District 1 1625 N. French Dr., Hobbs, NM 88240 <u>Dis</u> Dis-<u>Dis</u>

State of New Mexico Energy Minerals and Natural Resources Department

servation Division uth St. Francis Dr. 2008 DEC 8 PM 4

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.
t. Operator: <u>XTO Energy, Inc.</u> OGRID #: <u>5380</u>
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Keys Gas Com B #1
API Number: 30-045-07743 OCD Permit Number:
U/L or Qtr/Qtr D Section 32 Township 29N Range 10W County: San Juan
Center of Proposed Design: Latitude 36.68773 Longitude 107.91259 NAD: □1927 ☑ 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
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
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 LLDPE HDPE PVC Other Liner Seams: Welded Factory Other Other
4. Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: 95

Alternative Method:

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

6. Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hinstitution 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	
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	
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 consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of 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 pproval.
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)
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 Steel Tanks or Haul-off Bins Only: (19 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attafacilities are required.	
Disposal Facility Name: Disposal Facility Permit Number:	
Disposal Facility Name: Disposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for Yes (If yes, please provide the information below) \(\subseteq \) No	r future service 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 requirements of Subsection H of 19.15.1 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	7.13 NMAC
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 acce provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approconsidered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approach demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	opriate district 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
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	or playa Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial applicat - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	ion. Yes No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial ap - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal or adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	dinance Yes No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the propose	d 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 Geologies, Topographic map 	ogical 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 following items must be attached to the by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NM Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirement 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 stan 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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	MAC nents of 19.15.17.11 NMAC NMAC

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Operator Application Certification: I hereby certify that the information submitted with this application is true, a	accurate and complete to the	ne best of my knowledge and belief
Name (Print): Kim Champlin		Environmental Representative
Signature: Kim Champlin	Date:	12-04-08
e-mail address: kim_champlin@xtoenergy.com		(505) 333-3100
20. OCD Approval: Permit Application (including closure plan) Closure	ure Plan (only)	Conditions (see attachment)
OCD Representative Signature:		
Title:	OCD Permit Num	ber:
Closure Report (required within 60 days of closure completion): Subsections: Operators are required to obtain an approved closure plan put The closure report is required to be submitted to the division within 60 days section of the form until an approved closure plan has been obtained and the	rior to implementing any s of the completion of the he closure activities have	closure activities and submitting the closure report. closure activities. Please do not complete this been completed.
	☐ Closure Com	pletion Date:
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Al If different from approved plan, please explain.	ternative Closure Method	☐ Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systemstructions: Please indentify the facility or facilities for where the liquids, two facilities were utilized.		
Disposal Facility Name:	Disposal Facility Po	ermit Number:
Disposal Facility Name:		ermit Number:
Were the closed-loop system operations and associated activities performed of the Yes (If yes, please demonstrate compliance to the items below) ☐ N		be used for future service and operations?
Required for impacted areas which will not be used for future service and op Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	erations:	
24. Closure Report Attachment Checklist: Instructions: Each of the following mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	ure)	
On-site Closure Location: Latitude Lo	ongitude	NAD: 1927 1983
Operator Closure Certification: I hereby certify that the information and attachments submitted with this clos belief. I also certify that the closure complies with all applicable closure requivalent.	uirements and conditions s	and complete to the best of my knowledge and pecified in the approved closure plan.
Signature:		
e-mail address:		

PAN AMERICAN PETROLEUM CORPORATION

D the NORTH

915

REYS GAS UNIT "B"

29 NORTH 10 WEST,

the WEST

Fictured Cliffs

See below **

Artes-Pictured Cliffs

*To be reported later.

Book and the first of the first

Clwber

790

SAN JUAN

**Note: Pan American owns NW/4 NW/4 of this tract and is negotiating for farmout of the remaining 120 acres. The Texas Company has advised verbally that they will farmout this 120 acres to Pan American to the base of the Pictured Cliffs formation. We will notify the Commission when the appropriate instruments have been executed.

Section B.

