NM2 - ___1_____

CLOSURE PLAN & APPROVAL

New Mexico Energy, Minerals and Natural Resources Department

December 13, 2010

Ms. Kim Champlin
XTO Energy, Inc.
San Juan Division
382 Road 3100
Aztec, New Mexico 87410

RE: Facility Closure Plan Review
XTO Energy, Inc. - Centralized Surface Waste Management Facility
Centralized Evaporation Pond #2: Permit NM-2-001
Location: Section 26, Township 32 North, Range 9 West, NMPM
San Juan County, New Mexico

Dear Ms. Champlin:

The Oil Conservation Division (OCD) has reviewed XTO Energy, Inc.'s (XTO) revised closure plan, dated December 8, 2010, for the centralized surface waste management facility, Centralized Evaporation Pond #2 Permit NM-2-001. Based on the information provided, the facility closure plan **is hereby approved** with the following understandings and conditions:

1. XTO shall comply with all applicable requirements of the Surface Waste Management Rule (19.15.36 NMAC), the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978), and all conditions specified in this approval.

2. XTO shall ensure that that the closure activities identified in the December 8, 2010 revised submittal are completed as proposed in the closure plan.

3. XTO shall ensure that any backfilling and contouring at the facility shall be completed in a manner to prevent erosion and ponding of water.

4. XTO shall remove all above and below grade equipment and materials from the permitted footprint of the facility. This shall include any items not associated with the permitted activities.

5. XTO shall excavate and removal any visual contamination within the permitted facility footprint. The contaminated soils shall be disposed at an OCD approved facility.

6. XTO shall submit a closure report at the completion of the closure activities that summarized the closure activities, including but not limited to, a final closure facility contour map; identification of material disposal facilities; sampling results; backfilling and contouring activities; re-vegetation seeding mixture and application rates; and photo documentation.

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

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Brad A. Jones
Environmental Engineer

BAJ/baj

cc: OCD District III Office, Aztec

Letter of Transmittal

Date: Wednesday, December 08, 2010

RECEIVED OCD
2010 DEC 10 A 11:03

To: Brad Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

From: Kim Champlin
XTO Energy Inc.
San Juan Division
382 Road 3100
Aztec, NM 87410

Dear Brad,

Please find enclosed a final hard copy of XTO's closure pond for Pond #2. Please forward to us a signed copy of the approval. Thank you so much for your time and help in this effort.

SITE NAME:

CENTRALIZED EVAPORATION POND #2
SECTION 26, TOWNSHIP 32N, RANGE 9W
SAN JUAN COUNTY, NEW MEXICO
OCD PERMIT NO. NM-02-0001

SUBMITTED TO:

MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487

SUBMITTED BY:

XTO ENERGY, INC.
SAN JUAN DIVISION
382 ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 333-3100

DECEMBER 8, 2010

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Figure 2, Site Map
Figure 2a, Site Map
Figure 3, Sample Grid Map

Attachments: Grading Plan
Reclamation Plan
Gardner #5 Cathodic Well Data Sheet
iWATERS Data Sheet

INTRODUCTION

The Centralized Evaporation Pond #2 (Pond #2) was originally permitted by the New Mexico Oil Conservation Division (OCD) for Koch Exploration in July of 1998, OCD Permit No. NM-02-0001. The pond lease and permit was acquired by XTO Energy, Inc. (XTO) in 2009 from El Paso Exploration and Production Company, and approval to transfer the permit was issued in March of 2009. The evaporation pond was used to dispose of produced water from the Blancett Com C #1, Gardner C #1, Gardner C #5 and Gardner C #7 well sites by previous operators. These wells are now owned and operated by XTO, however Pond #2 has not been used for disposal by XTO. XTO notified OCD in April 2009 of plans for evaporating the fluid in the pond in order to clean and inspect the liner as part of our routine operations and maintenance program. During inspection and maintenance, obsolete, damaged and non-operational equipment was removed from the location. Based on completion of this process XTO has decided to close Pond #2.

Any reference in this plan to equipment or systems under the liner is based on the original submitted design plan. All above and below grade equipment associated with permitted activities onsite will be removed from the footprint of the facility and details of the removal will be included in the final closure report.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide details of the closure activities proposed by XTO for Pond #2 located in Section 26, Township 32N, Range 9W. These activities include the area beneath the evaporation pond liner, pond sidewalls, liquids receiving and treatment area, leak detection sump area, and area outside the berm. Both the pond area and the leak detection sump area will be sampled in the same manner and analyzed for the same constituents.

1) XTO notified the division's environmental bureau on April 28, 2009 of the cessation of operations at Pond #2 as part of our plans for evaporating the fluid in the pond in order to clean and inspect the liner. This closure plan and proposed schedule is being submitted to the division for adequacy in accordance with Paragraph 1 of Subsection A of NMAC 19.15.36.18.

2) XTO is requesting an exception to Paragraph 2 of Subsection A of NMAC 19.15.36.18, the division's 60 days for notification of modifications of the closure plan and proposed schedule, based on the time of year and expected weather impediments. Winter precipitation, snow melt and Federal area closures will hinder closure operations.

3) However, if the division does not notify XTO of additional closure requirements within 60 days as provided, the operator may proceed with closure in accordance with the approved closure plan; provided that the director, for good cause, extend the time for the division's response for an additional period not to exceed 60 days by written notice to XTO in accordance with Paragraph 3 of Subsection A of NMAC 19.15.36.18.

4) XTO shall be entitled to a hearing concerning a modification or additional requirement the division seeks to impose if it files an application for a hearing within 10 days after receipt of written notice of the proposed modifications or additional requirements in accordance with Paragraph 4 of Subsection A of NMAC 19.15.36.18.

5) Closure shall proceed in accordance with the approved closure plan and schedule and modifications or additional requirements the division imposes. During closure operations XTO shall maintain the surface waste management facility to protect fresh water, public health, safety and the environment in accordance with Paragraph 5 of Subsection A of NMAC 19.15.36.18.

6) Upon completion of closure, XTO shall re-vegetate the site in accordance with the included Reclamation Plan. The surface owner of this site is the Bureau of Land Management (BLM) and the included Reclamation Plan conforms to BLM requirements and is in accordance with Paragraph 6 of Subsection A of NMAC 19.15.36.18.

7) All water and sediment in the pond has been removed and disposed of at an OCD permitted disposal facility in order to inspect the liner as per our agreement with OCD dated April 2009 and in accordance with Paragraph 1 Subsection E of NMAC 19.15.36.18.

8) All liners will be inspected for re-use in other Oil and Gas operations (with OCD approval). Portions of the liner that are deemed unusable and bedding (felt) material will be properly cleaned and disposed of per 19.15.35.8 NMAC at the Bondad Landfill, located in La Plata County, Colorado (due to location) or the San Juan County Landfill, located in San Juan County, New Mexico. Concrete used to make up the leak detection system sump will be broken up and screened for Naturally Occurring Radioactive Material before being hauled to the Bondad Landfill for disposal.

