<u>Distr</u>	*:	f New Mexico	Form C-144 July 21, 2008
District IV	REGISTERED Road, Aztec, NM 87410 S. Dr., Santa Fe, NM 87505 2001 i La 13 AM 11 45	s and Natural Resources epartment ervation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.
		Loop System, Below-Grade 7	
	Proposed Alternativ	e Method Permit or Closure P	lan Application
	Existing BGT Closure of a p	c, closed-loop system, below-grade tank, or it, closed-loop system, below-grade tank, or or an existing permit only submitted for an existing permitted or native method	or proposed alternative method
Instruct	ions: Please submit one application (Fo	rm C-144) per individual pit, closed-loop syste	m, below-grade tank or alternative request
		the operator of liability should operations result in consibility to comply with any other applicable go	n pollution of surface water, ground water or the vernmental authority's rules, regulations or ordinances.
I. Operator: <u>XT</u>	O Energy, Inc.	OGRID #:	5380
Address:	#382 County Road 3100, Aztec, NM 8741	0	
Facility or well r	name: Fred Feasel G #1E		
API Number:	30-045-24724	OCD Permit Number:	
			unty: <u>San Juan</u>
Center of Propos	sed Design: Latitude 36.59907	Longitude <u>107.8613</u>	NAD: 🔲 1927 🔀 1983
	Federal State Private Tribal		
2.			
	ction F or G of 19.15.17.11 NMAC		
Temporary:	Drilling 🔲 Workover		
	Emergency Cavitation P&A		
		_mil 🔲 LLDPE 🛄 HDPE 🛄 PVC 🛄 Ot	her
String-Reinfo			
		Volume: bbl	Dimensions: L x W x D
3.	System: Subsection H of 19.15.17.11 N	IMAC	
			ich require prior approval of a permit or notice of
	Above Ground Steel Tanks Hau	-off Bins 🔲 Other	
		mil LLDPE HDPE PVC	Other
	Welded Factory Other		
4.	e tank: Subsection 1 of 19.15.17.11 NM	AC	
		Produced Water	
	on material: <u>Steel</u>		and any about a ff
		ble sidewalls, liner, 6-inch lift and automatic ov	
_		Visible sidewalls, vaulted, auton	
Liner type: Thio	knessmil 🔲 H	DPE PVC Other	
5.			
Alternative			
Submittal of an	exception request is required. Exceptions	must be submitted to the Santa Fe Environme	ntal 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, 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	Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing								
1									
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. <u>Administrative Approvals and Exceptions:</u> Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. <i>Please check a box if one or more of the following is requested, if not leave blank:</i> 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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system.	opriate district approval. ing pads or								
 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								

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 cheattached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Parage Siting Criteria Compliance Demonstrations (only for on-site closure) - 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 requirement and 19.15.17.13 NMAC Previously Approved Design (attach copy of design)	eck mark in the box, that the documents are section B of 19.15.17.9 NMAC (2) of Subsection B of 19.15.17.9 NMAC 0 NMAC uirements of Subsection C of 19.15.17.9 NMAC r Permit Number:
and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	eck mark in the box, that the documents are graph (3) of Subsection B of 19.15.17.9
 Previously Approved Design (attach copy of design) API Number: or 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 cheattached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Parage Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.11 NMAC Design 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 requirement and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	eck mark in the box, that the documents are graph (3) of Subsection B of 19.15.17.9
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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 cheattached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Parage Siting Criteria Compliance Demonstrations (only for on-site closure) - 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 requand 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	graph (3) of Subsection B of 19.15.17.9
 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 req and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number: 	requirements of 19.15.17.10 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate req and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	
and 19.15.17.13 NMAC Previously Approved Design (attach copy of design) API Number:	
Previously Approved Design (attach copy of design) API Number:	uirements of Subsection C of 19.15.17.9 NMAC
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)	
 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.1 Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMA 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 19.15.17.12 NMAC Bemergency 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 	AC .17.11 NMAC 9.15.17.11 NMAC .11 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed clo	osure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below	-grade Tank 🗌 Closed-loop System
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) 	(2
In-place Burial On-site Trench Burial	3/
Alternative Closure Method (Exceptions must be submitted to the Santa F	e Environmental Bureau for consideration)
 15. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of 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 	