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

PAN AMERICAN PETROLEUM CORPORATION

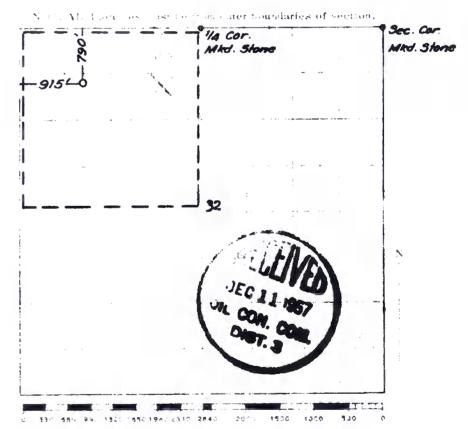
(Operator)

R. M. Bauer, Jr., Field Engineer (Representative)

Bex 487, Farmington, New Mexico

RMBauer fr.

Ref: GEO plat dated 19 April 1881



Scale I inches equal I mile

This to form of hid element we plut who prepared from held nones of actual surveys made by me or under my supervision and that the small are made correct to the best of my knowledge and sectors.

Familiaged, New Mexico

thure Surveyed 25 OCTOBER 1957

Registered Frufessional Engineer and/or Land Surveyor
LARS P. LERSK E. MRY. DEG. MO. 1449

A		Dia Dameia	Client:	XTO Energy
Lodestar Servic	es, Inc.	Pit Permit	Project:	Pit Permits
70 Baz 4465, Duran	EQ. CD 81302	Siting Criteria	Revised:	19-Nov-08
		Information Shee	Prepared by:	Devin Hencmann
API#:	ini nga	3004507743	USPLSS:	29N, 10W, 32D
Name:	KE	YS GAS COM B #1	Lat/Long:	36.68773/-107.91259
Depth to groundwater:		50'-100'	Geologic formation:	Naciemento
Distance to closest continuously flowing watercourse:	1.2 miles	N to the 'San Juan River'		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	2,385' E	E to Creighton Canyon wash		
			Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'		No		
			Annual Precipitation:	Bloomfield: 8.71" , Farmington: 8.21", Otis: 10.41"
Domestic fresh water well or spring within 500'		No	Precipitation Notes:	Historical daily max: Bloomfield (4.19")
Any other fresh water well or spring within 1000'		No		
	**			
Within incorporated municipal boundaries		No	Attached Documents:	i-Waters report odf
Within defined municipal fresh water well field		No		Topo map pdf, Aerial pdf, Mines and Quarries Map pdf,i-Waters Ground Water Data Map pdf, FEMA flood zone map pdf
Wetland within 500'		No	Mining Activity:	None
Within unstable area		No		
Within 100 year flood plain	No	o-FEMA Zone 'X'		
9 A A A A A A A A A A A A A A A A A A A	a la tana		<u> </u>	
Additional Notes:	156' SE	to evaporation pond		243' NE to concrete lined irrigation canal

706' W to large pond

KEYS GAS COM B #1 Below Ground TankSiting Criteria and Closure Plan

Well Site Location

Legals: T29N, R10W, Section 32D

Latitude/Longitude: approximately 36.68773, -107.91259

County: San Juan County, NM

General Description: near the San Juan River

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits dominate surficial geology (Dane and Bachman, 1965). The proposed below ground tank location will be near Creighton Canyon, southeast of Bloomfield and south of the San Juan River. The Nacimiento Formation of Tertiary Age is exposed, along with Quaternary alluvial and aeoloian sands within dry washes and arroyos.

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

The prominent soil type at the proposed site is entisols, which are defined as soils that do not show any profile development. Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the La Plata River (www.emnrd.state.nm.us). These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes soils that cover the area.

The climate of the region is arid, averaging just over 8 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center www.wrcc.dri.edu).