9) The soil beneath the evaporation pond liner, pond sidewalls, liquids receiving and treatment area, leak detection sump area, and area outside the berm will be sampled, by a third party contractor, in accordance with the procedures specified in Chapter Nine of EPA publication SW-846, "Test Methods for Evaluating Solid Waste", for BTEX via USEPA Method 8021B, total petroleum hydrocarbons (TPH) via USEPA Method 418.1, total chlorides, metals and other inorganics listed in Subsections A and B of 20.6.2.3103 NMAC, in accordance with a gridded plat outlined in Figure 3.

   Background samples will be compared to all other location samples to determine if a release has occurred. If a release is determined, then pursuant to 19.15.36.18F NMAC "If there has been a release to the vadose zone or to groundwater" XTO will comply with the applicable requirements of 19.15.29 NMAC and 19.15.30 NMAC.

Individual grab samples will be obtained from any areas (beneath the evaporation pond liner, pond sidewalls, liquids receiving and treatment area, leak detection sump area, and area outside the berm) with visually obvious staining or moist soil. If the liner is obviously damaged, or there is any indication of a release, a subsurface investigation will be conducted.

10) Samples will be collected in accordance with the USEPA SW-846 protocols. Four (4) soil samples will be collected from beneath the liner including the bottom and sidewalls of the pond area. One composite sample will be collected from quadrant in a grid pattern. Each sample beneath the liner (sampling grids A, B, C and D,) will be a 10 point composite as shown in Figure 3. Each grid will measure approximately 160' x 160'. The evaporation pond is approximately 315' x 315'. A 5 point composite sample will be collected beneath the leak detection sump area, (sampling grid E) as shown on Figure 3. A 5 point composite sample will be collected beneath the liquids receiving and treatment area (sampling grid F) as shown on Figure 3. Four additional 5 point composite samples will be collected from the bermed area outside the pond (sampling grids G, H, I and J) as show in Figure 3. All composite samples will be collected by obtaining equal amounts of material from each sampling point, and homogenizing them to obtain a uniform representation of all sampling points. One background sample of virgin, undisturbed soil will be collected and analyzed for comparative purposes. The sample results will be submitted to the OCD Santa Fe office in accordance with Paragraphs 4-5 of Subsection E of NMAC 19.15.36.18.

11) Once laboratory analysis indicates closure standards have been achieved for the site, the evaporation pond will be backfilled using non-waste containing, non-contaminated soil, and re-contoured and re-vegetated pursuant to the attached ***Grading Plan*** and ***Reclamation Plan***. These plans conform to NMAC 19.15.36.18 and BLM requirements.

12) The post-closure care period for the evaporation pond closure shall be three years if XTO has achieved clean closure. During that period XTO or another responsible entity shall regularly inspect and maintain the required re-vegetation. If there has been a release to the vadose zone or to groundwater, then XTO shall comply with applicable requirements of 19.15.29 and 19.15.30 NMAC in accordance with Subsection F on NMAC 19.15.36.18.

13) Once all closure activities have been completed, a report detailing on-site activities and sampling results will be prepared and submitted to OCD environmental bureau in Santa Fe.

XTO proposes to begin closure activities immediately upon approval of this closure plan and attached documentation.

Supplemental to "Notes" Section of included Grading Plan

Note #4 reads "It is understood that the re-graded areas will be vegetated per BLM requirements."

Note #4 revised to read "It is understood that the re-graded areas will be vegetated per BLM and OCD requirements."

Note #5 reads "To minimize the potential for future noticeable settlement of the re-graded areas, it is recommended that the fill be placed in lifts no exceeding 1-foot in thickness and each lift be compacted to a minimum of 85% based on ASTM D698 standard proctor."

Note #5 revised to read "To minimize the potential for future noticeable settlement of the re-graded areas, it is recommended that the fill be placed in lifts not exceeding 6"-8" in thickness and each lift be compacted to a minimum of 85% based on ASTM D698 standard proctor."

0 3,000 6,000
Feet

N

FIGURE 1
VICINITY MAP
CORONADO PONDS
SEC 26 T32N R9W & SEC 31 T32N R8W
SAN JUAN COUNTY, NEW MEXICO
XTO ENERGY, INC.