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^{16.} Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if 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 <i>will not</i> be used for future service and operation 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 NM. 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	AC							
^{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 so provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate di considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Just demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	strict 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 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 play 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 19.15.17.13 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	he hest of my knowledge and helief
	Title:	Environmental Representative
Signature: Kim Champlin	Date: 01	/30/2009
e-mail address: kim_champlin@xtoenergy.com	l'elephone:	(505) 333-3100
20. OCD Approval: Permit Application (including closure plan) [Closure Plan (only) OCD	Conditions (see attachment)
OCD Representative Signature:		Approval Date:
Title		h
Title:	OCD Permit Num	ber:
^{21.} Closure Report (required within 60 days of closure completion): Instructions: Operators are required to obtain an approved closur The closure report is required to be submitted to the division within section of the form until an approved closure plan has been obtain	e plan prior to implementing any on 60 days of the completion of the ed and the closure activities have be	closure activities and submitting the closure report. closure activities. Please do not complete this been completed.
		pletion Date:
 22. Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. 	Alternative Closure Method	Waste Removal (Closed-loop systems only)
23. <u>Closure Report Regarding Waste Removal Closure For Closed-</u> Instructions: Please indentify the facility or facilities for where the two facilities were utilized.		
Disposal Facility Name:	Disposal Facility Pe	ermit Number:
Disposal Facility Name:	Disposal Facility Pe	ermit Number:
Were the closed-loop system operations and associated activities per Yes (If yes, please demonstrate compliance to the items below		be used for future service and operations?
Required for impacted areas which will not be used for future servic Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	e and operations:	
 24. <u>Closure Report Attachment Checklist</u>: Instructions: Each of the 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-bisposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) 	site closure)	
On-site Closure Location: Latitude	Longitude	NAD: 1927 1983
 25. Operator Closure Certification: I hereby certify that the information and attachments submitted with belief. I also certify that the closure complies with all applicable closure 	sure requirements and conditions s	pecified in the approved closure plan.
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	

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STATE OF NEW MEXICO LITERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION P. O. UOX 2088

Form C-107 kevised 10-1-78

SANTA FE, NEW MEXICO 87501

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

		All distances must be fri	um the culer houndaris	. re the pertion.	
	TON COMPANY	-	Lease FRED FEASEL	BCII	Well No.
	Section	Township	Range	County	
0	2	27N	10W	San Juan	
ctual Footage Locat					
850	feet from the Sot			feat from the East	Ine Dedicated Acreage:
round Lyvel Elev: 5952	Preducing For Dakota	mation	Basin Dakota	a	320 Acres
		ited to the subject w			
 If more the interest and dated by conducted by conduct and by conduc	an one lease is d royalty). n one lease of c communitization, No If a s "no," list the 'necessary.) le will be assign	dedicated to the wel lifferent ownership is unitization, force-pool nswer is "yes," type of owners and tract desu- red to the well until al	I, outline each and dedicated to the we ing. etc? of consolidation <u>Co</u> criptions which have I interests have bee	identify the owners il, have the interest munitization e actually been cons en consolidated (by	hip thereof (both as to working ts of all owners been consoli- solidated. (Use reverse side of communitization, unitization, been approved by the Commis-
sion.		ес. Атосо W 50%		nain bes Name Positi	District Engineer
		2		she not und Is	sereby cartify that the well location own on this plat was plotted from field les of actual surveys made by me ar ler my supervision, and that the same true and correct to the best of my owledge and belief.
			1 1770	Regia and FI Certifi	Surveyed September 15, 1980 ster of Professional Englineer Land Surveyor Had Sarveyor Had Sarveyor Jr.
V/	Sc:	ale: 1"-1000*			and the second s

