Form C-144 July 21, 2008

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. Şanta Fe, NM 87505

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

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application
Type of action: Existing BGT Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,
below-grade tank, or proposed alternative method
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
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.
I. OCCRID #: 5290
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Valencia Canyon Unit #45A
API Number: 30-039-23811 OCD Permit Number: Pic Arriba
U/L or Qtr/Qtr O Section 34 Township 28N Range 04W County: Rio Arriba
Center of Proposed Design: Latitude 36.609270 Longitude 107.233080 NAD: ☐1927 ☑ 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: Drilling Workover Permanent Emergency Cavitation P&A
Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other
String-Reinforced
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D
Liner Seams: Weided Factory Other Volume: Obj 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: Thicknessmil 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

Alternative Method:

Liner type: Thickness

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

mil HDPE PVC Other

6.	
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church)	hospital,
Four foot height, four strands of barbed wire evenly spaced between one and four feet	
Alternate. Please specify_Four foot height, steel mesh field fence (hogwire) with pipe top railing	
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 of	office for
consideration of approval.	office for
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district oproval.
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

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 19.15.17.12 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:
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)
above ground steet tanks or natit-off bins and propose to implement waste removal for closure) 13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
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)
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

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Standard Instructions: Please indentify the facility or facilities for the disposal of liquids, drift facilities are required.		
· ·	sposal Facility Permit Number:	
	sposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occu Yes (If yes, please provide the information below) No	r on or in areas that will not be used for future serv	vice and operations?
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate re Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	quirements of Subsection H of 19.15.17.13 NMAC f 19.15.17.13 NMAC	C
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the cloprovided below. Requests regarding changes to certain siting criteria may require a considered an exception which must be submitted to the Santa Fe Environmental B. demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	dministrative approval from the appropriate disti ureau office for consideration of approval. Justi	rict office or may be
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data of	otained from nearby wells	Yes No
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data of	otained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data of	otained from nearby wells	Yes No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signifulate (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	cant watercourse or lakebed, sinkhole, or playa	Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or church in Visual inspection (certification) of the proposed site; Aerial photo; Satellite in		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less th watering purposes, or within 1000 horizontal feet of any other fresh water well or spri NM Office of the State Engineer - iWATERS database; Visual inspection (cer	ng, in existence at the time of initial application.	Yes No
Within incorporated municipal boundaries or within a defined municipal fresh water valopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval		Yes No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual in	nspection (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	d Mineral Division	☐ Yes ☐ No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Society; Topographic map 	Mineral Resources; USGS; NM Geological	Yes No
Within a 100-year floodplain FEMA map		Yes No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the faby a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Sulphon Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) Protocols and Procedures - based upon the appropriate requirements of 19.15.11 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Sulphon Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill Soil Cover Design - based upon the appropriate requirements of Subsection H of Re-vegetation Plan - based upon the appropriate requirements of Subsection I of Site Reclamation Plan - based upon the appropriate requirements of Subsection	ements of 19.15.17.10 NMAC bsection F of 19.15.17.13 NMAC operate requirements of 19.15.17.11 NMAC - based upon the appropriate requirements of 19.1 2.13 NMAC ements of Subsection F of 19.15.17.13 NMAC osection F of 19.15.17.13 NMAC cuttings or in case on-site closure standards cannot f 19.15.17.13 NMAC f 19.15.17.13 NMAC	15.17.11 NMAC

Operator Application Certification: I hereby certify that the information submitted with this application	on is true, accurate and complete to the best of my knowledge and belief.
	Title: Environmental Representative
, ,	
	Date:01/02/2009
e-mail address: <u>kim_champlin@xtoenergy.com</u>	Telephone: (505) 333-3100
20.	Clasura Plan (cultu)
OCD Approval: Permit Application (including closure plan)	Closure Plan (only) GCD Conditions (see attachment)
OCD Representative Signature:	Approval Date:
Title:	OCD Permit Number:
	ure plan prior to implementing any closure activities and submitting the closure report. hin 60 days of the completion of the closure activities. Please do not complete this ined and the closure activities have been completed.
	Closure Completion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain.	d Alternative Closure Method Waste Removal (Closed-loop systems only)
	d-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than
Disposal Facility Name:	Disposal Facility Permit Number:
Disposal Facility Name:	
Were the closed-loop system operations and associated activities p Yes (If yes, please demonstrate compliance to the items below	performed on or in areas that will not be used for future service and operations? ow) \(\subseteq \text{No} \)
Required for impacted areas which will not be used for future serv. Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ice and operations:
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 Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	
	Longitude NAD:
	th this closure report is true, accurate and complete to the best of my knowledge and closure requirements and conditions specified in the approved closure plan. Title:
Signature:	
e-mail address:	Telephone:

Page 5 of 5

STATE OF NEW MEXICO EININGY MID MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. UOX 2088

SANTA FE, NEW MEXICO 87501

form C-107 Revised:10-1

All distances must be from the cuter lisuadactes of the Section.

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	F 14	N COMPAN				LENCIA CAN	45 M		
Unit Letter	Section	n al.		28N	Roma		County		
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800	lost	from the	South	line and	14	50 ,	et from the	East	line
Ground Level Elev:		Producing Fore	ustion		Pool		ot nom the		cated Acreage:
7188_		Dakota	/ Mesa	Verde	Basi	n Dakota	/ Blan	co M.V.	320 Acres
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this form if No allowab forced-pooli sion.	le wil	l be assigned	d to the w	ell until all non-standard	interest unit, e	s have been liminating su	consolida ch interes	ted (by commun ts, has been app	itization, unitization, proved by the Commis-
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de :		Scal	e: 1"-1	0001	· · · · · · · · · · · · · · · · · · ·		:	Certificate No.	R IR.



Pit Permit

Client:	XTO Energy	
Project:	tank permitting	
Revised:	25-Nov-08	
Prepared by:	Trevor Ycas	

PO Buz 4465, Duran	m. CO 81302	Siting Criteria	Revised:	25-Nov-08					
V		Information	Prepared by:	Trevor Ycas					
API#:	30	-039-23811	USPLSS:	28N 04W 34 O					
Name:	VALENCIA C	ANYON UNIT No. 045A	Lat/Long:	36.609270°, -107.233080°					
Depth to groundwater:	C	lepth > 100'	Geologic formation:	San Jose Formation (Tsj), alluvium					
Distance to closest continuously flowing watercourse:		W to 'San Juan River' wajo Reservoir	Site Elevation: 2212m/7257'	groundwater depth estimation is based primarily on elevation of nearby springs					
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	2378' W to	o 'Valencia:Canyon'							
	1 2 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1		Soil Type:	Rockland/ Aridisols					
Permanent residence, school, hospital, institution or church within 300'		NO							
	Maria 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Annual Precipitation:	Navajo Dam: 12.95", Governador: 11.98", Capulin Rgr Stn.: 14.98", Otis: 10.41"					
Domestic fresh water well or spring within 500'		NO	Precipitation Notes:	Historical daily max. precip.: 4.19" (Bloomfield)					
Any other fresh water well or spring within 1000'		NO							
Within incorporated municipal boundaries		NO	Attached Documents:	27N03W_iWaters.pdf, 27N04W_iWaters.pdf, 27N05W_iWaters.pdf, 28N03W_iWaters.pdf, 28N04W_iwaters.pdf, 28N05W_iwaters.pdf, 29N03W_iWaters.pdf, 29N04W_iWaters.pdf, 29N05W_iWaters.pdf					
Within defined municipal fresh water well field		NO	FM350049IND0_30- 039-23811.jpg	30-039-23811_gEarth-PLS.jpg, 30-039-23811_topo- PLS.jpg, 30-039-23811_gEarth-iWaters.jpg					
Wetland within 500'		NO	Mining Activity:	None Near					
Within unstable area		NO		.NM_NRD-MMD_MinesMillQuarries_30-039-23811.jpg					
Within 100 year flood plain	uni	mapped area							
A STILL THE ALL AND A STILL AN		The second of the second	and the second second	The American					
Additional Notes: drains.to 'Cereza Canyon' via 'Valencia Canyon'	SP03619(elev. 2 water; Scissor S	ngs SP03972(elev: 2182m), 2211m) both supply livestock pring(SP03622) (elev.2234m) , Chosa Spring(USGS) (elev.		located on 'Chosa Mesa', S of 'Lost Cariyon', E of 'Valencia Canyon', & SW of 'Lost Lake'					