LEGEND

SITE LOCATION

P:\XTO Energy\GIS\MXD\XTO1020 CORONADO\XTO1020_CORONADO_FIG01_SL.mxd

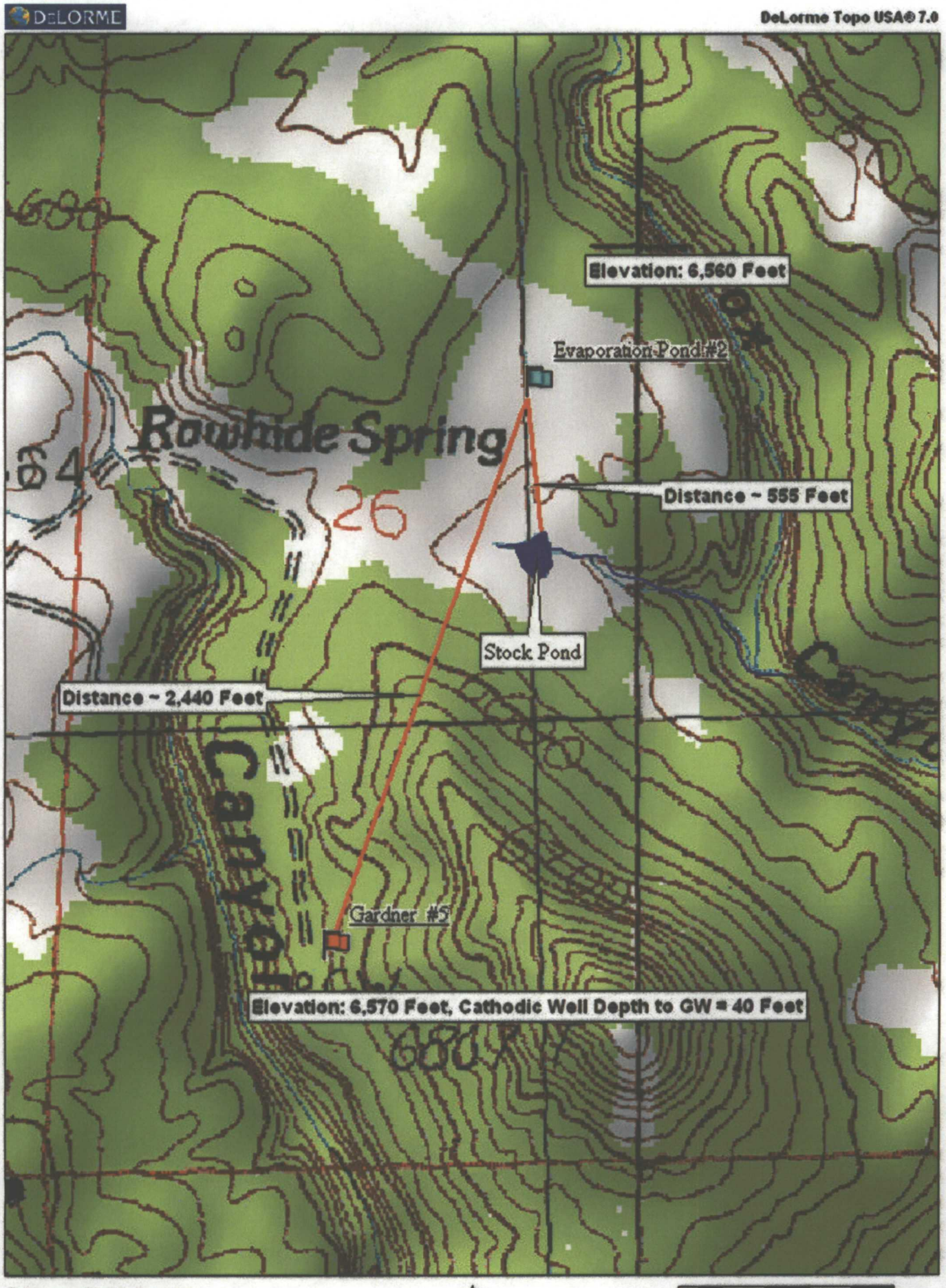
0 200 400

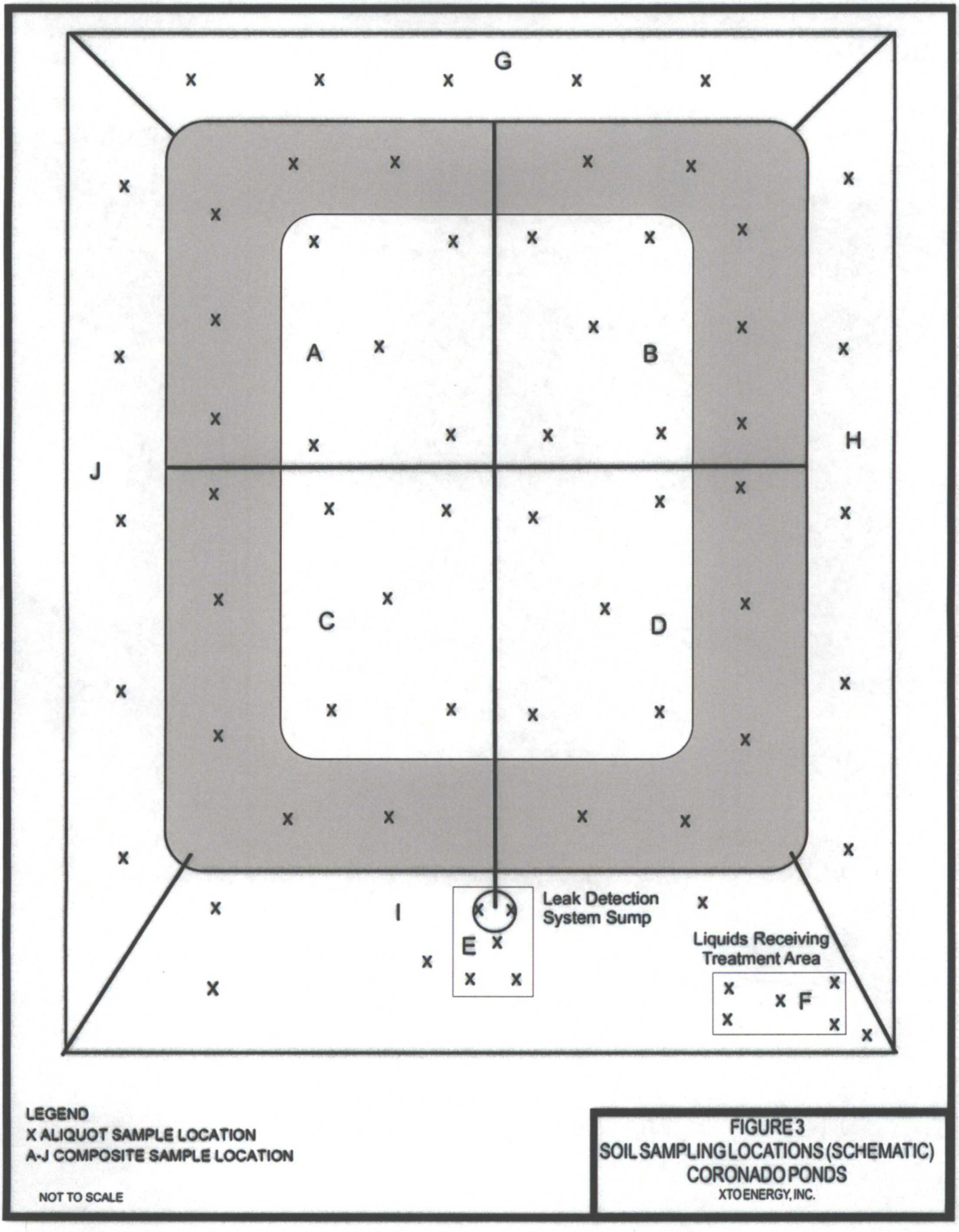
Feet

N

FIGURE 2
SITE MAP
CORONADO POND #2
SENW SEC 26 T32N R9W
SAN JUAN COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1020 CORONADO\XTO1020_CORONADO_FIG01_SL.mxd