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

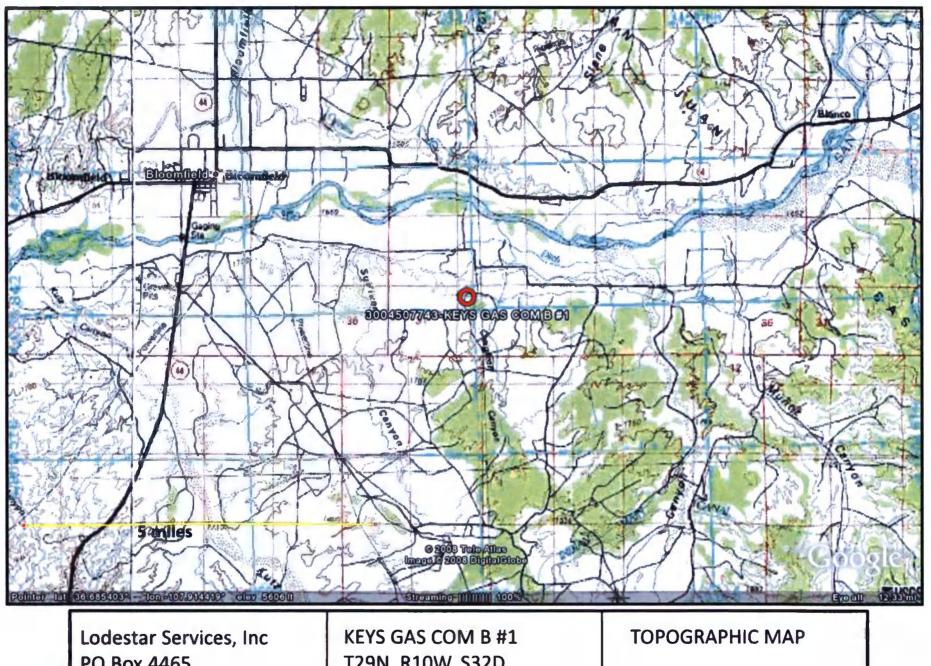
Site Specific Hydrogeology

Depth to groundwater is estimated to be between 50 feet and 100 feet. This estimation is based on data from Stone and others, 1983 and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

Local aquifers include sandstones within the Nacimiento Formation, which ranges from 0 to 1000 feet deep in this area, as well as shallow aquifers within Quaternary alluvial deposits (Stone et al., 1983). The 1000-foot depth range for Nacimiento aquifers covers an area over 20 miles wide, and depth decreases towards the margin of the San Juan Basin. The site in question is more centrally located, and depth to the aquifer is expected to be closer to 1000 feet. It is well known that groundwater close to the San Juan River can be shallow, as the Quaternary deposits near the river itself form shallow aquifers. The proposed site is situated 1.2 miles south of the San Juan River, and is approximately 130 feet higher in elevation (Google Earth).

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the location of wells in reference to the proposed pit location is also included. Pinpoints show locations of wells and the labels for each pinpoint indicate depth to groundwater in feet. Wells are clustered to the north of the proposed site along the San Juan River. Depth to groundwater within the nearby wells ranges from 6 feet to 186 feet below ground surface. The closest well to the proposed site is located approximately 4,355 feet to the northeast, and has a 40 foot lower topographic elevation than the proposed site (Google Earth). Depth to groundwater within the well is 50 feet below ground surface. Another well 2,756 feet to the northeast is about 60 feet lower in elevation then the proposed site, and has a depth to groundwater of 35 feet.

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PO Box 4465 Durango, CO 81302

T29N, R10W, S32D San Juan county, NM



Lodestar Services, Inc PO Box 4465 Durango, CO 81302 KEYS GAS COM B #1 T29N, R10W, S32D San Juan county, NM i-Waters Ground Water Data Map

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New Mexico Office of the State Engineer POD Reports and Downloads

WATER COLUMN REPORT 10/20/2008

	(quarter	are	e 1=	NW	2=	NE	3=SW 4=SE)							
	(quarter	B are	e bi	gge	est	: to	smallest) :			Depth	Depth	Water	(in	feet)
POD Number	Tws	Rng	Sec	P	P	q.	Zone	X		Y	Well	Water	Column		
SJ 00867	29N	11W	07	4							77	55	22		
SJ 01302	29N	11W	07	4	1						250	210	40		
SJ 01891	29N	11W	07	4	1	3					157				
SJ 01051	29N	11W	10	4	4						125	48	77		
SJ 02466 S	29N	11W	11	4	3	3					65				
SJ 02466	29N	110	11	4	3	3					66				
SJ 02991	29N	11W	13	3	4	2					60				
SJ 03136	29N	110	13	3	4	4					20				
SJ 00987	29N	11W	13	4							415	300	115		
SJ 01426	29N	11W	14	1	4						155	10	145		
SJ 00007	29N	11W	14	2	2	3					752				
SJ 03550	29N	11W	14	3	2	1					10				
SJ 01774	29N	11W	14	3	4	2					8.2	6	76		
SJ 03360	29N	110	14	3	4	2					40				
SJ 03175	29N	11W	14	4	2	1					€0	24	36		
SJ 03164	29N	11W	14	4	2	1					75	56	19		
SJ 03733 POD1	29N	11W	15	4	2	1					64	20	44		
SJ 02378	29N	11W	15	4	3	2					75	12	€3		
SJ 03579	29N	11W	15	4	4	1					8.3	30	53		
SJ 02141	29N	11W	16	4	3	4					110	40	70		
SJ 02926	29N	11W	17	2	4	3					375	30	295		
SJ 03399	29N	11W	17	4	2						100				
SJ 00487	29N	LIW	17	4	4						60	€	54		
SJ 02868	29N	11W	17	4	4	4					50				
SJ 01641	29N	11W	19	2	2	3					120	55	€5		
SJ 02026	29N	11W	19	3	1		440	000	20777	0.0	27	6	21		
SJ 02970	29N	11W	19	4	3	2					100	18	82		
SJ 01250	29%	11W	19	4	4						60	20	40		
SJ 02869	29N	11W	20	2	2	1					50				
SJ 00583	298	TIM	20	3	3	2					150	30	120		