Valencia Canyon Unit #45A Below Grade Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be located in the central Cereza Canyon region of the San Juan Basin near the upper reaches of Valencia Canyon and near Vigas & Chosa Mesas. The predominant geologic formation is the San Jose Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the San Jose Formation lies at the surface and overlies the Nacimiento Formation. Thickness of the San Jose ranges from 200 to 2700 feet, thickening from west to east across the region of interest (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the San Jose Formation are between 0 and 2700' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows north, toward the San Juan River. Little specific hydrogeologic data is available for the San Jose Formation system, but "numerous wells and springs used for stock and domestic supplies" draw their water from the San Jose Formation (Stone et al, 1983).

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

Regional weather further prohibit active recharge. The climate is arid, averaging just over 12 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center www.wrcc.dri.edu).

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

Site Specific Hydrogeology

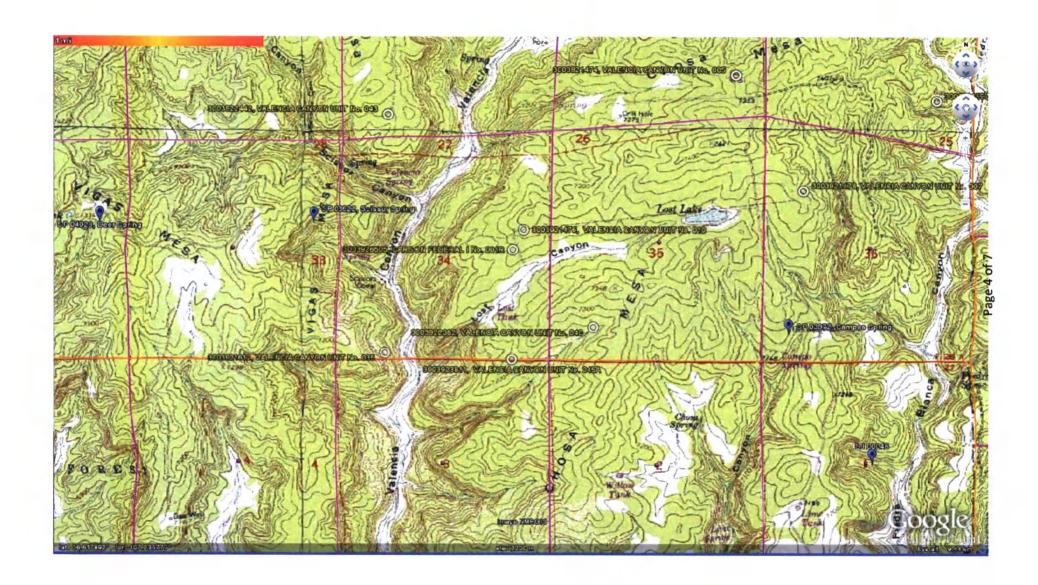
Depth to groundwater is estimated to be greater than 100'. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography, proximity to adjacent channels & spring features at similar elevations nearby are also taken into consideration.

