/Qtr H Section 32 Township 29N Range 09W County: San Juan
Center of Proposed Design: Latitude 36.684257 Longitude 107.799005 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **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 _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 120 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 ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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, 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

7.

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)

8.

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 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	☐ 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
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 19.15.17.11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use 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
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

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.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two 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 occur on or in areas that *will not* be used for future service and operations?
☐ 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 requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

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 closure plan. 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. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

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 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 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 obtained from nearby wells	☐ Yes ☐ No ☐ NA
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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ 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

18.
On-Site 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.***
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kim Champlin Title: Environmental Representative

Signature: Kim Champlin Date: 11-25-08

e-mail address: kim_champlin@xtoenergy.com Telephone: (505) 333-3100

20.
OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Victoria Venegas **Approval Date:** 06/29/2022

Title: Environmental Specialist **OCD Permit Number:** BGT1

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ **Closure Completion Date:**

22.
Closure Method:
☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:
Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: Disposal Facility Permit Number:

Disposal Facility Name: Disposal Facility Permit Number:

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:
☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check 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 Longitude NAD: ☐1927 ☐ 1983

25.
Operator Closure Certification:
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Title:

Signature: Date:

e-mail address: Telephone:

Form C-128
Revised 5/1/57

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date June 15, 1959

Operator PAN AMERICAN PETROLEUM CORPORATION Lease State of New Mexico "AX"
Well No. 1 Unit Letter H Section 32 Township 29 NORTH Range 9 WEST NMPM
Located 1840 Feet From NORTH Line, 810 Feet From EAST Line
County SAN JUAN G. L. Elevation * Dedicated Acreage 160 Acres
Name of Producing Formation PICTURED CLIFFS Pool AZTEC PICTURED CLIFFS

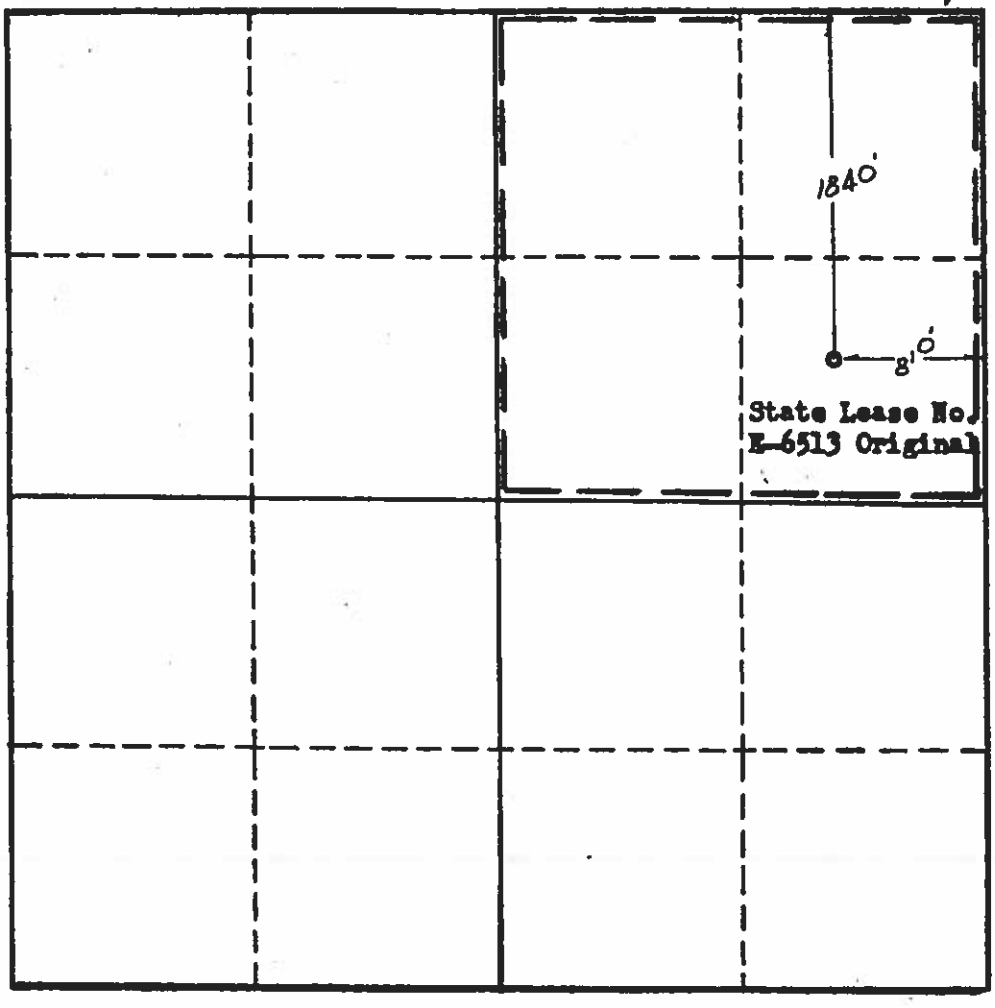
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
   Yes X No ____. *TO BE REPORTED LATER.
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes ____ No ____. If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

RECEIVED
JUN 18 1959
OIL CON. COM.
DIST. 3

Section B

Section officially resurveyed 1950



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

PAN AMERICAN PETROLEUM CORPORATION
(Operator)
R M Bauer Jr.
R. M. BAUER, JR.
(Representative)
BOX 487, FARMINGTON, NEW MEXICO
Address

This is to certify that the well location shown on this plat in Section 32 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 knowledge and belief.

Date Surveyed

Ernest V. Echohawk
Registered Land Surveyer.

Certificate No. 1545

Lodestar Services, Inc.
PO Box 4465, Durango, CO 81302

Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy
Project:	Pit Permits
Revised:	29-Oct-08
Prepared by:	Brooke Herb

API#:	3004507688	USPLSS:	T29N,R09W,S32H
Name:	STATE AX #1	Lat/Long:	36.684257, -107.799005
Depth to groundwater:	> 100'	Geologic formation:	Nacimiento Formation
Distance to closest continuously flowing watercourse:	2.56 miles S of San Juan River		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	1.56 miles SW of Canon Largo Wash; 2600' S of small secondary drainage wash to the San Juan River		
		Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'	No		
		Annual Precipitation:	8.71 inches (Bloomfield)
Domestic fresh water well or spring within 500'	No	Precipitation Notes:	no significant precip events
Any other fresh water well or spring within 1000'	No		
Within incorporated municipal boundaries	No	Attached Documents:	Groundwater report and Data; FEMA Flood Zone Map
Within defined municipal fresh water well field	No		Aerial Photo, Topo Map, Mines Mills and Quarries Map
Wetland within 500'	No	Mining Activity:	2.14 miles S of a Materials Pit
Within unstable area	No		
Within 100 year flood plain	No - FEMA Flood Zone 'X'		

Additional Notes:

STATE AX #1 Below Ground Tank
Siting Criteria and Closure Plan

Well Site Location
Legals: T29N, R09W, Section 32, Quarter Section H
Latitude/Longitude: approximately 36.684257, -107.799005
County: San Juan County, NM
General Description: near the San Juan River

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 near Canon Largo, just south of the San Juan River. The Nacimiento Formation of Tertiary Age is exposed, along with Quaternary alluvial and aeoloian sands within dry washes and arroyos.

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. 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 nearby San Juan River and its tributaries.

The prominent soil type at the proposed site is entisols, which are defined as soils that do not show any profile development. Soils are basically 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 soils that cover the area.

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).