1		Pit Permit	Client:	XTO Energy					
Lodestar Servic	es, inc.		Project:	Pit Permits					
PO Baz 4465, Duran	ga, CO 81302	Siting Criteria	Revised:	1/22/2009					
V		Information Sheet	Prepared by:	Daniel Newman					
API#:		30-045-24724	USPLSS:	T27N,R10W,020					
Name:	Fe	easel Fred G #1E	Lat/Long:	36.59907 / -107.8613					
			Geologic						
Depth to groundwater:		<50 feet	formation:	Nacimiento Formation					
Distance to closest continuously flowing watercourse:	I 6 44 Mile	s south of the San Juan River							
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	670 feet e	east of Aementa Canyon							
3			Soil Type:	Entisols & Aridsoils					
Permanent residence, school, hospital, institution or church within 300'		No							
•			Annual	Bloomfield 8.71", Farmington 8.21", Otis					
Domestic fresh water	<u>`</u>	1.	Precipitation:	10.41"average					
well or spring within 500'		No	Precipitation Notes:	Historical daily max: Bloomfield 4.19"					
Any other fresh water well or spring within 1000'		No	•						
Within incorporated municipal boundaries		No	Attached Documents:						
Within defined municipal fresh water well field		No		Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map					
Wetland within 500'		No	Mining Activity:	No					
Within unstable area		No							
Within 100 year flood plain		FEMA Zone 'A'							
Additional Notes:									

Feasel Fred G #1E Below Ground Tank Siting Criteria and Closure Plan

Well Site Location

Legals: T27N, R10W, Section 02O Latitude/Longitude: approximately 36.59907 / -107.8613 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 pit location will be located in the southern Armenta Canyon region of the San Juan. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River.

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

Dry and arid weather futher prohibit active recharge. The climate of the region is arid, averaging 8 to 12 inches of rain fall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation fall 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 pinionjuniper association (Dick-Peddie, 1993). However, vegetation is very sparse and discontinuous.

Site Specific Hydrogeology

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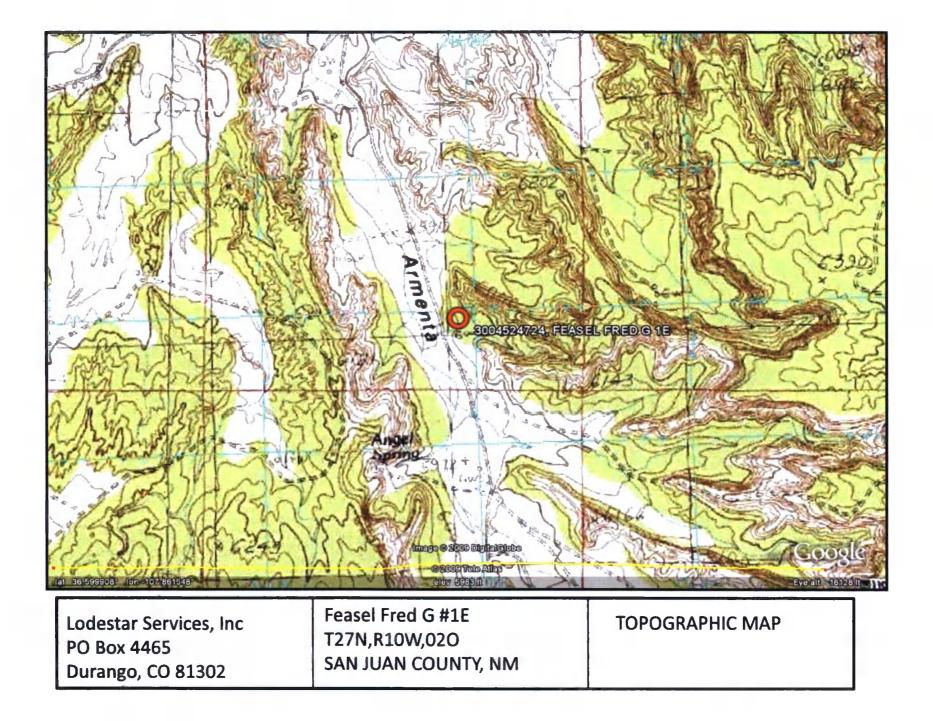
Depth to groundwater is estimated to be less than 50 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity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