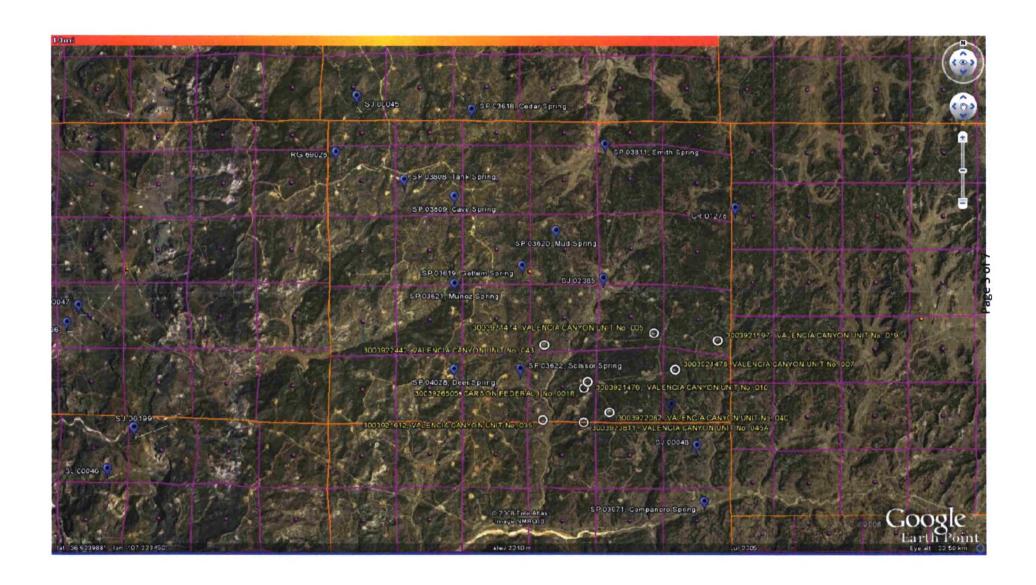
Beds of water-yielding sandstone are present in the San Jose Formation, which are fluvial in origin and are interbedded with mudstone, siltstone & shale. "Extensive intertonguing" of different members of this formation is reported (Stone et al, 1983). Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the San Jose Formation at depths greater than 100 feet and thicknesses of the aquifer can be up to several hundred feet (USGS, Groundwater Atlas of the US) (Stone et al, 1983).

The site in question is located on relatively flat ground south of Lost Canyon, above Valencia Canyon, at an elevation of approximately 7260 feet and approximately 1.6 miles north of the main Cereza Canyon wash channel, the nearest significant watercourse. This site drains to Cereza Canyon via Valencia Canyon. This region is deeply incised by canyons, washes, gullies and arroyos, with large, flat-topped mesas the predominant topographic feature. The mesas are composed of cliff-forming sandstone, and systems of dry washes and their tributaries composed of alluvium are evident on the attached aerial image. Groundwater is expected to be shallow within Largo and Blanco Canyons and within major tributary systems. Additionally, the Valencia Canyon area has many surface springs at varying elevations, including at least 6 within 5 miles of this site.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Groundwater data is extremely limited in this region; the nearest iWaters data point, Scissors Spring, lies ~1.1 miles northwest (SP 03622); this spring is used for livestock watering, as are many others in the surrounding area. 'Deer Spring' is located ~1.9 miles NW of the site in question, at a higher elevation(SP 04028). Additionally, 'Chosa Spring' is located ~4550' SE of the site, on USGS topographic maps.

Wells located at similar elevations nearby contain groundwater at depths of 45 feet and deeper, occasionally in excess of 200 feet. However, there exist numerous surface springs in the PLSS section 28N, 04W. The exact topography and elevation relative to nearby surface features (approx. 300' higher than Valencia Canyon) is enough to be certain that groundwater is greater than 100 feet. A map showing the location of wells in reference to the proposed pit location is attached.





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				Сош	nty:		Basin:				Number	:[Suffi	x:							
				Owner N	anie:	(First)		(Last	N.		- 0 1	Jan-Dome	etic (Oomestic	© All						
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	(acre	ft per ann	um)					rters are					re in	Feet	UTM are	in Meters	1)	Start	Finish	Depth	h
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8D 07850	PDL	3	ROSA B. MAR	TINEZ	SD	07850			28N	05W 18	2 3 4				13	285663	4060122				
SD 07851	PDL	3	ROSA B. MAR	TINEZ	SD	07851			28N	05W 18	1 2 1				13	285228	4060731				
8D 07852	PDL	3	ROSA B. MAR	TINEZ	SD	07852			28N	05W 18	2 1 1				13	285579	4060759				
BJ 00036	IND	€5	BURLINGTON	RESOURCES OIL & GAS	SJ	00036		Shallow	28N	05W 28	3				13	288156	4056298	06/27/1953	06/27/1953	303	3
SJ 00047	NOT	0	MAMIE MANGU	IM	SJ	00047		Shallow	28N	05W 28					13	288558	405E700	07/30/1953	08/04/1953	465	
8J 01893	STK	3	ROSA B. OR	JUAN L. MARTINEZ	SJ	01893		Shallow	28N	05W 18	4				1.3	285827	4059576	09/14/1984	10/12/1984	390)
SJ 03806	STK	3	ROSA B. MAR	TINEZ	8J	03806 POD1			28N	05W 07	4 4 2	1	30509	2065482	13	286111	4061033				