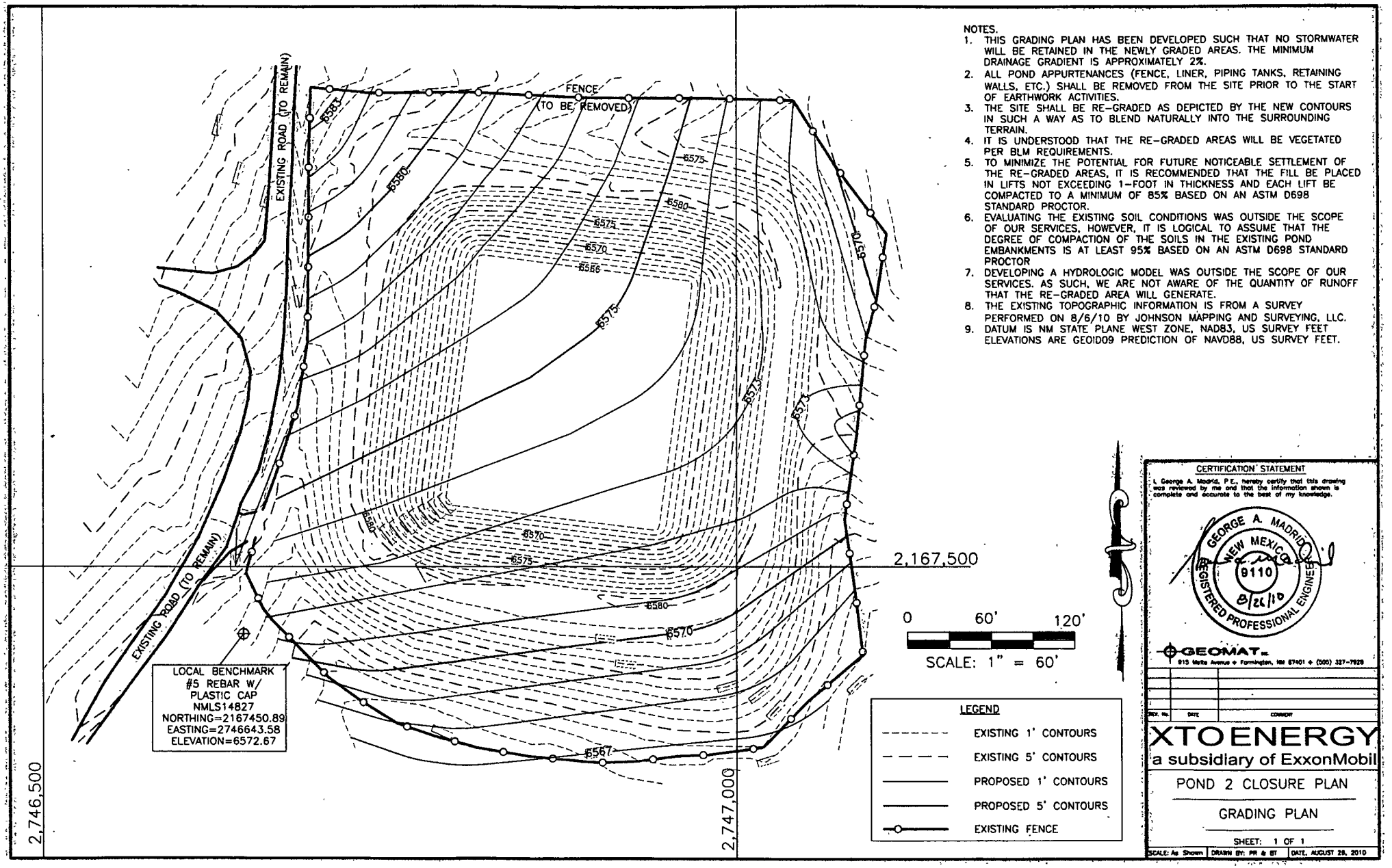

DeLorme
DeLorme Topo USA® 7.0
Elevation: 6,560 Feet
Evaporation Pond #2
Roadside Spring
Distance ~ 555 Feet
Stock Pond
Distance ~ 2,440 Feet
Gardner #5
Elevation: 6,570 Feet, Cathodic Well Depth to GW = 40 Feet
Data use subject to license.
© DeLorme. DeLorme Topo USA® 7.0.
www.delorme.com
MN (10.0° E)
0 180 360 540 720 900 ft
Data Zoom 14-3



LEGEND
X ALIQUOT SAMPLE LOCATION
A-J COMPOSITE SAMPLE LOCATION

NOT TO SCALE

FIGURE 3
SOIL SAMPLING LOCATIONS (SCHEMATIC)
CORONADO PONDS
XTO ENERGY, INC.



NOTES.

1. THIS GRADING PLAN HAS BEEN DEVELOPED SUCH THAT NO STORMWATER WILL BE RETAINED IN THE NEWLY GRADED AREAS. THE MINIMUM DRAINAGE GRADIENT IS APPROXIMATELY 2%.
2. ALL POND APPURTENANCES (FENCE, LINER, PIPING TANKS, RETAINING WALLS, ETC.) SHALL BE REMOVED FROM THE SITE PRIOR TO THE START OF EARTHWORK ACTIVITIES.
3. THE SITE SHALL BE RE-GRADED AS DEPICTED BY THE NEW CONTOURS IN SUCH A WAY AS TO BLEND NATURALLY INTO THE SURROUNDING TERRAIN.
4. IT IS UNDERSTOOD THAT THE RE-GRADED AREAS WILL BE VEGETATED PER BLM REQUIREMENTS.
5. TO MINIMIZE THE POTENTIAL FOR FUTURE NOTICEABLE SETTLEMENT OF THE RE-GRADED AREAS, IT IS RECOMMENDED THAT THE FILL BE PLACED IN LIFTS NOT EXCEEDING 1-FOOT IN THICKNESS AND EACH LIFT BE COMPACTED TO A MINIMUM OF 85% BASED ON AN ASTM D698 STANDARD PROCTOR.
6. EVALUATING THE EXISTING SOIL CONDITIONS WAS OUTSIDE THE SCOPE OF OUR SERVICES, HOWEVER, IT IS LOGICAL TO ASSUME THAT THE DEGREE OF COMPACTION OF THE SOILS IN THE EXISTING POND EMBANKMENTS IS AT LEAST 95% BASED ON AN ASTM D698 STANDARD PROCTOR
7. DEVELOPING A HYDROLOGIC MODEL WAS OUTSIDE THE SCOPE OF OUR SERVICES. AS SUCH, WE ARE NOT AWARE OF THE QUANTITY OF RUNOFF THAT THE RE-GRADED AREA WILL GENERATE.
8. THE EXISTING TOPOGRAPHIC INFORMATION IS FROM A SURVEY PERFORMED ON 8/6/10 BY JOHNSON MAPPING AND SURVEYING, LLC.
9. DATUM IS NM STATE PLANE WEST ZONE, NAD83, US SURVEY FEET ELEVATIONS ARE GEOID09 PREDICTION OF NAVD88, US SURVEY FEET.

CERTIFICATION STATEMENT

I, George A. Madrid, P.E., hereby certify that this drawing was reviewed by me and that the information shown is complete and accurate to the best of my knowledge.

GEORGE A. MADRID
NEW MEXICO
9110
8/26/10
REGISTERED PROFESSIONAL ENGINEER

GEOMAT
915 Malta Avenue ♦ Farmington, NM 87401 ♦ (505) 327-7928

REV. No.	DATE	COMMENT

XTO ENERGY
a subsidiary of ExxonMobil

POND 2 CLOSURE PLAN

GRADING PLAN

SHEET: 1 OF 1

SCALE: As Shown	DRAWN BY: PR & BT	DATE: AUGUST 29, 2010

RECLAMATION PLAN

The purpose of this reclamation plan is to provide a step-by-step list of the reclamation activities proposed by XTO Energy, Inc. (XTO) for Centralized Evaporation Pond #2 (Pond #2) located in Section 26, Township 32N, Range 9W, New Mexico Oil Conservation Division (OCD) Permit No. NM02-0001.