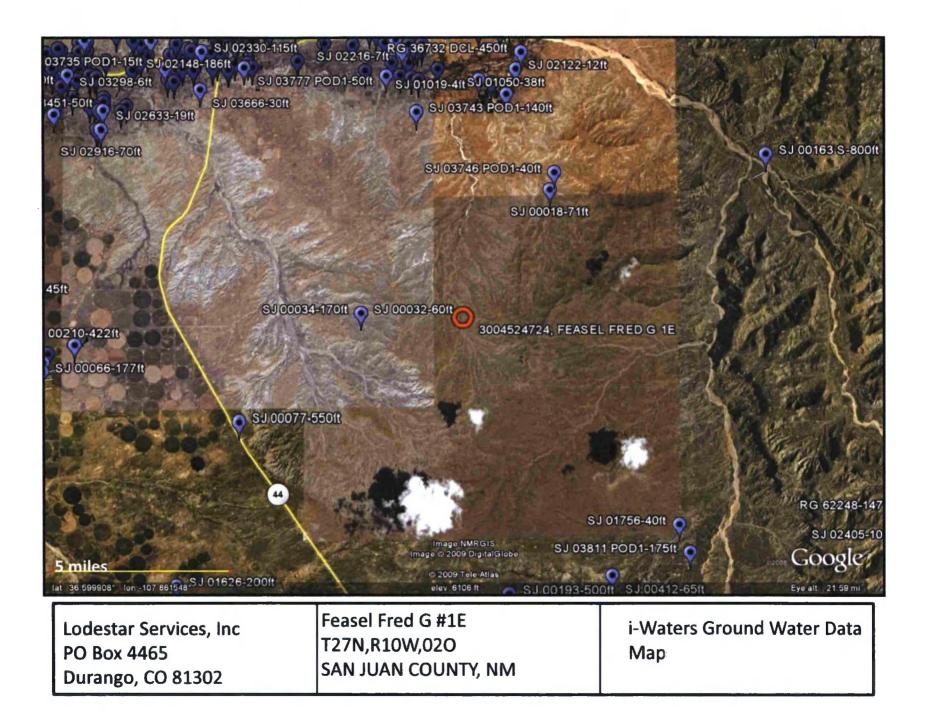
Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983).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

The site in question is located within Armenta Canyon, where deeply eroded sandstonecapped mesas and slope-forming mudstone occur in a sparsely vegetated and aird badlands-type setting. Broad shaley hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image.

The pit will be located within to Armenta Canyon at an elevation of approximately 5,963 feet. Ground water is expected to be shallow within Armenta Canyon. The floor of Armenta Canyon sits at 5,942 feet an elevation difference of approximately 20 feet exists between the site and the floor of Armenta Canyon. The elevation difference of almost 20 feet between the proposed site and the floor of Armenta Canyon, suggests that depth to groundwater to be less than 50 feet at the proposed site.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the locations of wells in reference to the proposed pit location is also attached. Water drops show locations of wells and the labels for each water drop indicate depth to groundwater in feet. The closest well to the site (SJ00032) is at an elevation of approximately 6,097 feet and is located 2.87 miles to the west this well puts depth to groundwater at 60 feet below the surface. The next closest well to the site (iWaters SJ-00018) is at an elevation of approximately 5,833 feet and is located 4.23 miles to the northeast this well puts depth to ground at 71 feet below the surface. However, these sites are not representative of the proposed site, and therefore should not be used to judge depth to ground water. The elevation difference of approximately 20 feet between the floor of Armenta Canyon and the proposed site will be used as the deciding factor on distance to groundwater in this case, seeing how the water wells surrounding the proposed sites cannot be used to accurately judge distance to groundwater. The observations made within this report suggest that groundwater is less than 50 feet deep at the proposed location.





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AVERAGE DEPTH OF WATER REPORT 11/11/2008

		WA CILV		BEIN VE	MATTER 1	GEVILL .	1/11/200			
								(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
SJ	26N	0 9 W	11				1	40	40	40
SJ	26N	09W	12				1	175	175	175
SJ	26N	0 9 W	16				L	65	65	65
SJ	26N	0 9 W	26				3	215	234	226

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		AVERA	AGE	DEPTH	OF	WATER	REPORT	1	1/10/200	8			
										(Depth	Water	in	Feet)
Bsn	Tws	Rng	Sec	Zone	3	X	3	C.	Wells	Min	Mar	C I	Avg
SJ	27N	100	08						2	60	170)	115

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		AVER	AGE	DEPTH	OF	WATER	REPORT	1	1/03/200	8		
										(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	2	X	3	Y	Wells	Min	Max	Avg
SJ	27N	11W	2€						\mathbf{T}	550	550	550

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AVERAGE DEPTH OF WATER REPORT 11/03/2008

								(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
RG	27N	12W	02				1	145	145	145
SJ	27N	12W	13				4	177	422	306