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SP 03618	STK	1.88	UNITED STATES OF AME	RICA SP	03618		28N	04W 09	3 1				13	297832	4061209			
SP 03619	STK	0.36	UNITED STATES OF AME	RICA SP	03619		28N	04W 21	4 4				13	298924	4057416			
SP 03620	STK	0.36	UNITED STATES OF AME	RICA SP	03620		20N	04W 22	1 4				13	299736	4058240			
SP 03621	STK	0.58	UNITED STATES OF AME	RICA SP	03621		28N	04W 29	2 2				13	297324	4057019			
SP 03622	STK	0.36	UNITED STATES OF AME	RICA SP	03622		28N	04W 33	2 4				13	298821	4054927			
SP 03808	STK	1.67	CARSON NATIONAL FORE		03808			04W 17					13	296199	4059551			
8P 03809	STK	1.67	CARSON NATIONAL FORE	ST SP				04W 17					13	297378	4059116			
SP 03811	STK	1.67	CARSON NATIONAL FORE					04W 14					13	300944	4060310			
SP 03972	STK	0	CARSON NATIONAL FORE	ST SP	03972		28N	04W 36	3 3				13	302344	405399€			
SP 04028	STK		CARSON NATIONAL FORE		04028			04W 32					13	297271	4054953			

No Records found, try again

	New Mexico Office of the State Engineer POD Reports and Downloads
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	NAD27 X: Zone: Search Radius:
	County: Basin: Number: Suffix:
	Owner Name: (First) (Last) Non-Domestic Omestic All
	POD / Surface Data Report
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	POD / SURFACE DATA REPORT 10/19/2008
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New Mexico Office of the State Engineer **POD Reports and Downloads** Township: 27N Range: 05W Sections: Zone: Search Radius: Basin: Suffix: County: Owner Name: (First) (Last) O Non-Domestic O Domestic O All Clear Form iWATERS Menu Help POD / SURFACE DATA REPORT 09/16/2008 (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest UTM are in Meters) Start Finish Depth (acre ft per annum) Source Tws Rng Sec q q q UTM Zone Easting Northing DB File Nbr Usa POD Number Date Date Well 1 Diversion Owner 3 BUREAU OF LAND MANAGEMENT RG 81026 4046294 09/16/2003 RG 91026 Shallow 09/12/2003 4.60 STK 27N 05W 27 4 4 3 13 290530 4052788 01/13/1954 01/13/1954 IND 16 BURLINGTON RESOURCES OIL & GAS SJ 00046 Shallow 27N 05W 04 4 4 289133 506 SJ 00046 13 8J 00199 OFM 4 BURLINGTON RESOURCES OIL & GAS SJ 00199 Artesian 27N 05W 03 2 1 13 290409 4053971 05/02/1967 1840

Record Count:

New Mexico Office of the State Engineer **POD Reports and Downloads** Township: 27N Range: 04W Sections: NAD27 X: Zone: Search Radius: County: Basin: Number: Suffix: Owner Name: (First) (Last) O Non-Domestic O Domestic O All Clear Form iWATERS Menu Help POD / SURFACE DATA REPORT 09/16/2008 (quarters are 1=NW 2=NE 3=SW 4=SE) (acre ft per annum) (quarters are biggest to smallest X Y are in Feet UTM are in Meters) Start Finish Depth DB File Nbr Use Diversion Owner POD Number Source Tws Rng Sec q q q x UTM Zone Easting Northing Date Date Well 1 00048 48 BURLINGTON RESOURCES OIL & GAS 8J 00048 Shallow 27N 04W 01 4052997 07/31/1953 143 SJ 01049 IND BURLINGTON RESOURCES OIL & GAS SJ 01049 27N 04W 18 4 2 2 13 295646 4049831 06/30/1967 15 SJ 01205 MERIDIAN OIL PRODUCTION, INC. 27N 04W 34 4 4 4 OIL 60 8J 01205 Artesian 13 300255 4044335 10/18/1980 10/25/1980 3054 SP 03616 0.58 STK UNITED STATES OF AMERICA SP 03616 27N 04W 24 2 4 13 303452 4048375 SP 03617 STK 0.58 UNITED STATES OF AMERICA SP 03617 27N 04W 25 4 4 13 303396 4045974 PLS SP 03810 1.24 CARSON NATIONAL FOREST SP 03810 27N 04W 30 1 2 294693 4047368 SP: 03971 STK O CARSON NATIONAL FOREST SP 03971 27N 04W 12 2 3 303116 4051580

1 of 1

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	ownship: 29N	Range: 05W	Sections:		
NAI	027 X:	Y:	Zone:	Search	Radius:
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_	POD / Surface D	ata Report Av	g Depth to Water	r Report Water	Column Report
		Clear Form	iWATERS Me	enu Help	

WATER COLUMN REPORT 08/12/2008

		(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)							Depth	Depth	Water	(in feet	feet)	
POD	Number	Tws	Rng	Sec	q	j d	Zone	X	Y	Well	Water	Column		
SJ	02339	29N	05W	29	3	3 3				350	108	242		
SJ	00422	29N	05W	31	2					239	135	104		
SJ	00056	29N	05W	31	2 :	3 1				142	50	92		
SJ	00057	29N	05W	31	2	3 1				158	57	101		
SJ	03208	29N	05W	31	3 3	3 3				220	160	60		
SJ	02383	29N	05 W	32	1	1 1				300	100	200		

NA	.D27 X:	Y:	Zone:	Search 1	Radius:
County:		sin:		Number:	Suffix:
Owner Name:	(First)	(Last)		─ ○ Non-Dor	mestic ODomestic OAl
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(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Tws Rng Sec q q q Zone 29N 04W 04 2