1) Once closure activities for Pond #2 have been completed pursuant to NMAC 19.15.36.18, the pond location will be backfilled using on-site material used to build the pond's structure upon its completion. During the pond's construction, native material was excavated to create the pond, and the native material was used to build the external structure of the evaporation pond. XTO proposes to use the existing, native soil to backfill the pond location, after closure sampling demonstrates there is no contamination of the soil. XTO will supplement with Bureau of Land Management (BLM) approved outside sources of material, should enough native material not be available on site. All supplemental soil will be added to the top portion of the backfilled location, and will match the native soil type.

2) The site will be graded according to the attached ***Grading Plan*** prepared by Geomat, Inc. (Geomat). The grading plan was completed using survey points in and around the location of Pond #2 in order to match the natural grade of the surrounding area. This will be done in such a way as to minimize sheet and rill erosion as well as prevent surface ponding in the reclamation area.

3) The site will be seeded using the prescribed certified seed mixture of the Farmington Field Office (FFO) of the BLM for the area in which the pond is located. Seeding will be re-completed after the second growing season if satisfactory cover is not achieved. XTO will provide signs and surface roughening in order to protect seed and seedling establishment.

4) XTO will inspect the site and maintain required re-vegetation in accordance with Subsection F on NMAC 19.15.36.18. In addition, excessive weeds will be removed as necessary, and progress photos will be collected. An annual report will be submitted to the BLM documenting the progress of the reclamation area for the first three (3) years, or until acceptable coverage has been obtained, whichever comes later. Acceptable coverage is considered 70 percent of the native coverage.

5217

30-045-24591

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS
NORTHWESTERN NEW MEXICO
(Submit 3 copies to OCD Aztec Office)

Operator KOCH EXPLORATION COMPANY Location: Unit G Sec. 26 Twp 32 Rng 9

Name of Well/Wells or Pipeline Serviced GARDNER-5

Elevation 6570' Completion Date 11-8-85 Total Depth 397' Land Type* F-NM-013642

Casing, Sizes, Types & Depths NONE

If Casing is cemented, show amounts & types used

NONE

If Cement or Bentonite Plugs have been placed, show depths & amounts used

NONE

Depths & thickness of water zones with description of water when possible:

Fresh, Clear, Salty, Sulphur, Etc. @-40'-CLEAR,ALKALI.

Depths gas encountered: NONE

Type & amount of coke breeze used: METALLURGICAL,3500#

Depths anodes placed: 375'-365'-355'-345'-290'-250'-200'-120'-110'-75'

Depths vent pipes placed: 390'

Vent pipe perforations: FROM 75'DOWN

Remarks:

RECEIVED
MAR1 6 1990
OIL CON. DIV.
DIST. 3

If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included.

*Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee.
If Federal or Indian, add Lease Number.

BURGE CORROSION SYSTEMS, INC.

P.O. BOX 1359 - PHONE 334-6141
AZTEC, NEW MEXICO 87410

Drilling Log (Attach Hereto). ☐ Completion Date NOVEMBER 8, 1985

Well Name	Location	
GARDNER #5	KOCH EXPLORATION	

Type & Size Bit Used	Work Order No.
6-3/4 inch	84

Anode Hole Depth	Total Drilling Rig Time	Total Lbs. Coke Used	Lost Circulation Mat'l Used	No. Sacks Mud Used
397 feet		3500		

	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10
Anode Depth	375	365	355	345	290	250	200	120	110	75
Anode Output (Amps)	3.02	3.31	3.65	3.30	2.58	2.26	2.37	3.35	3.64	3.3[illegible]
Anode Depth										
Anode Output (Amps)										

	#11	#12	#13	#14	#15	#16	#17	#18	#19	#20
Anode Depth										
Anode Output (Amps)										

Total Circuit Resistance			No. 8 C.P. Cable Used	No. 2 C.P. Cable Used
Volts 12.0	Amps 14.9	Ohms 0.81	2685 feet	

Remarks: Water at 40 feet.

Static pipe/soil potentials close -0.709V. remote -0.714V.

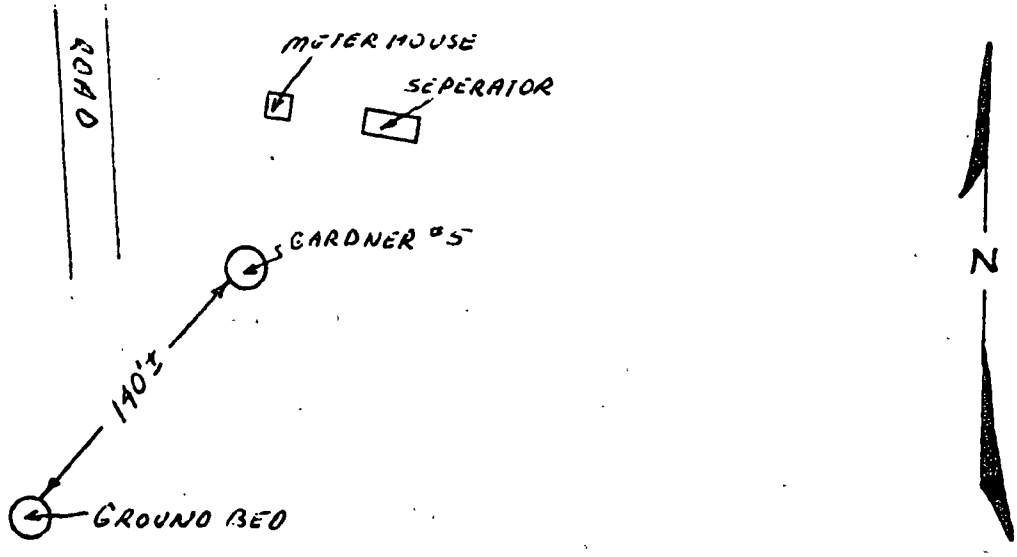
Used 400 feet of 3/4 inch polyethelene vent pipe.