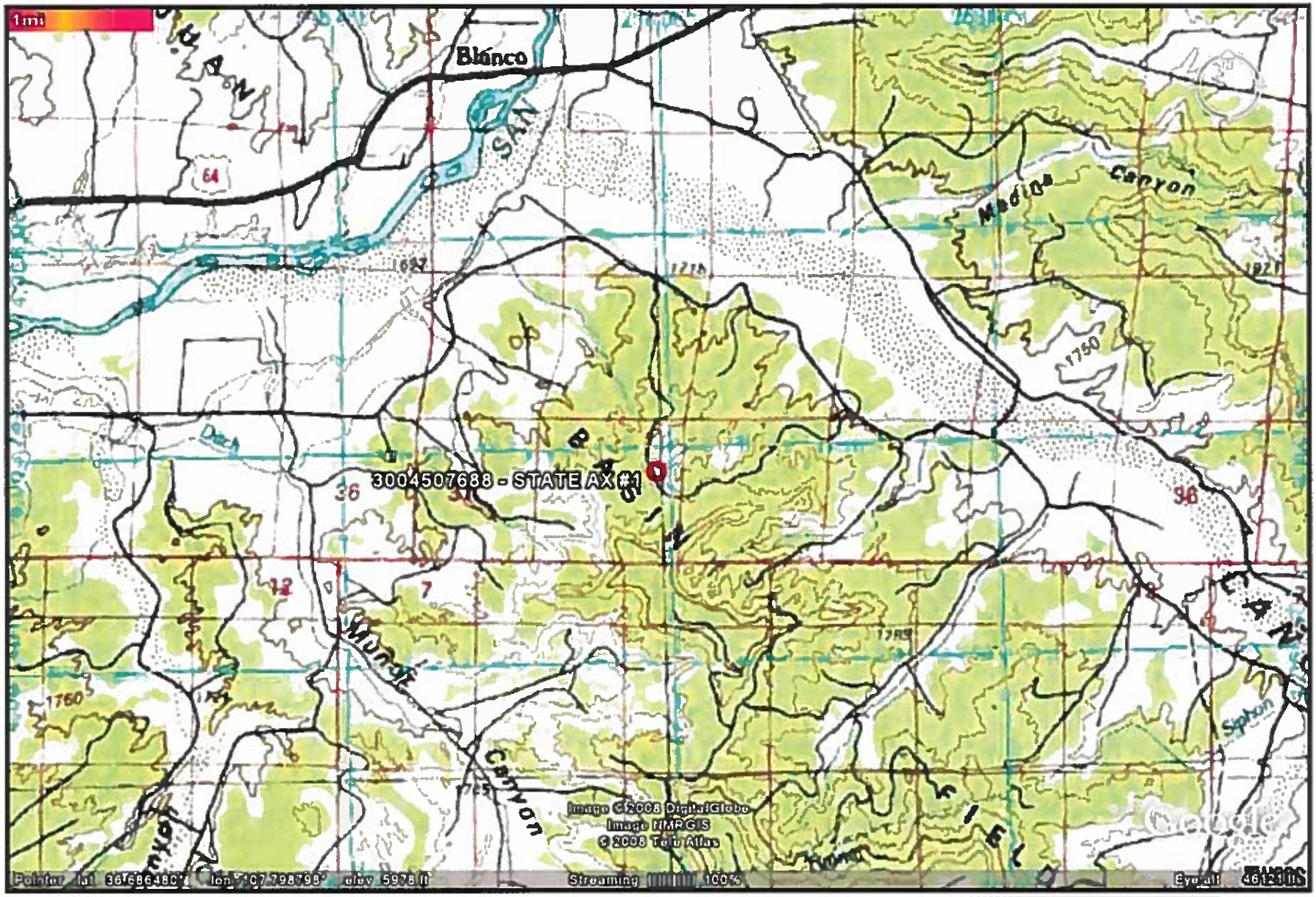
The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

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 Nacimiento Formation, which ranges from 0 to 1000 feet deep in this area, as well as shallow aquifers within Quaternary alluvial deposits (Stone et al., 1983). The 1000-foot depth range for Nacimiento aquifers covers an area over 20 miles wide, and depth decreases towards the margin of the San Juan Basin. The site in question is more centrally located, and depth to the aquifer is expected to be closer to 1000 feet. It is well known that groundwater close to the San Juan River can be shallow, as the Quaternary deposits near the river itself form shallow aquifers. However, the proposed site is situated approximately 2.56 miles to the south of the San Juan River, and is approximately 545 feet higher in elevation (Google Earth).

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 also included. Pinpoints show locations of wells and the labels for each pinpoint indicate depth to groundwater in feet. Depth to groundwater within the nearby wells ranges from 4 feet to 450 feet below ground surface. The closest well to the proposed site is located approximately 2.09 miles to the northwest, and is approximately 525 feet lower in topographic elevation (Google Earth). Depth to groundwater within the well is 12 feet below ground surface. A well to the west is approximately 465 feet lower in elevation then the proposed site, and has a depth to groundwater of 38 feet below ground surface.



Lodestar Services, Inc PO Box 4465 Durango, CO 81302	STATE AX #1 T29N, R09W, S32H San Juan County, NM	Topographic Map

Lodestar Services, Inc PO Box 4465 Durango, CO 81302	STATE AX #1 T29N, R09W, S32H San Juan County, NM	iWaters Groundwater Data Map

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 29N Range: 09W Sections: 3,4,5,6,7,8,9,10

WATER COLUMN REPORT 10/24/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water Column (in feet)
SJ 02369 CLW	29N	09W	03	1	2	4				13	10	3
SJ 02376	29N	09W	03	1	2	4				13	10	3
SJ 02369	29N	09W	03	1	2	4				23		
SJ 02103	29N	09W	03	1	3					21	4	17
SJ 01494	29N	09W	03	2	2					12	5	7
SJ 03300	29N	09W	03	2	2	2				21	4	17
SJ 03362 POD2	29N	09W	03	2	2	4				21	6	15
SJ 03362	29N	09W	03	2	2	4				38	12	26
SJ 02567	29N	09W	03	2	4	1				14	2	12
SJ 03200	29N	09W	03	3	1	1				28	13	15
SJ 02946	29N	09W	03	4	2	1				95	40	55
SJ 03490	29N	09W	04	1	1	3				42	20	22
SJ 03491	29N	09W	04	1	1	3				70		
SJ 03566	29N	09W	04	1	3	4				30		
SJ 03531	29N	09W	04	1	4	1				30		
SJ 03530	29N	09W	04	1	4	1				30		
SJ 03466	29N	09W	04	2	1	3				40		
SJ 02554	29N	09W	04	2	1	4				13	5	8
SJ 03118	29N	09W	05	2	2	3				280		
SJ 03092	29N	09W	05	4	1	1				40	16	24
SJ 03182	29N	09W	05	4	1	1				42	18	24
SJ 03599	29N	09W	05	4	1	1				42	20	22
SJ 00584	29N	09W	06	3	4					143	40	103
SJ 00785	29N	09W	07	3	4	2				60		
SJ 03389	29N	09W	07	4	4	2				20		
SJ 03536	29N	09W	07	4	4	2				19	6	13
SJ 01176	29N	09W	08	1	1					150	70	80

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 29N Range: 10W Sections:

WATER COLUMN REPORT 10/27/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water Column (in feet)
RG 36732 DCL	29N	10W	25	2						500	450	50
SJ 00785 S	29N	10W	04	2	4	2				20		
SJ 00680	29N	10W	13	2	2					40	10	30
SJ 00785 NEW	29N	10W	13	4						60	20	40
SJ 00785 S-2	29N	10W	13	4						60	20	40
SJ 03023	29N	10W	18	1	3	1				90	65	25
SJ 03502	29N	10W	18	1	3	1				150		
SJ 03081	29N	10W	18	3	1	4				20		
SJ 02078	29N	10W	19	3	1	1				40	9	31
SJ 00303	29N	10W	19	3	3					20	5	15
SJ 02860	29N	10W	19	4	4	4				21	2	19
SJ 02900	29N	10W	20	3	1	2				70		
SJ 01140	29N	10W	20	3	2	2				25	6	19
SJ 01990	29N	10W	20	4	1					40	12	28
SJ 02548	29N	10W	20	4	4					12	2	10
SJ 02547	29N	10W	20	4	4					12	2	10
SJ 03535	29N	10W	21	3	2	3				15		
SJ 03455	29N	10W	21	3	3	1				20	17	3
SJ 03456	29N	10W	21	3	3	2				20	17	3
SJ 03441	29N	10W	21	4	3	3				40	30	10
SJ 03470	29N	10W	21	4	3	4				20	7	13
SJ 01474	29N	10W	21	4	4					25		
SJ 03180	29N	10W	21	4	4	4				50	15	35
SJ 03713 POD1	29N	10W	22	2	3					265	20	245
SJ 02820	29N	10W	23	4	1	1				82	16	66
SJ 02896	29N	10W	24	1	4	1				110	34	76
SJ 02275	29N	10W	24	1	4	2				40	20	20

SJ 00092	29N	10W	24	2	4	2				33		
SJ 02802	29N	10W	24	3	1	2				132	30	102
SJ 02907	29N	10W	24	3	2	3				60		
SJ 02122	29N	10W	25	4	1					60	12	48
SJ 01019	29N	10W	26	4	3	3				50	4	46
SJ 01056	29N	10W	27	3	2					50	31	19
SJ 02216	29N	10W	28	1	2					30	7	23
SJ 03582	29N	10W	28	1	3	3				10	4	6
SJ 02151	29N	10W	28	2	1	2	W	484600	2075600	37	20	17
SJ 03652	29N	10W	28	2	2	1				34	6	28
SJ 03142	29N	10W	28	2	2	2				38	22	16
SJ 03637	29N	10W	28	2	3	1				21	10	11
SJ 03582 POD2	29N	10W	28	2	3	3				28	5	23
SJ 02840	29N	10W	28	3	4	1				55	32	23
SJ 00506	29N	10W	28	4	3					78	55	23
SJ 00662	29N	10W	28	4	4	3				93	70	23
SJ 00497	29N	10W	29	3	2	3				85	35	50
SJ 03777 POD1	29N	10W	29	4	4	2		270344	2071311	100	50	50
SJ 00473	29N	10W	30	2	4					58	10	48
SJ 03743 POD1	29N	10W	33	4	4	3				490	140	350
SJ 01051	29N	10W	35	2	2	2				90	30	60
SJ 01050	29N	10W	36	1	4					85	38	47