Depth Depth Water (in feet)
Y Well Water Column

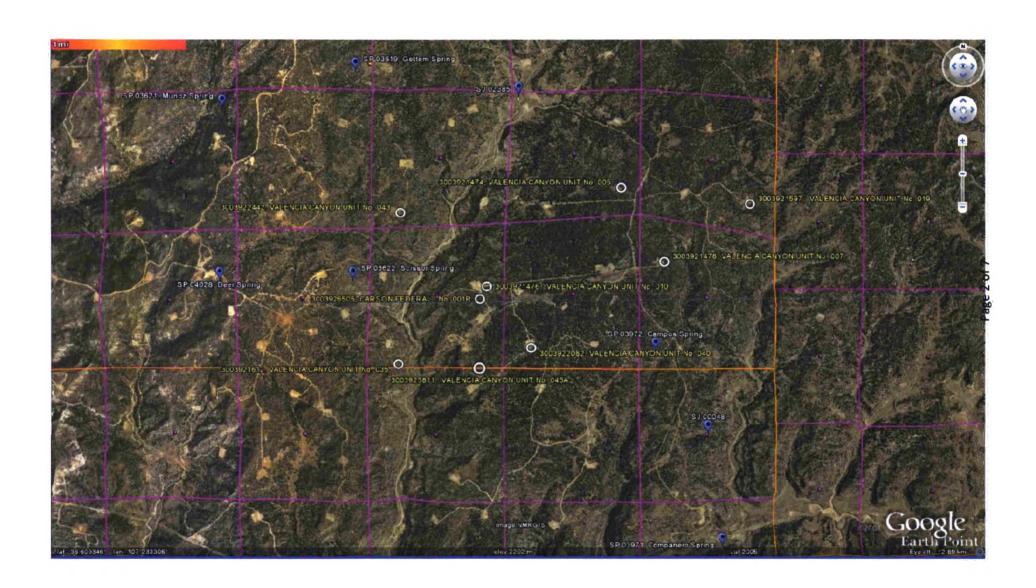
373

Record Count: 1

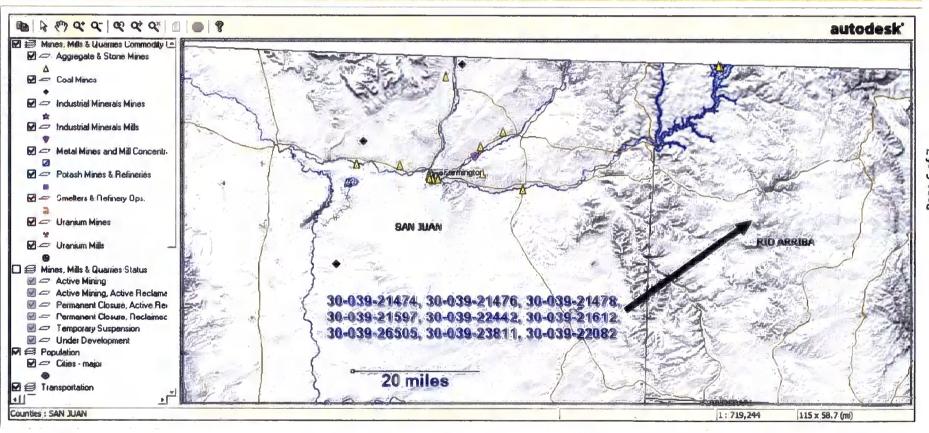
POD Number

SJ 00037

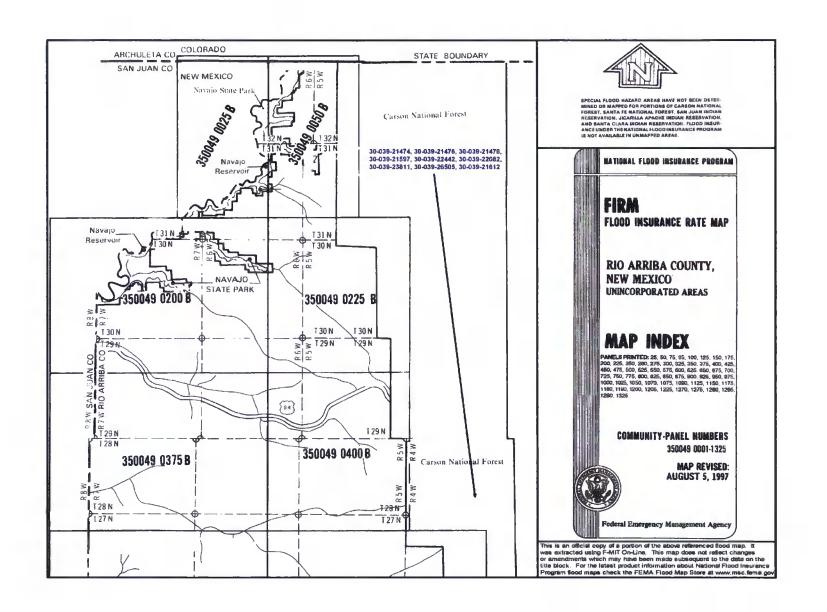
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	County: Basin: Number: Suffix:							
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	WATER COLUMN REPORT 08/12/2008							
	(quarters are 1=NW 2=NE 3=SW 4=SE)							
	(quarters are biggest to smallest) Depth Depth Water (in feet)							
POD Number	Tws Rng Sec q q q Zone X Y Well Water Column							
SJ 01575	29N 03W 08 4 4 2 306							



Mines, Mills and Quarries Web Map



Page 6 of



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.