3				
			•	

						2.0		22
SJ 01355	29N	11W 20	4	-2		3 6 4 2	3	33 32
SJ 00452	29N	11W 21					10.	
SJ 01969	25N	11W 21	2			65	55	10
SJ 00701 CLW312190		11W 21	2	2		70	14	56
SJ 00701	29N	11W 21	2		1	73		
SJ 03350	29N	11W 21	2	2	3	50		
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SJ 02863	29N	11W 21	2	4	1	52	20	32
SJ 03659	25W	11W 21	3	2	2	45	10	35
SJ 01888	29N	117 21	4	2	2	47	8	35
SJ 02200	29N	11W 22				60	22	38
SJ 01557	2,9N	110 22	1	2		70	11	59
SJ 00796	29N	11W 22	1	2		50	a	4.2
SJ 00704	29N	11W 22	1	2		55	20	35
SJ 01703	29N	11W 22	1	2		68	3	65
SJ 03747 POD1	29N	11W 22	1	2	3	47	27	20
SJ 02013	29N	11W 22	1	2	3	59	16	43
SJ 01214	29N	11W 22	1	3		49	12	37
SJ 00484	29N	11W 22	1	3	1	37	10	27
SJ 00320	29N	11W 22	1	3	1	3.8	10	28
SJ 03532	298	11W 22	1	3	3	49	14	35
SJ 00151	29N	11W 22	1	3	4	45	18	27
SJ 02721	29%	11W 22	1	4	•		59	
SJ 03503	29%	11W 22	2	3	3	72	18	54
SJ 02578	29N	11W 22	2	3	3	58	24	34
SJ 03093	2 93	11W 22	2	3	4	42	22	20
SJ 03189	29N	11W 22	3	2	1	45	20	25
SJ 03188	29N	11W 22	3	2	2	45	11	34
SJ 02020	29N	11W 22	3	3	۷	27	€	21
						_		
SJ 02138	29N	11W 22	4	2	•	40	7	33
SJ 02529	29N	11W 22	4	2	3	30	9	21
SJ 03479	29N	11W 22	4	2	3	43	4	39
SJ 03049	2 9N	11W 22	4	2	4	33	10	23
SJ 00696	2 9N	11W 22	4	3		34	12	22
SJ 01974	2 9N	11W 22	4	3	3	47	11	36
SJ 03567	29N	11W 23	1	2	3	50	22	28
SJ 03557	2 9N	11W 23	1	3	1	50	15	35
SJ 03550	2 9 N	11W 23	1	3	T .	50	15	35
SJ 03559	29N	11W 23	1	3	4	45	15	30
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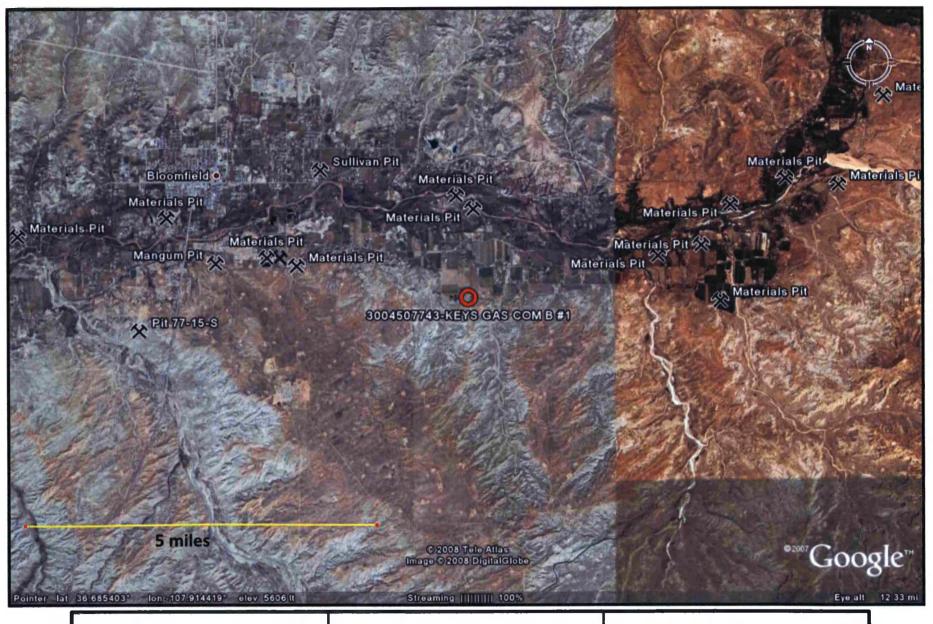
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SJ 01573	29N	11W 2	23	2 :	3			41	21	2
SJ 03073	29N	11W 2	23	2	3 1			30		
SJ 03286	29N	110 3	23	3	3 1			38	28	1
SJ 02799	29N	110 2	23	4	1 :			5€	15	4.
SJ 03548	29N	1100 2	23	4	1 1			50	15	3
SJ 01962	29N	11W 2	24	1 :	2 2			45	12	3:
SJ 03343	29N	11W 3	24	1 .	4 1			3.5	18	1
SJ 00804	29N	11W 2	25	1	4			3.7	25	1
SJ 01808 0-5	- 29N	11W 3	26	3	1 1			52	43	
SJ 02121	29N		27		1			30	€	2
SJ 02210	29N	11W 2	27	1	1			32	а	2
SJ 03588	29N	11W 3	27	1	1 2					
SJ 02227	29N	11W 3	27	1	1 4			27	6	2
SJ 00700	29N	11W 3	27	1	3 3			20	7	1
SJ 01808 0-4	29N	11W 3	27	2	3 3			32	25	
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SJ 02664	29N	11W 3	27	3	2			40	26	1
SJ 02664 S	29%	11W 3	27	3	2			3.8	23	1
SJ 02664 S-2	29N	11W 2	27	3	2			34	19	1
SJ 02664 S-3	29N	11W 3	27		2			41	30	1
SJ 02664 S-9	29N	11W 3			2			3.3	19	1
SJ 02664 S-4	29N	11W 3			2			42	30	1
SJ 02664 S-10	29N		27		2			33	19	1
SJ 02664 S-5	29%		27		2			41	30	1
SJ 02664 S-6	29N	11W	_		2			40	28	1
SJ 02664 S-7	29N	11W	27	3	2			37	23	1
SJ 02664 S-8	29N		27	3	2			35	25	1
SJ 02148	29N	11W 3	27	4	2			305	186	11
SJ 01808 0-6	29N	119 :	27	4	2 1			50		
SJ 03762 POD1	29N	11W :	28	1	1	267348	2075529	27	15	1.
SJ 03476	29N	1190		1	1 2			65		