New Mexico Office of the State Engineer
POD Reports and Downloads

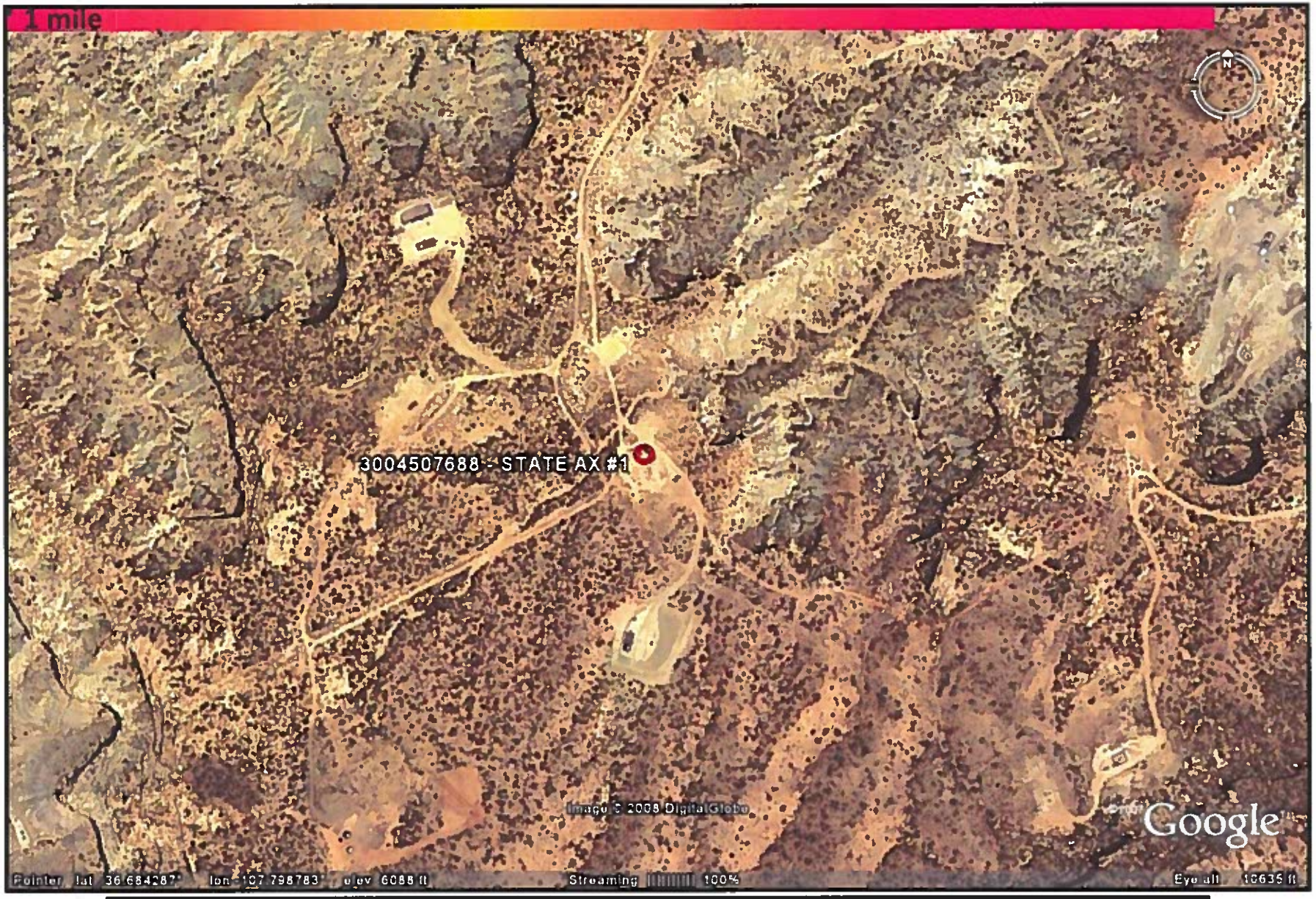
Township: 29N Range: 09W Sections: 3,4,5,6,7,8,9,10

WATER COLUMN REPORT 10/24/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

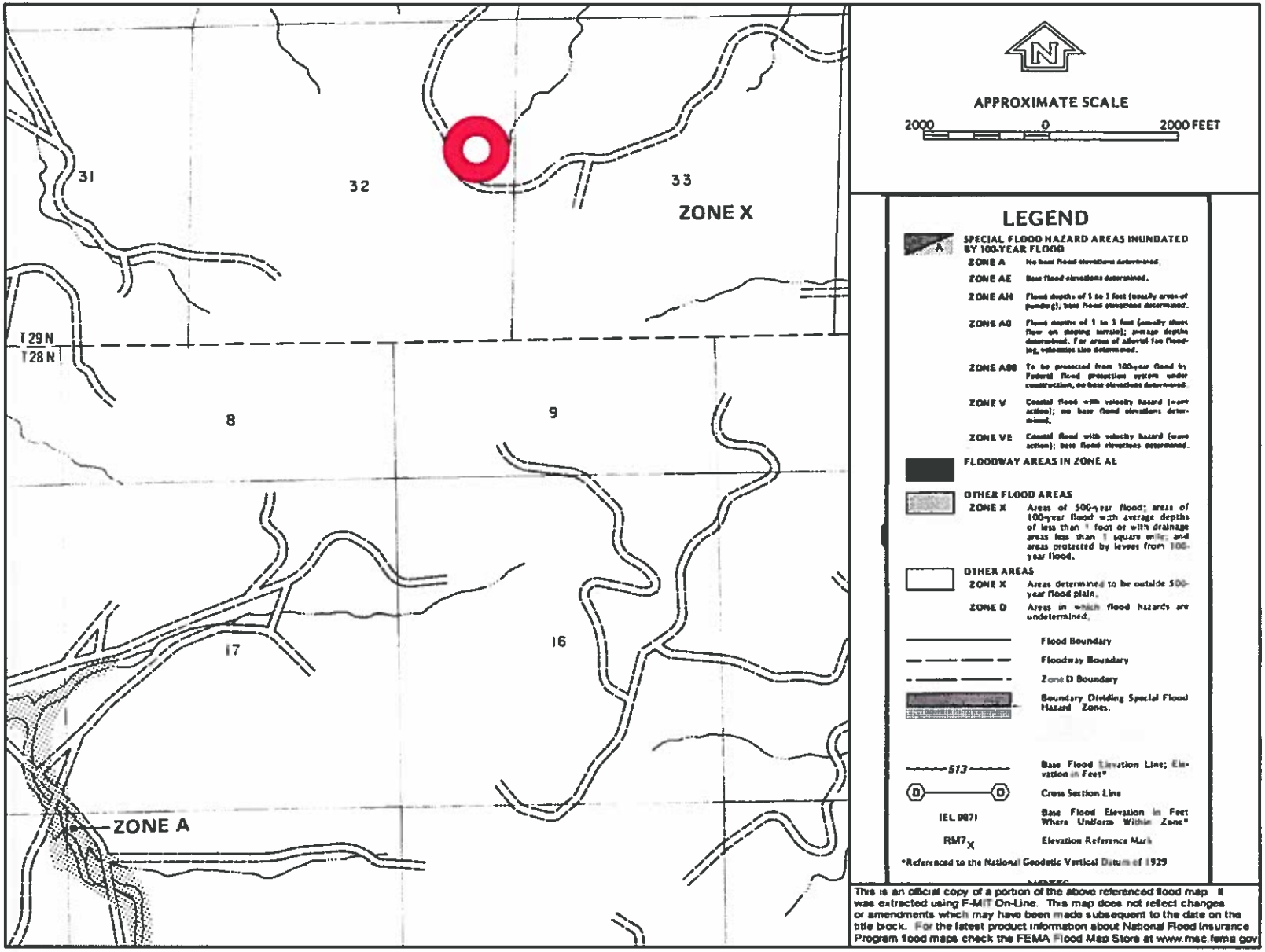
POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Depth Well	Depth Water	Water Column (in feet)
SJ 02369 CLW	29N	09W	03	1	2	4				13	10	3
SJ 02376	29N	09W	03	1	2	4				13	10	3
SJ 02369	29N	09W	03	1	2	4				23		
SJ 02103	29N	09W	03	1	3					21	4	17
SJ 01494	29N	09W	03	2	2					12	5	7
SJ 03300	29N	09W	03	2	2	2				21	4	17
SJ 03362 POD2	29N	09W	03	2	2	4				21	6	15
SJ 03362	29N	09W	03	2	2	4				38	12	26
SJ 02567	29N	09W	03	2	4	1				14	2	12
SJ 03200	29N	09W	03	3	1	1				28	13	15
SJ 02946	29N	09W	03	4	2	1				95	40	55
SJ 03490	29N	09W	04	1	1	3				42	20	22
SJ 03491	29N	09W	04	1	1	3				70		
SJ 03566	29N	09W	04	1	3	4				30		
SJ 03531	29N	09W	04	1	4	1				30		
SJ 03530	29N	09W	04	1	4	1				30		
SJ 03466	29N	09W	04	2	1	3				40		
SJ 02554	29N	09W	04	2	1	4				13	5	8
SJ 03118	29N	09W	05	2	2	3				250		
SJ 03092	29N	09W	05	4	1	1				40	16	24
SJ 03182	29N	09W	05	4	1	1				42	18	24
SJ 03599	29N	09W	05	4	1	1				42	20	22
SJ 00584	29N	09W	06	3	4					143	40	103
SJ 00785	29N	09W	07	3	4	2				60		
SJ 03389	29N	09W	07	4	4	2				20		
SJ 03536	29N	09W	07	4	4	2				19	6	13
SJ 01176	29N	09W	08	1	1					150	70	80

SJ 02822	29N	09W	08	1	1	3	100	
SJ 00436	29N	09W	08	1	3		150	100	50
SJ 03534	29N	09W	08	3	1	3	41	24	17
SJ 02279	29N	09W	09	1	1	4	30	6	24
SJ 00102	29N	09W	09	1	2	1	20	5	15



Lodestar Services, Inc PO Box 4465 Durango, CO 81302	STATE AX #1 T29N, R09W, S32H San Juan County, NM	Aerial Photograph

Lodestar Services, Inc PO Box 4465 Durango, CO 81302	STATE AX #1 T29N, R09W, S32H San Juan County, NM	Mines, Mills, and Quarries Map



Lodestar Services, Inc PO Box 4465 Durango, CO 81302	STATE AX #1 T29N, R09W, S32H San Juan County, NM	FEMA Flood Zone Map

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

In accordance with Rule 19.15.17.11 NMAC the following information describes the design and construction of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

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.