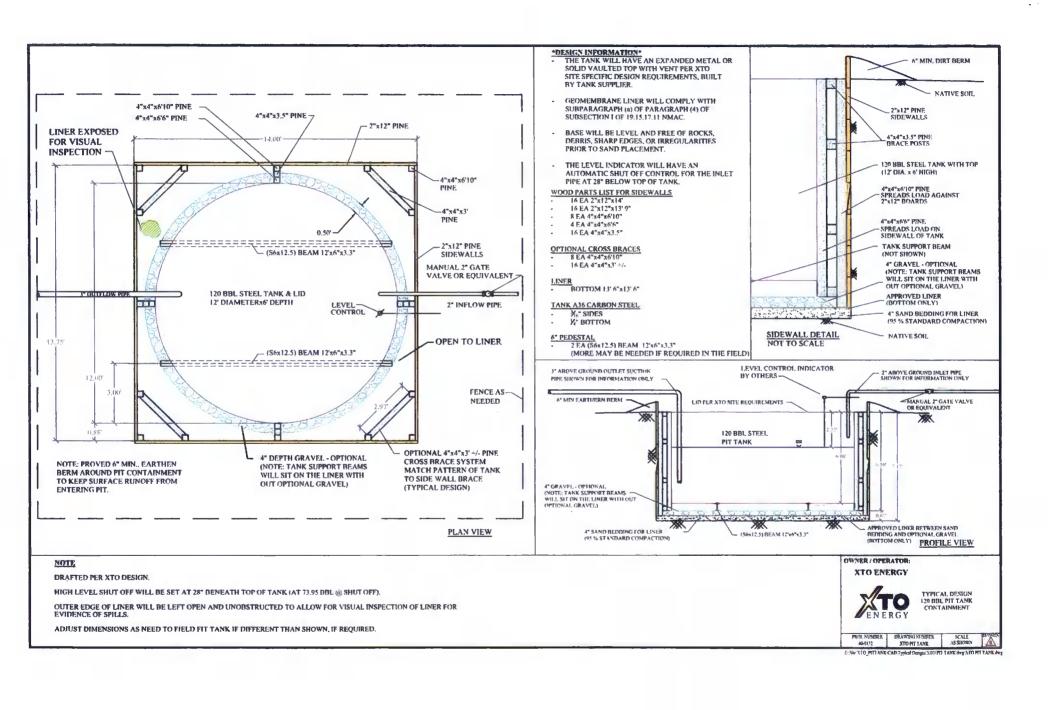
General Plan

- 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 ½ mile of a permanent residence, school, hospital, institution or church. Below-grade tanks located within 1000' of a permanent residence, school, hospital, institution or church will be fenced by 6' chain link fence with at least two strands of barbed wire at the top. All gates associated with below-grade tanks will remain closed and locked when responsible individuals are not on site.
- 4. XTO shall construct below-grade tanks with an expanded metal covering or solid vaulted top on the top of the below-grade tank.
- 5. XTO will ensure that below-grade tanks are constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight. Tanks will be constructed of A36 carbon steel with 3/16" sides and \(\frac{1}{2} \) bottom. (See attached drawing).
- 6. The below-grade tank system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom. Sand bedding (4") will be placed on top of a level foundation to ensure prevention of punctures, cracks or indentations of the liner or tank bottom.
- 7. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on. Below-grade tanks will be equipped with automatic high level shut-off devices as well as manually operated shut-off valves. (See attached drawing).
- 8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

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

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

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



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

In accordance with Rule 19.15.17.12 NMAC the following information describes the operation and maintenance of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

- 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,

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

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

Well Name:								
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)
Name	Date	Time	tears (1714)	Tank Overnows (1714)	Tull Oil (1714)	01 011 (17/4)	Of a talik leak (Y/N)	Est. (It)
			 					
Notes:	Provide De	tailed Descri	ption:					
B.Ain.								
Misc:								

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

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on XTO Energy Inc. (XTO) locations. This is XTO's standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

General Plan

- XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- 3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
- 4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:

Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B

Soil contaminated by exempt petroleum hydrocarbons

Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes

Basin Disposal Permit No. NM01-005 Produced water

- 5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per 19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.
- 6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
- 7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be

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

analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

- 8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
- 9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
- 10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally. The notification will include the following:
 - i. Operator's name
 - ii. Well Name and API Number
 - iii. Location by Unit Letter, Section, Township, and Range

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

- 11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. Soil cover will be constructed to the site's existing grade and ponding of water and erosion of the cover material will be prevented with drainage control, natural drainages and silt traps where needed.
- 13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

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

- 14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - 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.