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AVERAGE DEPTH OF WATER REPORT 01/21/2009 (Depth Water in Feet) Ban Twa Rng Sec Zone Y Wells X Min Max Avg 08W 14 490 SJ 28N 1 480 480 SJ 28N 08W 17 1 28N 08W 18 1 800 800 SJ 800

Record Count: 3

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		A	/ERAG	E DEPTH OF	WATER	REPOR	r 01/09/	2009		
Bsn	Tws	Rng	Sec	Zone	x	Y	Wells	(Depth Min	Water in Max	Feet) Avg
SJ	28N	0.9W	20				. 2	40	71	5.6

Record Count: 2

								(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
SJ	2 9 N	0 9W	02				28	3	71	11
SJ	29N	0 9W	03				10	2	40	11
SJ	2 9 N	0 9W	04				2	5	20	13
SJ	2 9 N	0 9 W	05				3	16	20	18
SJ	29N	0 9 W	06				F	40	40	40
SJ	29N	0 9 W	07				1	8	ê	6
SJ	29N	0.910	08				3	24	100	65
SJ	29N	0 9 W	ũ 9				2	5	6	6
SJ	2 9 N	0 9 W	09		273716	2090921	1	250	250	250
SJ	29N	09W	16				2	97	100	94
SJ	2 9 N	0 9 W	18				9	1	5	4

AVERAGE DEPTH OF WATER REPORT 01/05/2009

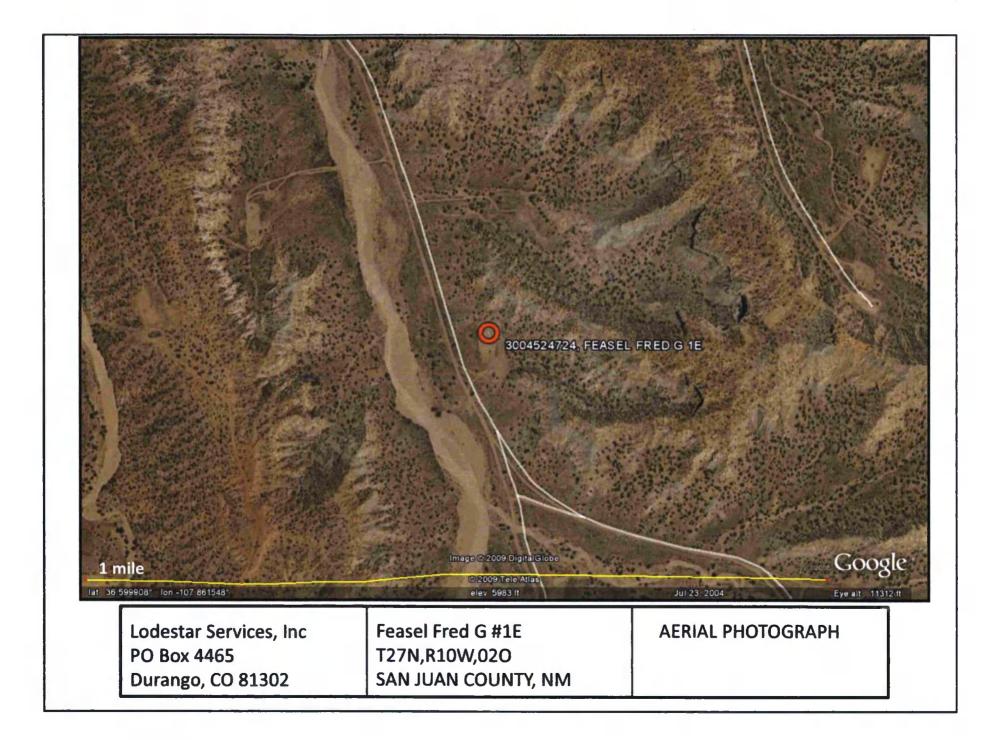
								(Depth	Water in	Feet)
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
RG	29N	107	25				1	450	450	450
SJ	29N	107	13				3	10	20	17
SJ	29N	109	18				1	65	65	65
SJ	29N	107	19				3	2	9	5
SJ	29N	10.0	20				4	2	12	6
SJ	29N	107	21				5	7	30	17
SJ	29N	1077	22				1	20	20	20
SJ	2'9N	107	23				1	16	16	16
SJ	29N	107	24				3	20	34	28
SJ	29N	1077	25				1	12	12	12
SJ	29N	100	26				1	4	4	4
SJ	29N	1.0W	27				1	31	.31	31
SJ	29N	10W	28				9	4	70	23
SJ	29N	100	28	97	484600	2075600	1	20	20	20
SJ	29N	107					1	35	3.5	3.5
SJ	29N	107	29		270344	2071311	1	50	50	50
SJ	29N	107	30				1	10	10	10
SJ	29N	1097	33				1	140	140	140
SJ	29N	107	35				1	30	30	30
SJ	29N	10W	36				1	38	38	38