SJ 03415	29N	11W 28	1 2 1		60	20	40
SJ 02559	29N	11W 28	1 2 4		15	7	8
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SJ 03021	29N	11W 28	2 1 3		16	5	11
SJ 01606	29N	11W 28	2 2		35	8	27
SJ 03468	29N	11W 28	2 4	367704 2073506	50		
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SJ 02713	29N	11W 28	3 1 1		2€	12	14
SJ 02858	29N	11W 28	3 1 3		40		
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SJ 02038	29N	11W 29			14	4	10
SJ 03298	29N	11W 29	41411		70	6	64
					24	<u> </u>	17
SJ 02023	_ 29N	11W 29	4 2		27	0 11	16
SJ 02182	29N				34	15	19
SJ 00822	_ 29N	11W 29	4 3		50	28	22
SJ 03421	_ 29N	11W 29	4 4 3		40	25	15
SJ 01391	29N	11W 30	2			25	72
SJ 03348	29N	11W 30	2 1 3		€0 42	16	26
SJ 01260	29N	11W 30	2 2		27	12	15
SJ 01264	29N	11W 30	2 2		28	15	13
SJ 01328	29N	11W 30	2 2				
SJ 01821	29N	11W 30	2 4		70	6	64
SJ 00875	29N	11W 30	4 1		37	20	17
SJ 02922	29N	11W 31	3 2 2		75		
SJ 03795 POD1	29N	11M 31	3 2 4	266438 2067001	75	45	30
SJ 03541	2 9 N	11M 31	3 4 1		80	40	40
SJ 00441	29%	11W 32	2 2				
SJ 00103	29N	11W 32	4 4 4		263		
SJ 00103 S	29N	11W 32	4 4 4		254		
SJ 03666	2 9N	11W 33	2 1 3		49	30	19