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).

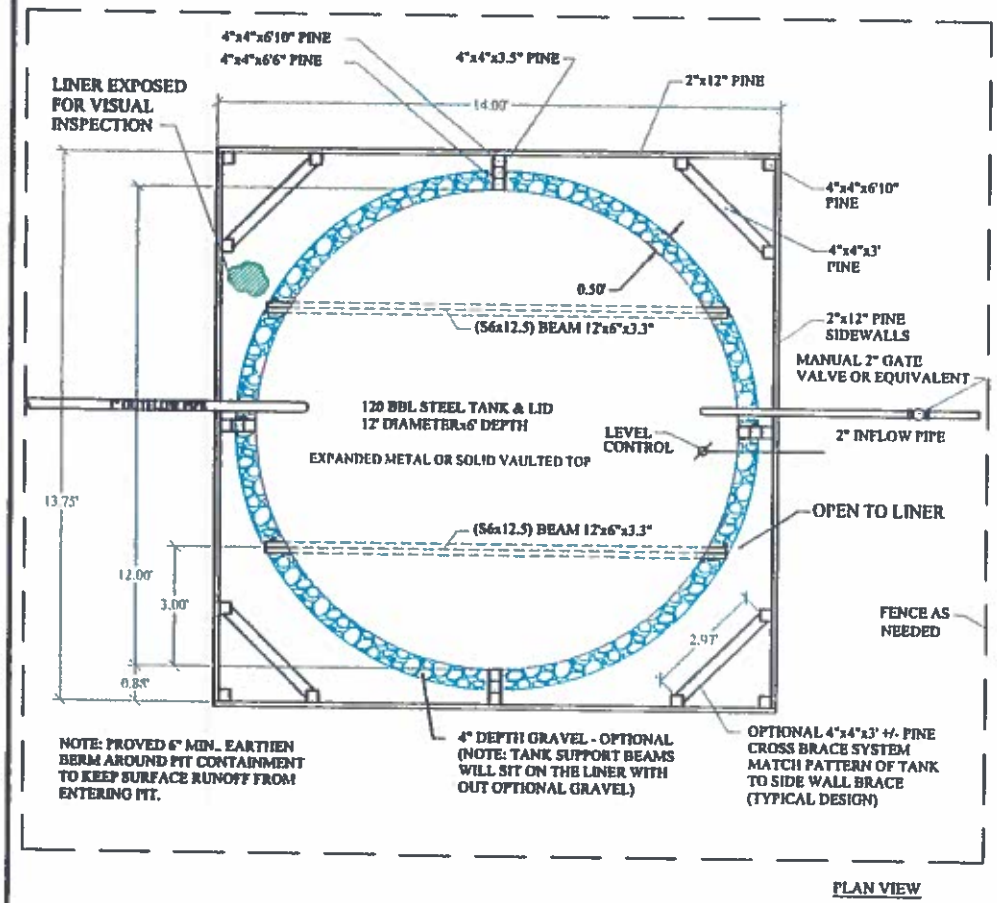
8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

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).

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.



PLAN VIEW

DESIGN INFORMATION

- THE TANK WILL HAVE AN EXPANDED METAL OR SOLID VAULTED TOP WITH VENT PER XTO SITE SPECIFIC DESIGN REQUIREMENTS, BUILT BY TANK SUPPLIER.
- GEOMEMBRANE LINER WILL COMPLY WITH SUBPARAGRAPH (a) OF PARAGRAPH (4) OF SUBSECTION I OF 19.15.17.11 NMAC.
- BASE WILL BE LEVEL AND FREE OF ROCKS, DEBRIS, SHARP EDGES, OR IRREGULARITIES PRIOR TO SAND PLACEMENT.
- THE LEVEL INDICATOR WILL HAVE AN AUTOMATIC SHUT OFF CONTROL FOR THE INLET PIPE AT 28" BELOW TOP OF TANK.

WOOD PARTS LIST FOR SIDEWALLS

- 16 EA 2"x12"x14'
- 16 EA 2"x12"x13' 9"
- 8 EA 4"x4"x6'10"
- 4 EA 4"x4"x6'6"
- 16 EA 4"x4"x3.5"

OPTIONAL CROSS BRACES

- 8 EA 4"x4"x6'10"
- 16 EA 4"x4"x3' +/-

LINER

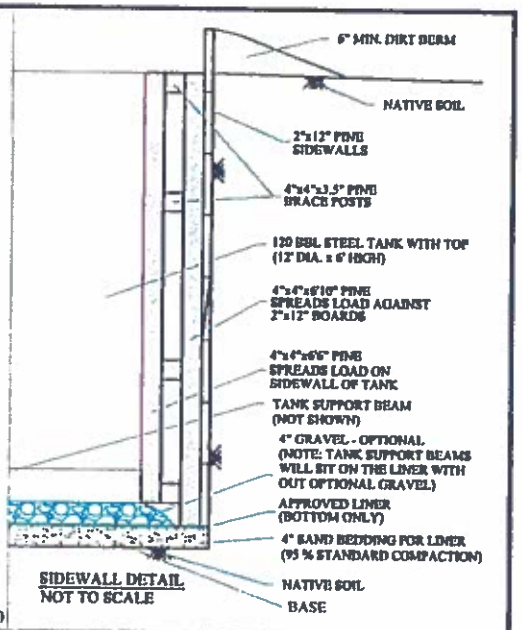
- BOTTOM 13' 6"x13' 6"

TANK A36 CARBON STEEL

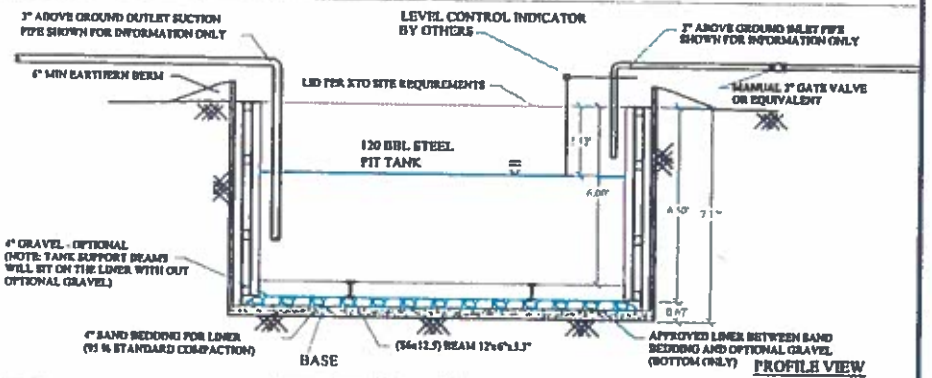
- ¼" SIDES
- ½" BOTTOM

6" PEDESTAL

- 2 EA (S6x12.5) BEAM 12'x6"x3.3" (MORE MAY BE NEEDED IF REQUIRED IN THE FIELD)



SIDEWALL DETAIL
NOT TO SCALE



PROFILE VIEW

NOTE

DRAFTED PER XTO DESIGN.

HIGH LEVEL SHUT OFF WILL BE SET AT 28" BENEATH TOP OF TANK (AT 73.95 BBL @ SHUT OFF).

OUTER EDGE OF LINER WILL BE LEFT OPEN AND UNOBSTRUCTED TO ALLOW FOR VISUAL INSPECTION OF LINER FOR EVIDENCE OF SPILLS.

ADJUST DIMENSIONS AS NEED TO FIELD FIT TANK IF DIFFERENT THAN SHOWN, IF REQUIRED.

OWNER / OPERATOR:
XTO ENERGY

XTO ENERGY

TYPICAL DESIGN
120 BBL PIT TANK
CONTAINMENT

		SCALE: AS SHOWN	

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.

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.

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.

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,

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.

MONTHLY BELOW GRADE TANK INSPECTION FORM

Well Name: _____ API No.: _____

Legals Sec: _____ Township: _____ Range: _____

XTO Inspector's Name	Inspection Date	Inspection Time	Any visible liner tears (Y/N)	Any visible signs of tank overflows (Y/N)	Collection of surface run on (Y/N)	Visible layer of oil (Y/N)	Any visible signs of a tank leak (Y/N)	Freeboard Est. (ft)

Notes: Provide Detailed Description: _____

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

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.