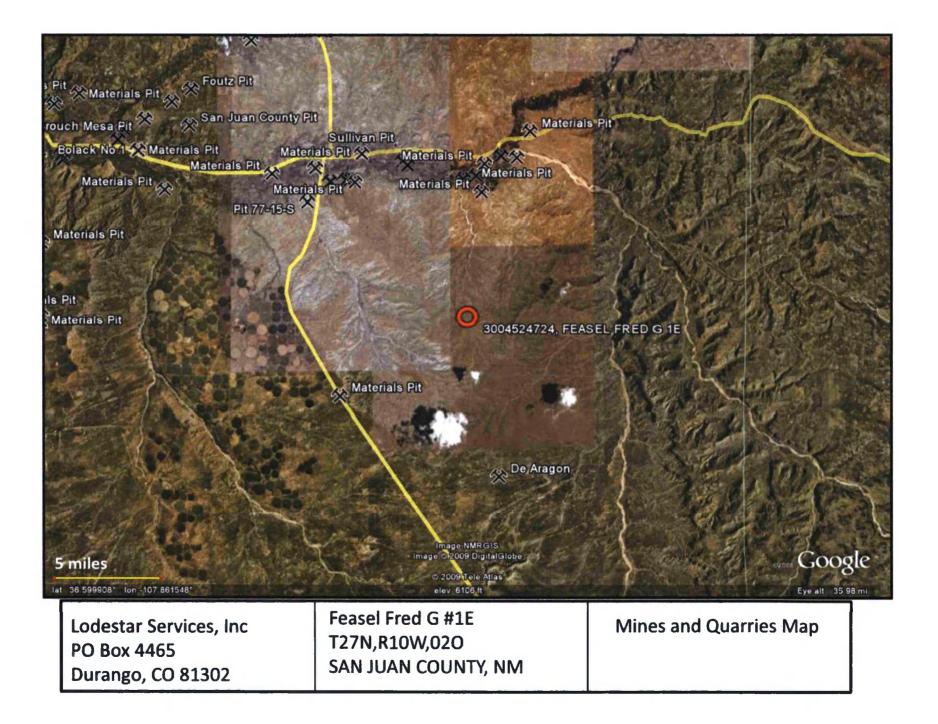
AVERAGE DEPTH OF WATER REPORT 11/15/2008