We have a solar system on This well

All Construction Completed

Johnny L. Smith
(Signature)

GROUND BED LAYOUT SKETCH



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q Q Q 64 16 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
SJ 03131		STK	SJ	3 3 3	22	32N	09W	252963	4094453*	2162	843	580	263

Average Depth to Water: **580 feet**

Minimum Depth: **580 feet**

Maximum Depth: **580 feet**

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 254953 **Northing (Y):** 4093606.7205 **Radius:** 2500

***UTM location was derived from PLSS - see Help**

XTO ENERGY

RECEIVED
OCT 28 2010
Per:

October 28, 2010

Mr. Brad Jones
Oil Conservation Division
1220 South St. Francis Street
Santa Fe, New Mexico 87505

Email: brad.a.jones@state.nm.us
Phone (505) 476-3487

RE: CENTRALIZED EVAPORATION POND #2
OCD PERMIT #NM-02-0001
CLOSURE NOTICE AND CLOSURE PLAN

Dear Mr. Jones:
XTO Energy Inc. (XTO) is submitting this letter as notice of intent to close the Centralized Evaporation Pond #2 (Pond #2), New Mexico Oil Conservation Division (OCD) Permit Number NM-02-0001, located in the SE/4 of NW/4 of Section 26, Township 32N, Range 9W, San Juan County, New Mexico as outlined in NMAC 19.15.36.18. Pond #2 is located on Bureau of Land Management (BLM) surface leased by XTO. Attached to this letter is the Closure Plan for Pond #2, including a regrading and reclamation plan for the site. All closure activities will comply with NMAC 19.15.36.18. Thank you in advance for your time and consideration of this plan, and feel free to contact me with any questions you may have.

Respectfully Submitted,

Martin Nee
EH&S Manager
XTO Energy, Inc.
San Juan Division

S:\EHS\XTO ENVIRONMENTAL\New Mexico\Ponds\Cornado Evap Pond #2\Closure Plan\Letter.doc

SITE NAME:

CENTRALIZED EVAPORATION POND #2
SECTION 26, TOWNSHIP 32N, RANGE 9W
SAN JUAN COUNTY, NEW MEXICO
OCD PERMIT NO. NM-02-0001

SUBMITTED TO:

MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487

SUBMITTED BY:

XTO ENERGY, INC.
SAN JUAN DIVISION
382 ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 333-3100

OCTOBER 28, 2010

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Figure 2, Site Map
Figure 3, Sample Grid Map

Attachments: Grading Plan
Reclamation Plan
Gardner #5 Cathodic Well Data Sheet
iWATERS Data Sheet

INTRODUCTION

The Centralized Evaporation Pond #2 (Pond #2) was originally permitted by the New Mexico Oil Conservation Division (OCD) for Koch Exploration in July of 1998, OCD Permit No. NM-02-0001. The pond lease and permit was acquired by XTO Energy, Inc. (XTO) in 2009 from El Paso Exploration and Production Company, and approval to transfer the permit was issued in March of 2009. The evaporation pond was used to dispose of produced water from the Blancett COM C #1, Gardner C #1, Gardner C #5 and Gardner C #7 well sites by previous operators. These wells are now owned and operated by XTO, however Pond #2 has not been used for disposal by XTO. XTO notified OCD in April 2009 of plans for evaporating the fluid in the pond in order to clean and inspect the liner as part of our routine operations and maintenance program. During inspection and maintenance obsolete, damaged and non-operational equipment was removed from the location. Based on completion of this process XTO has decided to close Pond #2.

The closure standard for this site has been determined to be 100 mg/kg total petroleum hydrocarbons (TPH), 10 mg/kg benzene and 50 mg/kg total benzene, toluene, ethyl-benzene and total xylene (BTEX). This standard was determined pursuant to the OCD Guidelines for the Remediation of Leaks, Spills and Releases. The OCD Hazard Ranking of 30 was determined based on a depth to groundwater at this site of less than 50 feet, a distance to a water well of over 1,000 feet, and a horizontal distance to surface water of over 200 feet; see ***Gardner #5 Cathodic Well Data Sheet, iWaters Data Sheet and Figure 1, Vicinity Map.***

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide a step-by-step list of the closure activities proposed by XTO for Pond #2 located in Section 26, Township 32N, Range 9W.

1) XTO notified the division's environmental bureau on April 28, 2009 of the cessation of operations at Pond #2 as part of our plans for evaporating the fluid in the pond in order to clean and inspect the liner. This closure plan and proposed schedule is being submitted to the division for adequacy in accordance with Paragraph 1 of Subsection A of NMAC 19.15.36.18.

2) XTO is requesting an exception to Paragraph 2 of Subsection A of NMAC 19.15.36.18, the division's 60 days for notification of modifications of the closure plan and proposed schedule, based on the time of year and expected weather impediments. Winter precipitation and snow melt will hinder closure operations.

3) However, if the division does not notify XTO of additional closure requirements within 60 days as provided, the operator may proceed with closure in accordance with the approved closure plan; provided that the director, for good cause, extend the time for the

division's response for an additional period not to exceed 60 days by written notice to XTO in accordance with Paragraph 3 of Subsection A of NMAC 19.15.36.18.

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6) Upon completion of closure, XTO shall re-vegetate the site in accordance with the included Reclamation Plan. The surface owner of this site is the Bureau of Land Management (BLM) and the included Reclamation Plan conforms to BLM requirements and is in accordance with Paragraph 6 of Subsection A of NMAC 19.15.36.18.

7) All water and sediment in the pond has been removed and disposed of at an OCD permitted disposal facility in order to inspect the liner as per our agreement with OCD dated April 2009 and in accordance with Paragraph 1 Subsection E of NMAC 19.15.36.18.

8) The pond liner will be cleaned, and cut into sections upon removal. All liners and bedding material will be inspected for re-use in other Oil and Gas operations. Portions of the liner and bedding material that are deemed unusable will be hauled to the Bondad Landfill, located in La Plata County, Colorado or an approved OCD disposal facility in accordance with Paragraph 2 Subsection E of NMAC 19.15.36.18.

9) The soil beneath the evaporation pond liner, liquids receiving area, and treatment area will be sampled, by a third party contractor, into 4-ounce glass jars, capped headspace free,and analyzed for BTEX via USEPA Method 8021B, and for Diesel Range Organics (DRO) and Gasoline Range Organics (GRO) via USEPA Method 8015. Samples will also be collected from each of the four (4) grid areas, and from the natural background, to be analyzed for metals, organics, and other inorganics listed in Subsections A and B of NMAC 20.6.2.3103. Standard metals will be analyzed via USEPA Method 6010B, Mercury will be analyzed via USEPA Method 7470 and cyanide will be analyzed via USEPA Method 9012B. Fluoride, Nitrate, Sulfate and Chlorides will be analyzed via USEPA Method 9056. Polychlorinated Biphenyls (PCB) will be analyzed via USEPA Method 8082, Volatile Organic Compounds (VOCs) will be analyzed via USEPA Method 8260B, Poly Aromatic Hydrocarbons (PAH) will be analyzed via USEPA Method 8310, Ethylene Dibromide (EDB) will be analyzed via USEPA Method 8011, Phenols will be analyzed via USEPA Method 9066, Total Dissolved Solids (TDS) will be

analyzed via USEPA Method 2540C, Uranium will be analyzed via USEPA Method 200.8, and Radium 226/228 will be analyzed via USEPA Method 7500.

Any visually obvious areas of staining or moist soil will be sampled. If the liner is obviously damaged, or there is any indication of a release, a subsurface investigation will be conducted.