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.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 94159

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 94159
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Facility and Ground Water *Please answer as many of these questions as possible in this group. More information will help us identify the appropriate associations in the system.*	
Facility or Site Name	STATE AX 1
Facility ID (f#), if known	*Not answered.*
Facility Type	Below Grade Tank - (BGT)
Well Name, include well number	STATE AX 1
Well API, if associated with a well	30-045-07688
Pit / Tank Type	*Not answered.*
Pit / Tank Name or Identifier	*Not answered.*
Pit / Tank Opened Date, if known	*Not answered.*
Pit / Tank Dimensions, Length (ft)	*Not answered.*
Pit / Tank Dimensions, Width or Diameter (ft)	*Not answered.*
Pit / Tank Dimensions, Depth (ft)	*Not answered.*
Ground Water Depth (ft)	*Not answered.*
Ground Water Impact	No
Ground Water Quality (TDS)	*Not answered.*

Below-Grade Tank *Subsection I of 19.15.17.11 NMAC*	
Volume / Capacity (bbls)	120
Type of Fluid	Produced Water
Pit / Tank Construction Material	Steel
Secondary containment with leak detection	*Not answered.*
Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	*Not answered.*
Visible sidewalls and liner	*Not answered.*
Visible sidewalls only	*Not answered.*
Tank installed prior to June 18. 2008	True
Other, Visible Notation. Please specify	*Not answered.*
Liner Thickness (mil)	*Not answered.*
HDPE (Liner Type)	*Not answered.*
PVC (Liner Type)	*Not answered.*
Other, Liner Type. Please specify (Variance Required)	*Not answered.*

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QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 94159
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

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)*	*Not answered.*
Four foot height, four strands of barbed wire evenly spaced between one and four feet	*Not answered.*
Alternate, Fencing. Please specify (Variance Required)	4' steel mesh

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

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

Variances and Exceptions	
Justifications and/or demonstrations ofequivalency are required. Please refer to 19.15.17 NMAC for guidance. ***Please check a box if one or more of the following is requested, if not leave blank:***	
Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.	*Not answered.*
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	*Not answered.*

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QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 94159
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Siting Criteria (regarding permitting)

19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

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

Siting Criteria, Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark)	No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption	No

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

Operator Application Certification	
Registered / Signature Date	11/25/2008

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ACKNOWLEDGMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 94159
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

ACKNOWLEDGMENTS

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

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CONDITIONS

Action 94159

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 94159
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	6/29/2022

ENSOLUM

APPENDIX B

Laboratory Analytical Report – BGT Removal

eurofins | Environment Testing

ANALYTICAL REPORT

PREPARED FOR

Attn: Mitch Killough
Hilcorp Energy
PO BOX 4700
Farmington, New Mexico 87499

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JOB DESCRIPTION

State AX 1

JOB NUMBER

885-29675-1

Eurofins Albuquerque
4901 Hawkins NE
Albuquerque NM 87109

See page two for job notes and contact information.

Eurofins Albuquerque

Job Notes

The test results in this report relate only to the samples as received by the laboratory and will meet all requirements of the methodology, with any exceptions noted. This report shall not be reproduced except in full, without the express written approval of the laboratory. All questions should be directed to the Eurofins Environment Testing South Central, LLC Project Manager.

Authorization

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Authorized for release by
Michelle Garcia, Project Manager
michelle.garcia@et.eurofinsus.com
(505)345-3975

Client: Hilcorp Energy
Project/Site: State AX 1

Laboratory Job ID: 885-29675-1

Table of Contents

Definitions/Glossary

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Glossary

Abbreviation	These commonly used abbreviations may or may not be present in this report.
☼	Listed under the "D" column to designate that the result is reported on a dry weight basis
%R	Percent Recovery
CFL	Contains Free Liquid
CFU	Colony Forming Unit
CNF	Contains No Free Liquid
DER	Duplicate Error Ratio (normalized absolute difference)
Dil Fac	Dilution Factor
DL	Detection Limit (DoD/DOE)
DL, RA, RE, IN	Indicates a Dilution, Re-analysis, Re-extraction, or additional Initial metals/anion analysis of the sample
DLC	Decision Level Concentration (Radiochemistry)
EDL	Estimated Detection Limit (Dioxin)
LOD	Limit of Detection (DoD/DOE)
LOQ	Limit of Quantitation (DoD/DOE)
MCL	EPA recommended "Maximum Contaminant Level"
MDA	Minimum Detectable Activity (Radiochemistry)
MDC	Minimum Detectable Concentration (Radiochemistry)
MDL	Method Detection Limit
ML	Minimum Level (Dioxin)
MPN	Most Probable Number
MQL	Method Quantitation Limit
NC	Not Calculated
ND	Not Detected at the reporting limit (or MDL or EDL if shown)
NEG	Negative / Absent
POS	Positive / Present
PQL	Practical Quantitation Limit
PRES	Presumptive
QC	Quality Control
RER	Relative Error Ratio (Radiochemistry)
RL	Reporting Limit or Requested Limit (Radiochemistry)
RPD	Relative Percent Difference, a measure of the relative difference between two points
TEF	Toxicity Equivalent Factor (Dioxin)
TEQ	Toxicity Equivalent Quotient (Dioxin)
TNTC	Too Numerous To Count

Case Narrative

Client: Hilcorp Energy
Project: State AX 1

Job ID: 885-29675-1

Job ID: 885-29675-1 Eurofins Albuquerque

Job Narrative
885-29675-1

The analytical test results presented in this report meet all requirements of the associated regulatory program listed on the Accreditation/Certification Summary Page, unless otherwise noted. Data qualifiers and/or narrative comments are included to explain any exceptions, if applicable. Regulated compliance samples (e.g. SDWA, NPDES) must comply with associated agency requirements/permits.

- Matrix-specific batch QC (e.g., MS, MSD, SD) may not be reported when insufficient sample volume is available or when site-specific QC samples are not submitted. In such cases, a Laboratory Control Sample Duplicate (LCSD) may be analyzed to provide precision data for the batch.
- For samples analyzed using surrogate and/or isotope dilution analytes, any recoveries falling outside of established acceptance criteria are re-prepared and/or re-analyzed to confirm results, unless the deviation is due to sample dilution or otherwise explained in the case narrative.

Receipt
The sample was received on 7/26/2025 7:30 AM. Unless otherwise noted below, the sample arrived in good condition, and, where required, properly preserved and on ice. The temperature of the cooler at receipt time was 2.5°C.

Gasoline Range Organics
No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

GC VOA
No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

Diesel Range Organics
No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

HPLC/IC
No additional analytical or quality issues were noted, other than those described above or in the Definitions/ Glossary page.

Client Sample Results

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Client Sample ID: Bottom Comp

Lab Sample ID: 885-29675-1

Date Collected: 07/25/25 09:50
Matrix: Solid
Date Received: 07/26/25 07:30

Method: SW846 8015M/D - Gasoline Range Organics (GRO) (GC)

Analyte	Result	Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Gasoline Range Organics [C6 - C10]	ND		4.9		mg/Kg		07/28/25 11:49	07/31/25 08:14	1

Surrogate	*%Recovery*	*Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
4-Bromofluorobenzene (Surr)	*98*		*15 - 150*	*07/28/25 11:49*	*07/31/25 08:14*	*1*

Method: SW846 8021B - Volatile Organic Compounds (GC)

Analyte	Result	Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Benzene	ND		0.024		mg/Kg		07/28/25 11:49	07/31/25 08:14	1
Ethylbenzene	ND		0.049		mg/Kg		07/28/25 11:49	07/31/25 08:14	1
Toluene	ND		0.049		mg/Kg		07/28/25 11:49	07/31/25 08:14	1
Xylenes, Total	ND		0.098		mg/Kg		07/28/25 11:49	07/31/25 08:14	1

Surrogate	*%Recovery*	*Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
4-Bromofluorobenzene (Surr)	*92*		*15 - 150*	*07/28/25 11:49*	*07/31/25 08:14*	*1*

Method: SW846 8015M/D - Diesel Range Organics (DRO) (GC)

Analyte	Result	Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Diesel Range Organics [C10-C28]	ND		9.2		mg/Kg		07/30/25 11:43	07/30/25 23:42	1
Motor Oil Range Organics [C28-C40]	ND		46		mg/Kg		07/30/25 11:43	07/30/25 23:42	1

Surrogate	*%Recovery*	*Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
Di-n-octyl phthalate (Surr)	*97*		*62 - 134*	*07/30/25 11:43*	*07/30/25 23:42*	*1*

Method: EPA 300.0 - Anions, Ion Chromatography

Analyte	Result	Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Chloride	ND		60		mg/Kg		07/29/25 07:01	07/29/25 14:05	20

QC Sample Results

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Method: 8015M/D - Gasoline Range Organics (GRO) (GC)

Lab Sample ID: MB 885-31016/1-A
Matrix: Solid
Analysis Batch: 31240

Client Sample ID: Method Blank
Prep Type: Total/NA
Prep Batch: 31016

Analyte	MB Result	MB Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Gasoline Range Organics [C6 - C10]	ND		5.0		mg/Kg		07/28/25 11:49	07/30/25 22:46	1

Surrogate	*MB %Recovery*	*MB Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
4-Bromofluorobenzene (Surr)	*95*		*15 - 150*	*07/28/25 11:49*	*07/30/25 22:46*	*1*