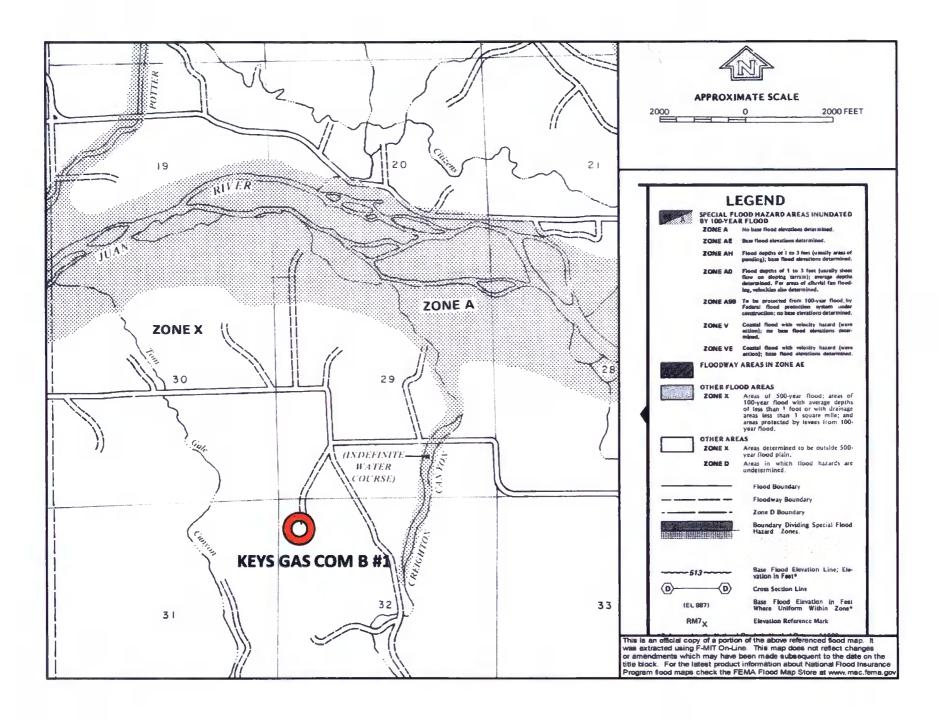


Lodestar Services, Inc PO Box 4465 Durango, CO 81302

KEYS GAS COM B #1 T29N, R10W, S32D San Juan county, NM **AERIAL PHOTOGRAPH**



Lodestar Services, Inc PO Box 4465 Durango, CO 81302 KEYS GAS COM B #1 T29N, R10W, S32D San Juan county, NM Mines and Quarries Map