10) Samples will be collected in accordance with the USEPA SW-846 protocols. Four (4) soil samples will be collected from beneath the pond, one in each quadrant of a grid pattern. Each sample will be a 5 point composite as show on Figure 3. Each grid will measure approximately 160' x 160'. The evaporation pond is approximately 315' x 315'. One background sample of virgin, undisturbed soil will be analyzed for comparative purposes. The sample results will be submitted to the OCD Santa Fe office in accordance with Paragraphs 4-5 of Subsection E of NMAC 19.15.36.18.

11) Sample results above the 100 mg/kg TPH, 10 mg/kg benzene and 50 mg/kg BTEX standards will be excavated and a new sample collected for DRO/GRO via USEPA Method 8015 and for BTEX via USEPA Method 8021. Should all closure samples return results below the closure standards determined for this site, no excavation will be required.

12) Once laboratory analysis indicates closure standards have been achieved for the site, the evaporation pond will be backfilled using non-waste containing soil, and re-contoured and re-vegetated pursuant to the attached ***Grading Plan*** and ***Reclamation Plan***. These plans conform to NMAC 19.15.36.18 and BLM requirements.

13) The post-closure care period for the evaporation pond closure shall be three years if XTO has achieved clean closure. During that period XTO or another responsible entity shall regularly inspect and maintain the required re-vegetation. If there has been a release to the vadose zone or to groundwater, then XTO shall comply with applicable requirements of 19.15.1.19 and 19.15.3.116 NMAC in accordance with Subsection F on NMAC 19.15.36.18.

14) Once all closure activities have been completed, a report detailing on-site activities and sampling results will be prepared and submitted to OCD environmental bureau in Santa Fe.

XTO proposes to begin closure activities immediately upon approval of this closure plan and attached documentation. This list of closure activities conforms to the closure plan on file submitted by Koch Industries when the evaporation pond was permitted.

LEGEND

SITE LOCATION

FIGURE 1
VICINITY MAP
CORONADO PONDS
SEC 26 T32N R9W & SEC 31 T32N R8W
SAN JUAN COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1020 CORONADO\XTO1020_CORONADO_FIG01_SL.mxd

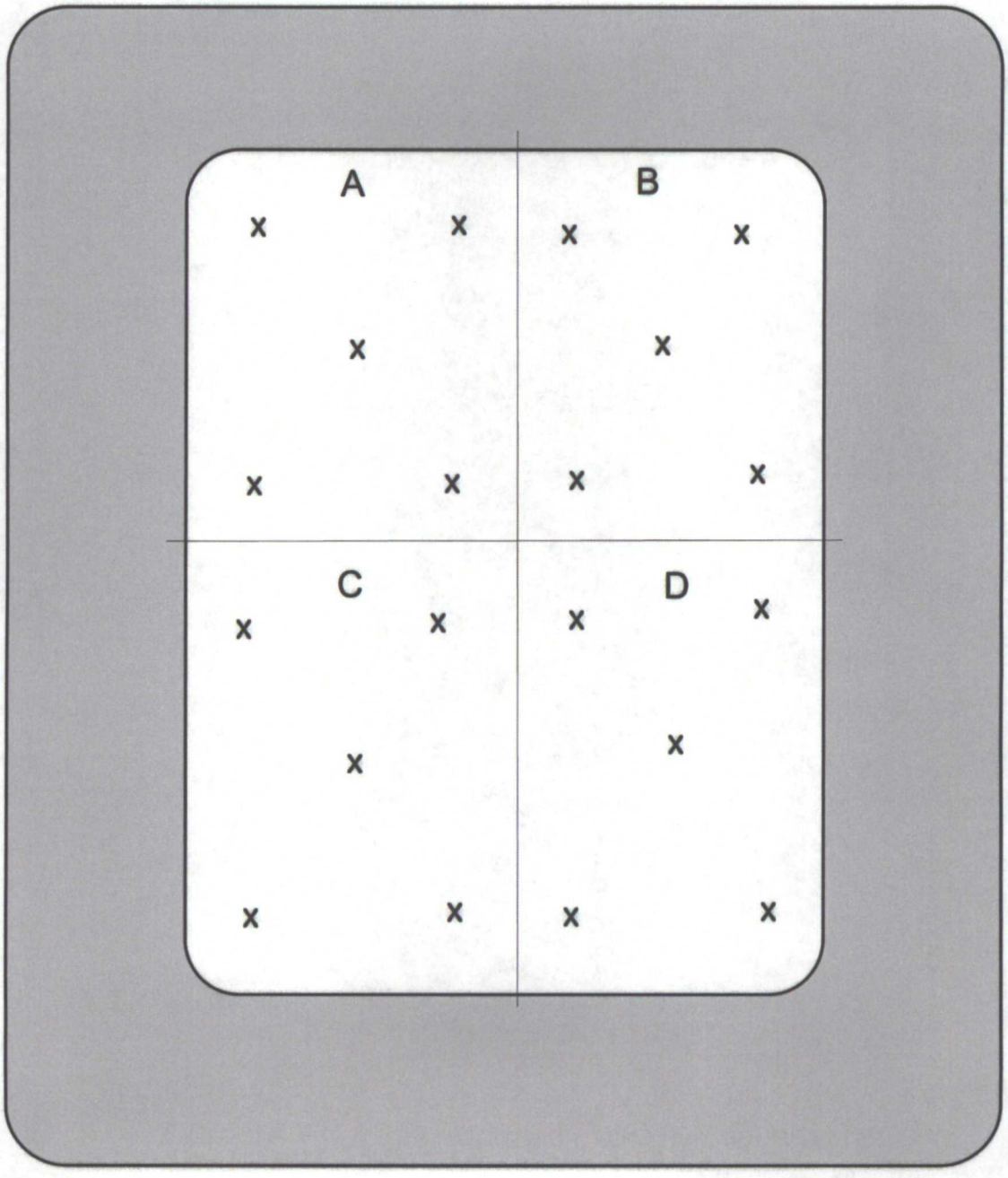
0 200 400

Feet

N

FIGURE 2
SITE MAP
CORONADO POND #2
SENW SEC 26 T32N R9W
SAN JUAN COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1020 CORONADO\XTO1020_CORONADO_FIG01_SL.mxd