Lab Sample ID: LCS 885-31016/2-A
Matrix: Solid
Analysis Batch: 31240

Client Sample ID: Lab Control Sample
Prep Type: Total/NA
Prep Batch: 31016

Analyte			Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits		
Gasoline Range Organics [C6 - C10]			25.0	27.3		mg/Kg		109	70 - 130		

Surrogate	*LCS %Recovery*	*LCS Qualifier*	*Limits*
4-Bromofluorobenzene (Surr)	*203*		*15 - 150*

Method: 8021B - Volatile Organic Compounds (GC)

Lab Sample ID: MB 885-31016/1-A
Matrix: Solid
Analysis Batch: 31241

Client Sample ID: Method Blank
Prep Type: Total/NA
Prep Batch: 31016

Analyte	MB Result	MB Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Benzene	ND		0.025		mg/Kg		07/28/25 11:49	07/30/25 22:46	1
Ethylbenzene	ND		0.050		mg/Kg		07/28/25 11:49	07/30/25 22:46	1
Toluene	ND		0.050		mg/Kg		07/28/25 11:49	07/30/25 22:46	1
Xylenes, Total	ND		0.10		mg/Kg		07/28/25 11:49	07/30/25 22:46	1

Surrogate	*MB %Recovery*	*MB Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
4-Bromofluorobenzene (Surr)	*90*		*15 - 150*	*07/28/25 11:49*	*07/30/25 22:46*	*1*

Lab Sample ID: LCS 885-31016/3-A
Matrix: Solid
Analysis Batch: 31241

Client Sample ID: Lab Control Sample
Prep Type: Total/NA
Prep Batch: 31016

Analyte			Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits		
Benzene			1.00	0.881		mg/Kg		88	70 - 130		
Ethylbenzene			1.00	0.912		mg/Kg		91	70 - 130		
m&p-Xylene			2.00	1.92		mg/Kg		96	70 - 130		
o-Xylene			1.00	0.922		mg/Kg		92	70 - 130		
Toluene			1.00	0.896		mg/Kg		90	70 - 130		
Xylenes, Total			3.00	2.84		mg/Kg		95	70 - 130		

Surrogate	*LCS %Recovery*	*LCS Qualifier*	*Limits*
4-Bromofluorobenzene (Surr)	*95*		*15 - 150*

QC Sample Results

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Method: 8015M/D - Diesel Range Organics (DRO) (GC)

Lab Sample ID: MB 885-31207/1-A
Matrix: Solid
Analysis Batch: 31188

Client Sample ID: Method Blank
Prep Type: Total/NA
Prep Batch: 31207

Analyte	MB Result	MB Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Diesel Range Organics [C10-C28]	ND		10		mg/Kg		07/30/25 11:43	07/30/25 18:21	1
Motor Oil Range Organics [C28-C40]	ND		50		mg/Kg		07/30/25 11:43	07/30/25 18:21	1

Surrogate	*MB %Recovery*	*MB Qualifier*	*Limits*	*Prepared*	*Analyzed*	*Dil Fac*
Di-n-octyl phthalate (Surr)	*95*		*62 - 134*	*07/30/25 11:43*	*07/30/25 18:21*	*1*

Lab Sample ID: LCS 885-31207/2-A
Matrix: Solid
Analysis Batch: 31188

Client Sample ID: Lab Control Sample
Prep Type: Total/NA
Prep Batch: 31207

Analyte			Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits		
Diesel Range Organics [C10-C28]			50.0	47.3		mg/Kg		95	51 - 148		

Surrogate	*LCS %Recovery*	*LCS Qualifier*	*Limits*
Di-n-octyl phthalate (Surr)	*95*		*62 - 134*

Method: 300.0 - Anions, Ion Chromatography

Lab Sample ID: MB 885-31059/1-A
Matrix: Solid
Analysis Batch: 31118

Client Sample ID: Method Blank
Prep Type: Total/NA
Prep Batch: 31059

Analyte	MB Result	MB Qualifier	RL		Unit	D	Prepared	Analyzed	Dil Fac
Chloride	ND		1.5		mg/Kg		07/29/25 07:01	07/29/25 11:18	1

Lab Sample ID: LCS 885-31059/2-A
Matrix: Solid
Analysis Batch: 31118

Client Sample ID: Lab Control Sample
Prep Type: Total/NA
Prep Batch: 31059

Analyte			Spike Added	LCS Result	LCS Qualifier	Unit	D	%Rec	%Rec Limits		
Chloride			15.0	14.7		mg/Kg		98	90 - 110		

QC Association Summary

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

GC VOA

Prep Batch: 31016

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	5030C	
MB 885-31016/1-A	Method Blank	Total/NA	Solid	5030C	
LCS 885-31016/2-A	Lab Control Sample	Total/NA	Solid	5030C	
LCS 885-31016/3-A	Lab Control Sample	Total/NA	Solid	5030C	

Analysis Batch: 31240

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	8015M/D	31016
MB 885-31016/1-A	Method Blank	Total/NA	Solid	8015M/D	31016
LCS 885-31016/2-A	Lab Control Sample	Total/NA	Solid	8015M/D	31016

Analysis Batch: 31241

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	8021B	31016
MB 885-31016/1-A	Method Blank	Total/NA	Solid	8021B	31016
LCS 885-31016/3-A	Lab Control Sample	Total/NA	Solid	8021B	31016

GC Semi VOA

Analysis Batch: 31188

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	8015M/D	31207
MB 885-31207/1-A	Method Blank	Total/NA	Solid	8015M/D	31207
LCS 885-31207/2-A	Lab Control Sample	Total/NA	Solid	8015M/D	31207

Prep Batch: 31207

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	SHAKE	
MB 885-31207/1-A	Method Blank	Total/NA	Solid	SHAKE	
LCS 885-31207/2-A	Lab Control Sample	Total/NA	Solid	SHAKE	

HPLC/IC

Prep Batch: 31059

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	300_Prep	
MB 885-31059/1-A	Method Blank	Total/NA	Solid	300_Prep	
LCS 885-31059/2-A	Lab Control Sample	Total/NA	Solid	300_Prep	

Analysis Batch: 31118

Lab Sample ID	Client Sample ID	Prep Type	Matrix	Method	Prep Batch
885-29675-1	Bottom Comp	Total/NA	Solid	300.0	31059
MB 885-31059/1-A	Method Blank	Total/NA	Solid	300.0	31059
LCS 885-31059/2-A	Lab Control Sample	Total/NA	Solid	300.0	31059

Lab Chronicle

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Client Sample ID: Bottom Comp

Lab Sample ID: 885-29675-1

Date Collected: 07/25/25 09:50

Matrix: Solid

Date Received: 07/26/25 07:30

Prep Type	Batch Type	Batch Method	Run	Dilution Factor	Batch Number	Analyst	Lab	Prepared or Analyzed
Total/NA	Prep	5030C			31016	KLS	EET ALB	07/28/25 11:49
Total/NA	Analysis	8015M/D		1	31240	AT	EET ALB	07/31/25 08:14
Total/NA	Prep	5030C			31016	KLS	EET ALB	07/28/25 11:49
Total/NA	Analysis	8021B		1	31241	AT	EET ALB	07/31/25 08:14
Total/NA	Prep	SHAKE			31207	JM	EET ALB	07/30/25 11:43
Total/NA	Analysis	8015M/D		1	31188	EM	EET ALB	07/30/25 23:42
Total/NA	Prep	300_Prep			31059	MA	EET ALB	07/29/25 07:01
Total/NA	Analysis	300.0		20	31118	MA	EET ALB	07/29/25 14:05

Laboratory References:

EET ALB = Eurofins Albuquerque, 4901 Hawkins NE, Albuquerque, NM 87109, TEL (505)345-3975

Accreditation/Certification Summary

Client: Hilcorp Energy
Project/Site: State AX 1

Job ID: 885-29675-1

Laboratory: Eurofins Albuquerque

Unless otherwise noted, all analytes for this laboratory were covered under each accreditation/certification below.

Authority	Program	Identification Number	Expiration Date
New Mexico	State	NM9425, NM0901	02-27-26

The following analytes are included in this report, but the laboratory is not certified by the governing authority. This list may include analytes for which the agency does not offer certification.