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

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

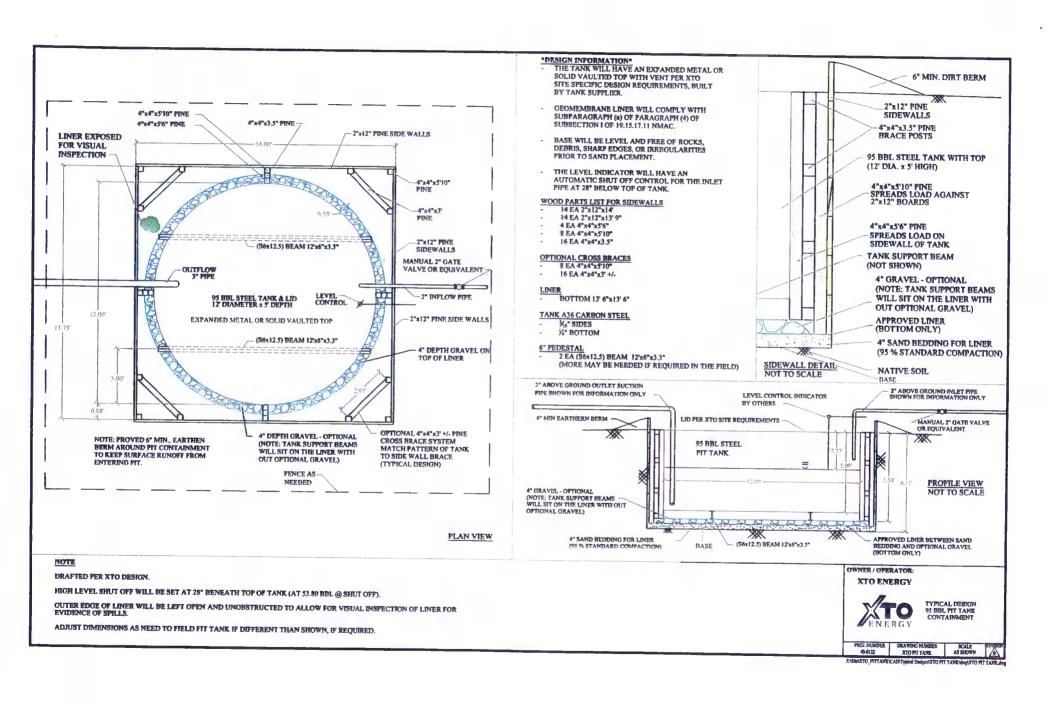
General Plan

- 1. XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the existing well site operated by XTO where the existing below-grade tank is located. The sign will list the Operator on record as the operator, the location of the well site by unit letter, section, township, range, and emergency telephone numbers.
- 3. XTO is requesting approval of an alternative fencing to be used on below-grade tank locations. Below-grade tank locations will be fenced utilizing 48" steel mesh field-fence (hogwire) with pipe railing along the top. A 6' chain link fence will be utilized around the well pad if the well site is within a city limits or ¼ mile of a permanent residence, school, hospital, institution or church. Below-grade tanks located within 1000' of a permanent residence, school, hospital, institution or church will be fenced by 6' chain link fence with at least two strands of barbed wire at the top. All gates associated with below-grade tanks will remain closed and locked when responsible individuals are not on site.
- 4. XTO shall construct below-grade tanks with an expanded metal covering or solid vaulted top on the top of the below-grade tank.
- 5. XTO will ensure that below-grade tanks are constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight. Tanks will be constructed of A36 carbon steel with 3/16" sides and 1/4" 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 1 of 19.15.17.11 NMAC and obtain approval from OCD prior to the installation of the design. The geomembrane liner shall have a hydraulic conductivity no greater than 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidics and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A. (See attached drawing).
- 11. The general specifications for design and construction are attached.



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

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

General Plan

- XTO will operate and maintain below-grade tanks to contain liquids and solids, maintain the
 integrity of the liner and secondary containment system, prevent contamination of fresh water and
 protect public health and the environment. Fluid levels will be monitored weekly and high levels
 will be removed as necessary. Monthly inspections will be conducted to monitor integrity of
 below-grade tank systems and below-grade tanks will be equipped with automatic high-level
 shut-off devices.
- 2. XTO will not allow below-grade tanks to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the below-grade tank. Below-grade tanks will be equipped with automatic high-level shut-off control devices as well as manually operated shut-off valves. See attached drawing for vault design and placement of diversion berms and shut-off devices.
- 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 Nan	ne:			API No.:					
Legals	Sec:		Township:						
XTO Inspector's		Inspection	Any visible liner	Any visible signs of	Collection of surface	Visible layer	Any visible signs	Freeboa	
Name	Date	Time	tears (Y/N)	tank overflows (Y/N)	run on (Y/N)	of oil (Y/N)	of a tank leak (Y/N)	Est. (f	
-									
								-	
									
_									
Notes:	Provide De	tailed Descri	ption:						
			•		-				
Misc:							·		
							<u> </u>		
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XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Closure Plan For Below-Grade Tanks

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

General Plan

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

Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B Soil contaminated by exempt petroleum hydrocarbons Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes

Basin Disposal Permit No. NM01-005 Produced water

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

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 divisionapproved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands.

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

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

- 14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - i. Proof of closure notice to division and surface owner;
 - ii. Details on capping and covering, where applicable;
 - iii. Inspection reports;
 - iv. Confirmation sampling analytical results;
 - v. Disposal facility name(s) and permit number(s);
 - vi. Soil backfilling and cover installation;
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
 - viii. Photo documentation of the site reclamation.