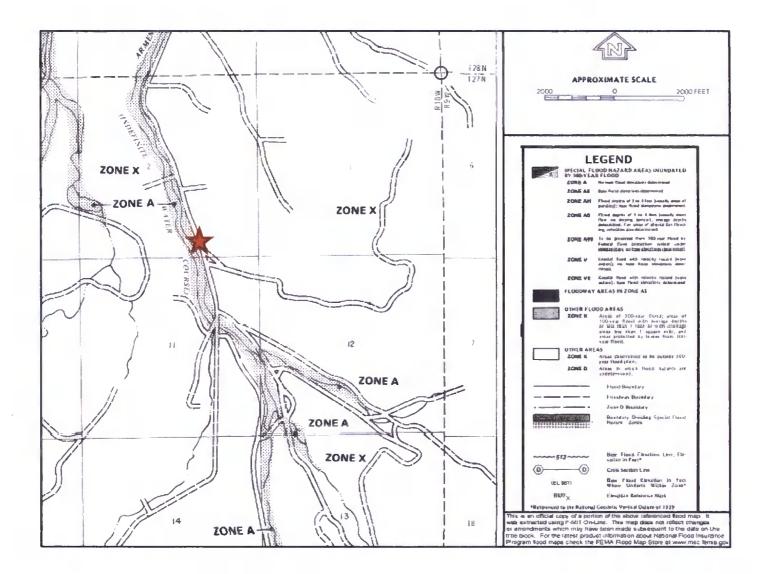
(Depth Water in Feet) Bsn Tws Rng Sec Zone X Y Wells Min Max Avg SJ 29N 11W 07 2 55 210 133 SJ 29N 11W 10 1 48 48 48 110 13 1 SJ 2.9N 300 300 3.0.0 1177 14 4 SJ 29N 6 56 2.4 12 SJ 29N 117 15 3 21 30 110 16 1 40 SJ 29N 4Ú 40 2 SJ 29N 11W 17 6 30 43 3 SJ 29N 11W 19 18 55 31 1107 19 440000 2077700 ĩ SJ 29N Э ε E 2 SJ 29N 11W 20 3 30 17 29N 117 21 7 8 55 SJ 18 25 3 29N 11W 22 59 15 SJ SJ 29N 111 23 15 15 30 21 11W 24 2 12 SJ 29N 18 15 25 25 11W 25 8 25 SJ 29N SJ 29N 11W 26 1 43 43 43 SJ 29N 11W 27 20 € 186 29 9 5 SJ 29N 11W 28 115 27 11W 28 267348 2075529 1 15 SJ 2.9N 15 1/5 SJ 29N 11W 29 9 4 28 13 6 SJ 29N-11W 30 e 25 16 SJ 29N 117 31 1 40 4.0 40 \$J 29N 11W 31 266438 2067001 1 45 45 45 SJ 29N 11W 33 1 30 30 30

AVERAGE DEPTH OF WATER REPORT 11/10/2008

Record Count: 119







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

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

General Plan

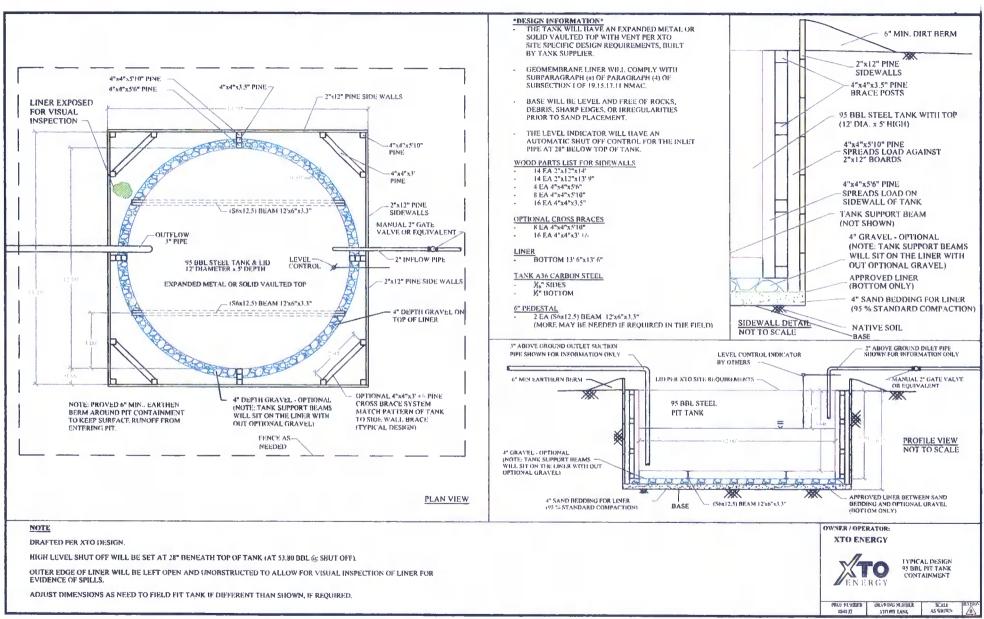
- 1. XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the existing well site operated by XTO where the existing below-grade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

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

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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.



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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

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- 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.
 - 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 Bàsin (Northwest New Mexico) General Maintenance and Operating Plan For Below-Grade Tanks Page 2

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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 Nan	ne:				API No.:						
egals	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	Any visible signs of a tank leak (Y/N)	Freeboard Est. (ft)			
····· · · · · · · · · · · · · · · · ·								· · · · · · · · · · · · · · · · · · ·			
								·····			
Notes:	Provide De	tailed Descri	ption:				· · · · · · · · · · · · · · · · · · ·				
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.
- 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.

- 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 divisionapproved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

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

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

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