Analysis Method	Prep Method	Matrix	Analyte
300.0	300_Prep	Solid	Chloride
8015M/D	5030C	Solid	Gasoline Range Organics [C6 - C10]
8015M/D	SHAKE	Solid	Diesel Range Organics [C10-C28]
8015M/D	SHAKE	Solid	Motor Oil Range Organics [C28-C40]
8021B	5030C	Solid	Benzene
8021B	5030C	Solid	Ethylbenzene
8021B	5030C	Solid	Toluene
8021B	5030C	Solid	Xylenes, Total

Oregon	NELAP	NM100001	02-26-26

Chain-of-Custody Record

Client: Hilcorp

Mailing Address:

Phone #:

email or Fax#: brandon.sinclair@hilcorp.com

QA/QC Package:
☐ Standard ☐ Level 4 (Full Validation)

Accreditation: ☐ Az Compliance
☐ NELAC ☐ Other

☐ EDD (Type)

Turn-Around Time:
☑ Standard ☐ Rush

Project Name: State AX 1

Project #:

Project Manager: Mitch Killough

Sampler: Brandon Sinclair

On Ice: ☑ Yes ☐ No chucky

# of Coolers: 1

Cooler Temp (including CF): 2.3+0.2=2.5 (°C)

HALL ENVIRONMENTAL ANALYSIS LABOR
www.hallenvironmental.com
4901 Hawkins NE - Albuquerque, NM 87109
Tel. 505-345-3975 Fax 505-345-4107

885-29675 COC

Analysis Request

Date	Time	Matrix	Sample Name	Container Type and #	Preservative Type	HEAL No.	BTEX / MTBE / TMBs (8021)	TPH:8015D(GRO / DRO / MRO)	8081 Pesticides/8082 PCB's	EDB (Method 504.1)	PAHs by 8310 or 8270SIMS	RCRA 8 Metals	Cl, F, Br, NO_3, NO_2, PO_4, SO_4	8260 (VOA)	8270 (Semi-VOA)	Total Coliform (Present/Absent)
7-25	950	soil	Bottom Comp	4 oz jar	cool		✓	✓					✓			

Date	Time	Relinquished by	Received by	Via	Date	Time
7/25/25	1551				7/25/25	1551
7/25/25	1730		Received by:	Via courier	Date 7/26/25	Time 7:30

Remarks:

If necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories This serves as notice of this possibility Any sub-contracted data will be clearly notated on the analytical report.

Login Sample Receipt Checklist

Client: Hilcorp Energy Job Number: 885-29675-1

Login Number: 29675 **List Source: Eurofins Albuquerque**
List Number: 1
Creator: Casarrubias, Tracy

Question	Answer	Comment
Radioactivity wasn't checked or is </= background as measured by a survey meter.	N/A	
The cooler's custody seal, if present, is intact.	True	
Sample custody seals, if present, are intact.	True	
The cooler or samples do not appear to have been compromised or tampered with.	True	
Samples were received on ice.	True	
Cooler Temperature is acceptable.	True	
Cooler Temperature is recorded.	True	
COC is present.	True	
COC is filled out in ink and legible.	True	
COC is filled out with all pertinent information.	True	
Is the Field Sampler's name present on COC?	True	
There are no discrepancies between the containers received and the COC.	True	
Samples are received within Holding Time (excluding tests with immediate HTs)	True	
Sample containers have legible labels.	True	
Containers are not broken or leaking.	True	
Sample collection date/times are provided.	True	
Appropriate sample containers are used.	True	
Sample bottles are completely filled.	True	
Sample Preservation Verified.	N/A	
There is sufficient vol. for all requested analyses, incl. any requested MS/MSDs	True	
Containers requiring zero headspace have no headspace or bubble is <6mm (1/4").	True	
Multiphasic samples are not present.	True	
Samples do not require splitting or compositing.	True	
Residual Chlorine Checked.	N/A	

ENSOLUM

APPENDIX C

NMOCD Site Summary

OCD Permitting

30-045-07688 STATE AX #001 [321853]

General Well Information

Operator:	[372171] HILCORP ENERGY COMPANY		
Status:	Plugged, Not Released	**Direction:**	Vertical
Well Type:	Gas	**Multi-Lateral:**	No
Work Type:	New	**Mineral Owner:**	State
		Surface Owner:	State
Surface Location:	H-32-29N-09W 1840 FNL 810 FEL		
Lat/Long:	36.6844597,-107.7987061 NAD83		
GL Elevation:	6082		
KB Elevation:		**Sing/Mult Compl:**	Single
DF Elevation:		**Potash Waiver:**	False

Proposed Formation and/or Notes

AZTEC PICTURED CLIFFS

Depths

Proposed:	2500	**True Vertical Depth:**	2553
Measured Vertical Depth:	2553	**Plugback Measured:**	0

Formation Tops

Formation	Top	Producing	Method Obtained
Kirtland Formation	1470		
Fruitland Formation	2152		
Pictured Cliffs Formation	2446		

Quick Links

- General Well Information
- History
- Comments
- Operator
- Pits
- Casing
- Well Completions
- Financial Assurance
- Compliance
- Natural Gas Venting & Flaring
- Orders
- Production
- Transporters
- Points of Disposition
- Action Status

Associated Images

- Well Files (22)
- Well Logs (3)
- Well Admin Orders

New Searches

- New Facility Search
- New Incident Search
- New Operator Search
- New Pit Search
- New Spill Search
- New Tank Search
- New Well Search

Spud:	06/21/1959	**Gas Capture Plan Received:**	
Approved Temporary Abandonment:		**TA Expiration:**	
Shut In:			
Plug and Abandoned Intent Received:	12/23/2024	**PNR Expiration:**	03/17/2026
		Last MIT/BHT:	03/17/2025
Well Plugged:	03/17/2025		
Site Release:			
Last Inspection:	03/17/2025		

History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
07/12/2018	[321853] STATE AX	#001	[372171] HILCORP ENERGY COMPANY	New	Gas	Plugged, Not Released		
01/01/1998	[22833] STATE AX	#001	[5380] XTO ENERGY, INC	New	Gas	Active		
03/11/1994	[1106] STATE AX	#001	[778] BP AMERICA PRODUCTION COMPANY	New	Gas	Active		
12/20/1977	[1106] STATE AX	#001	[778] BP AMERICA PRODUCTION COMPANY	New	Gas	Active		

Comments

FORCED TO USE 12-20-1977 BOND DATE FOR AMOCO. CORRECT APRVL/CNCL DATE IS 06-18-1959.

Added on 03/11/1994 by Mary Ellen Villanueva

Closure Approved:
Closure Denied:

Event Dates

Registered: 12/12/2008 **Approved:** 06/29/2022
Open: **Closed (most recent rig release):**

Notes

Date	Detail
06/29/2022	Legacy BGT. Steel, Visible sidewalls, vaulted, automatic high-level shut off, no liner. Four-foot height, steel mesh field fence. Expanded metal or solid vaulted top.

Casing

	Boreholes, Strings and Equipment Specifications					Specifications for Strings and Tubing			Strings Cemented and Intervals			Cement and Plug Description		
String/Hole Type	Taper	Date Set	Diameter	Top	Bottom (Depth)	Grade	Length	Weight	Bot of Cem	Top of Cem	Meth	Class of Cement	Sacks	Pressure Test (Y/N)
Surface Casing	1		8.625	0	218		0	0.0	218	0	Circ	Unknown	160	No
Production Casing	1		4.500	0	2552		0	0.0	2552	0	Circ	Unknown	400	No
Tubing 1	1	12/22/2010	2.375	0	2527	J-55	0	4.7	0	0			0	No

Well Completions

[71280] AZTEC PICTURED CLIFFS (GAS)

Well Test Data

Production Test:		**Test Length:**	0 hours
Flowing Tubing Pressure:	0 psi	**Flowing Casing Pressure:**	0 psi
Choke Size:	0.000 inches	**Testing Method:**	
Gas Volume:	0.0 MCF	**Oil Volume:**	0.0 bbls
Gas-Oil Ratio:	0 Kcf / bbl	**Oil Gravity:**	0.0 Corr. API
Disposition of Gas:		**Water Volume:**	0.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
	2450	2496	0	0

Notes

Event Dates

Initial Effective/Approval:	01/01/1900		
Most Recent Approval:	03/17/2025	**TA Expiration:**	
Confidential Requested On:		**Confidential Until:**	
Test Allowable Approval:		**Test Allowable End:**	
TD Reached:		**DHC:**	
Deviation Report Received:	No	**Rig Released:**	
Directional Survey Run:	No	**Logs Received:**	Yes
Directional Survey Received:	No	**Closure Pit Plat Received:**	
First Oil Production:	01/01/1900	**First Gas Production:**	01/01/1900
First Injection:			
Ready to Produce:	07/13/1959	**Completion Report Received:**	
C-104 Approval:		**New Well C-104 Approval:**	
Plug Back:			
Authorization Revoked Start:		**Revoked Until:**	

Well Completion History

07/12/2018	[321853] STATE AX	#001	[372171] HILCORP ENERGY COMPANY	Active	
01/01/1998	[22833] STATE AX	#001	[5380] XTO ENERGY, INC	Active	
01/01/1900	[1106] STATE AX	#001	[778] BP AMERICA PRODUCTION COMPANY	Active	

Financial Assurance

Please login to review the financial assurance associated with this well.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

cTV2327056664

Violation Source: Field Inspection
Date of Violation: 09/27/2023
Compliance Required: 12/26/2023 **Resolved:** 11/03/2023

Notes

Staining around compressor area and near day tank. 11/3/2023 Received photos of corrective action, staining has been cleaned up.

Actions/Events

Event Date	Category	Type

Upstream Natural Gas Venting & Flaring

The upstream natural gas venting & flaring volumes are sourced from upstream natural gas waste reports (C-115B) submissions.

Earliest Natural Gas Waste Report in OCD Records: 10/2021 **Last:** 05/2025 Show All Upstream Venting & Flaring

2022	219	0	219		1,651
2023	145	0	145		743
2024	0	0	0		0
2025	12	0	12		0
Grand Total:	416	0	416		2,394

Orders

Please login to review the orders associated with this well.

Production / Injection

The production & injection volumes are sourced from monthly production reports (C-115) submissions.

Earliest Production in OCD Records: 12/1992 **Last** 3/2025 Show All Production Export to Excel

	Production				Injection				
Time Frame	Oil (BBLS)	Gas (MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2 (MCF)	Gas (MCF)	Other	Pressure
1992 Cumulative	0	536,089	106	99	0	0	0	0	N/A
1993	0	9,964	36	365	0	0	0	0	N/A
1994	0	11,487	104	365	0	0	0	0	N/A
1995	0	10,214	0	359	0	0	0	0	N/A
1996	0	11,143	0	356	0	0	0	0	N/A
1997	0	8,576	80	365	0	0	0	0	N/A
1998	0	6,691	0	365	0	0	0	0	N/A

2000	0	8,319	0	358	0	0	0	0	N/A
2001	0	6,873	0	359	0	0	0	0	N/A
2002	0	7,762	0	350	0	0	0	0	N/A
2003	0	7,471	0	358	0	0	0	0	N/A
2004	0	7,281	0	361	0	0	0	0	N/A
2005	0	12,204	0	341	0	0	0	0	N/A
2006	0	12,080	80	350	0	0	0	0	N/A
2007	0	9,569	25	365	0	0	0	0	N/A
2008	0	9,478	80	366	0	0	0	0	N/A
2009	0	9,664	0	365	0	0	0	0	N/A
2010	0	8,869	80	357	0	0	0	0	N/A
2011	0	20,660	80	354	0	0	0	0	N/A
2012	0	13,414	80	366	0	0	0	0	N/A
2013	0	14,289	80	365	0	0	0	0	N/A
2014	0	11,596	90	365	0	0	0	0	N/A
2015	0	10,217	80	365	0	0	0	0	N/A
2016	0	9,727	0	366	0	0	0	0	N/A
2017	0	7,599	0	365	0	0	0	0	N/A
2018	0	8,610	0	339	0	0	0	0	N/A
2019	0	8,438	75	365	0	0	0	0	N/A

2021	0	6,792	0	325	0	0	0	0	N/A
2022	0	5,269	0	338	0	0	0	0	N/A
2023	0	2,300	0	326	0	0	0	0	N/A
2024	0	0	0	0	0	0	0	0	N/A
2025	0	12	0	31	0	0	0	0	N/A
Grand Total:	0	828,336	1,076	11,200	0	0	0	0	N/A

Transporters

Transporter	Product	Most Recent for Property
[151618] ENTERPRISE FIELD SERVICES L.L.C.	Gas	5/2025

Points of Disposition

ID	Type	Description	Pool(s)
158950	Water		[71280] AZTEC PICTURED CLIFFS (GAS)
158930	Gas		[71280] AZTEC PICTURED CLIFFS (GAS)

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APPENDIX D

Photographic Log

ENSOLUM

Photographic Log
Hilcorp Energy Company
State AX #001
30-045-07688

Photograph 1 Date: 08/08/2025
Description: Well Pad Overview and Gravel Pile
View: Northeast

Photograph 2 Date: 08/08/2025
Description: Well Pad and Access Road Overview
View: Southwest

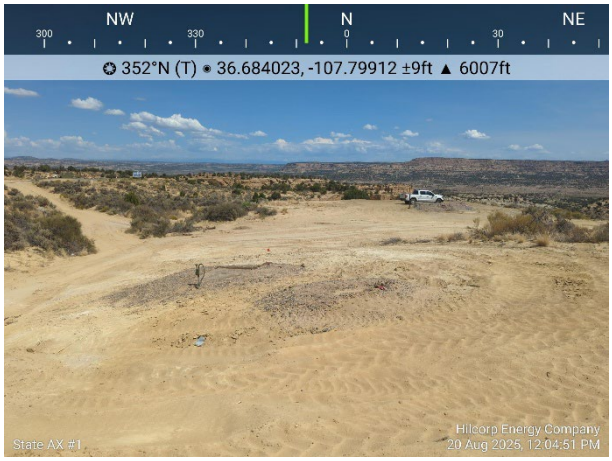
Photograph 3 Date: 08/08/2025
Description: Well Pad and Access Road Overview
View: West

Photograph 4 Date: 08/08/2025
Description: Well Pad Overview
View: Northwest

ENSOLUM

Photographic Log
Hilcorp Energy Company
State AX #001
30-045-07688

Photograph 5 Date: 08/20/2025
Description: Well Pad Overview
View: West-southwest



Photograph 6 Date: 08/20/2025
Description: Meter Run Footprint
View: North

Photograph 7 Date: 08/20/2025
Description: Meter Run Footprint and Gravel
View: West

Photograph 8 Date: 08/20/2025
Description: Area Between Meter Run and Access Road
View: West-southwest

ENSOLUM

APPENDIX E

Site Characterization

SITE CHARACTERIZATION AND CLOSURE CRITERIA

State AX #001 (Site)

The Site was characterized to assess applicability of Table I, Closure Criteria for Soils Impacted by a Release, of Title 19, Chapter 15, Part 29 (19.15.29) of the New Mexico Administrative Code (NMAC). Results from the characterization are are summarized below. Site receptors are identified on Figure 1.

- The closest continuously flowing or significant watercourse is within 300 feet of the Site.
- The Site is greater than 200 feet from a lakebed, sinkhole, or playa lake and greater than 300 feet from an occupied residence, school, hospital, institution, or church.
- The Site is within 300 feet of a wetland, as defined by the United States Fish & Wildlife Service National Wetlands Inventory.
- The Site is greater than 1,000 feet to a freshwater well or spring and is not within a 100-year floodplain or overlying a subsurface mine.
- The Site is located in an area with no potential karst occurrence.
- Depth to groundwater at the Site is estimated to be greater than 100 feet below ground surface (bgs) based on the nearest available groundwater well data (see Figure 1).

Based on the results of the Site Characterization, the following NMOCD Table I Closure Criteria (Closure Criteria) apply:

- Benzene: 10 milligrams per kilogram (mg/kg)
- Benzene, toluene, ethylbenzene, and total xylenes (BTEX): 50 mg/kg
- TPH: 100 mg/kg
- Chloride: 600 mg/kg

A reclamation requirement of 600 mg/kg chloride and 100 mg/kg TPH applies to the top 4 feet of the Site, per 19.15.29.13.D (1) NMAC for the top 4 feet of areas that will be reclaimed.

From: Knight, Tami C. <tknight@nmslo.gov>
Sent: Wednesday, September 24, 2025 3:22 PM
To: Reece Hanson
Cc: Mitch Killough; Stuart Hyde; Biernoff, Ari; Heltman, Elaine G.; Bisbey-Kuehn, Elizabeth A.; Griffin, Becky R.; David, Deon W.
Subject: [EXTERNAL] RE: (Reclamation Plan) Hilcorp Energy Company - State AX #001 (30-045-07688) - Approved with Conditions

RE: API # (PNR)/Hilcorp; State AX #001; E0 6513 0001/Simcoe
Incident #: Not applicable
ROE #: Not applicable
Reclamation Workplan Received: September 4, 2025
Workplan Status: **Approved with Conditions**

Details regarding the workplan review are provided in the table below. The lessee and/or their contractor are responsible for ensuring that the project manager and field personnel performing the work follow the approved work plan. Please respond to this email by September 30, 2025, that you understand and agree to the conditions of approval.

General Scope of Work Topics Addressed in Reclamation Workplan In Detail	Included/Approved	Not Included/Not Approved	Not Required
NMOCD Record Review	Included		
Historical aerial imagery review	Included + Site Visit		
Surface Prep (equipment, caliche removal etc)	Included		
CPP/Bio Statements	Included		
Site Assessment Plans or Results			No areas of concern
Remediation Plans or Results		Not provided. No areas of concern but should impacted material be Unearthed during reclamation activities, remediation must follow 19.15.29 NMAC	

		Regardless of the volume removed.	
Reclamation Plans			
• Equipment, trash, caliche/gravel removal	Included		
• Erosion Control Measure Installation and Illustration	Included		
• Seedbed Preparation and Seeding	Included		
• Road Reclamation			Active Roads
• Traffic Control Measure Installation and Illustration	Included		
• Reclamation Monitoring	Included		
• Schedule of Implementation	Included; submit reclamation activity report to eco@nmslo.gov by February 13, 2026		

We appreciate the efforts being taken to reclaim State Trust Land.

Environmental Compliance Office
New Mexico State Land Office
eco@nmslo.gov
nmstatelands.org

From: Reece Hanson <rhanson@ensolum.com>
Sent: Thursday, September 4, 2025 12:03 PM
To: SLO Spills <spills@nmslo.gov>
Cc: Mitch Killough <mkillough@hilcorp.com>; Stuart Hyde <shyde@ensolum.com>
Subject: [EXTERNAL] (Reclamation Plan) Hilcorp Energy Company - State AX #001 (30-045-07688)

Good afternoon,

Please see attached for the *Proposed Reclamation Plan* for the State AX #001 in San Juan County, New Mexico.
Please let us know if you have any questions or concerns.

Thanks,
Reece

Reece Hanson

Project Geologist

970-210-9803

Ensolum, LLC

State AX #1

Pit Closure Pictures.

State AX #1
11/04/25

View Looking North

View Looking South

View Looking West

View Looking East

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 525411

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 525411
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
joel.stone	None	11/14/2025