LEGEND

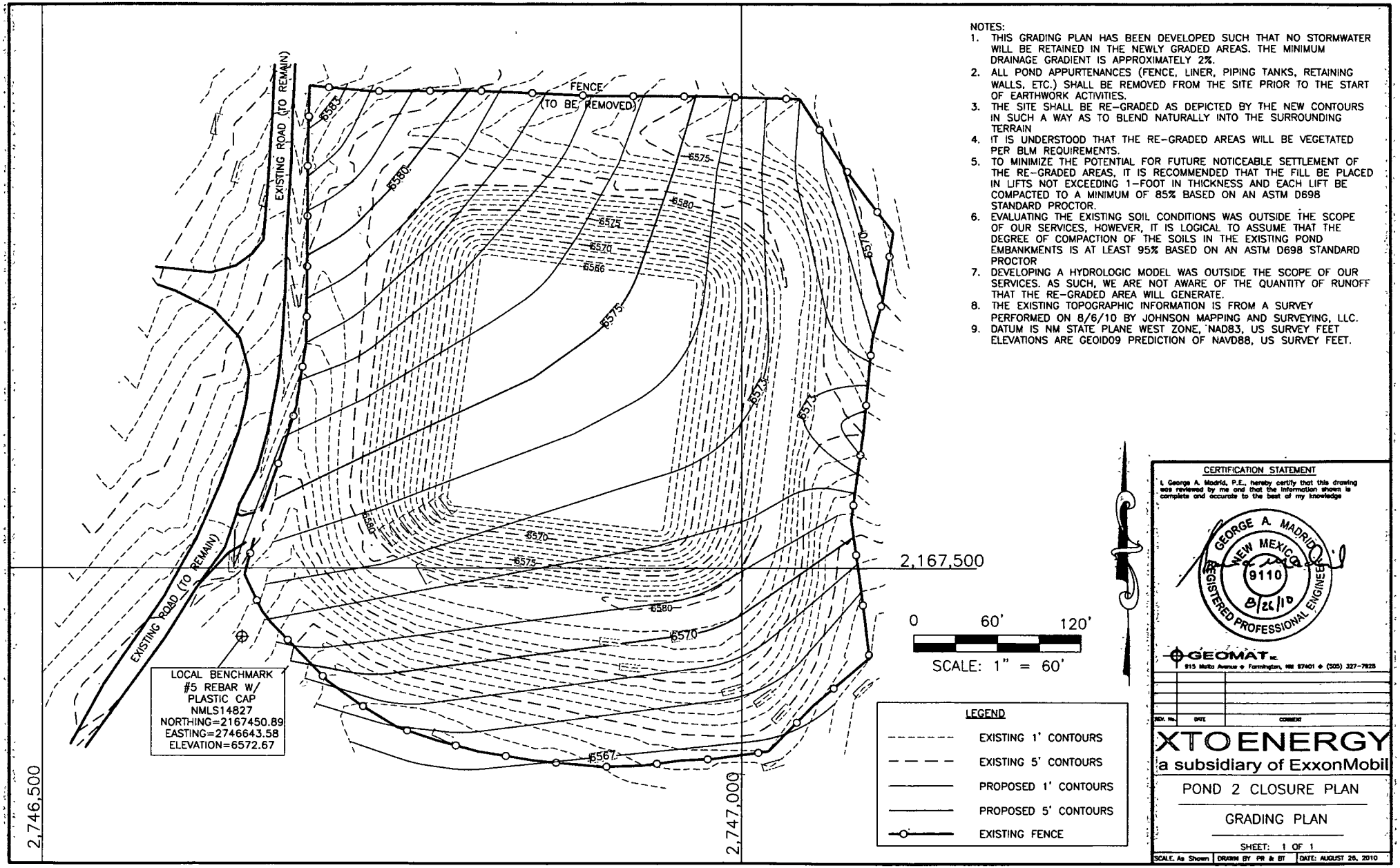
X ALIQUOT SAMPLE LOCATION

A COMPOSITE SAMPLE LOCATION

0 100 200 FT.

APPROXIMATE SCALE

FIGURE 3
SOIL SAMPLING LOCATIONS (SCHEMATIC)
CORONADO PONDS
XTO ENERGY, INC.



NOTES:

1. THIS GRADING PLAN HAS BEEN DEVELOPED SUCH THAT NO STORMWATER WILL BE RETAINED IN THE NEWLY GRADED AREAS. THE MINIMUM DRAINAGE GRADIENT IS APPROXIMATELY 2%.
2. ALL POND APPURTENANCES (FENCE, LINER, PIPING TANKS, RETAINING WALLS, ETC.) SHALL BE REMOVED FROM THE SITE PRIOR TO THE START OF EARTHWORK ACTIVITIES.
3. THE SITE SHALL BE RE-GRADED AS DEPICTED BY THE NEW CONTOURS IN SUCH A WAY AS TO BLEND NATURALLY INTO THE SURROUNDING TERRAIN
4. IT IS UNDERSTOOD THAT THE RE-GRADED AREAS WILL BE VEGETATED PER BLM REQUIREMENTS.
5. TO MINIMIZE THE POTENTIAL FOR FUTURE NOTICEABLE SETTLEMENT OF THE RE-GRADED AREAS, IT IS RECOMMENDED THAT THE FILL BE PLACED IN LIFTS NOT EXCEEDING 1-FOOT IN THICKNESS AND EACH LIFT BE COMPACTED TO A MINIMUM OF 85% BASED ON AN ASTM D698 STANDARD PROCTOR.
6. EVALUATING THE EXISTING SOIL CONDITIONS WAS OUTSIDE THE SCOPE OF OUR SERVICES, HOWEVER, IT IS LOGICAL TO ASSUME THAT THE DEGREE OF COMPACTION OF THE SOILS IN THE EXISTING POND EMBANKMENTS IS AT LEAST 95% BASED ON AN ASTM D698 STANDARD PROCTOR
7. DEVELOPING A HYDROLOGIC MODEL WAS OUTSIDE THE SCOPE OF OUR SERVICES. AS SUCH, WE ARE NOT AWARE OF THE QUANTITY OF RUNOFF THAT THE RE-GRADED AREA WILL GENERATE.
8. THE EXISTING TOPOGRAPHIC INFORMATION IS FROM A SURVEY PERFORMED ON 8/6/10 BY JOHNSON MAPPING AND SURVEYING, LLC.
9. DATUM IS NM STATE PLANE WEST ZONE, NAD83, US SURVEY FEET ELEVATIONS ARE GEOID09 PREDICTION OF NAVD88, US SURVEY FEET.

CERTIFICATION STATEMENT

I, George A. Madrid, P.E., hereby certify that this drawing was reviewed by me and that the information shown is complete and accurate to the best of my knowledge

GEORGE A. MADRID
NEW MEXICO
9110
8/26/10
REGISTERED PROFESSIONAL ENGINEER

GEOMAT INC.
915 Mesta Avenue ◆ Farmington, NM 87401 ◆ (505) 327-7928

REV. No.	DATE	COMMENT

XTO ENERGY
a subsidiary of ExxonMobil

POND 2 CLOSURE PLAN

GRADING PLAN

SHEET: 1 OF 1

SCALE: As Shown	DRAWN BY: PR & BT	DATE: AUGUST 25, 2010

RECLAMATION PLAN

The purpose of this reclamation plan is to provide a step-by-step list of the reclamation activities proposed by XTO Energy, Inc. (XTO) for Centralized Evaporation Pond #2 (Pond #2) located in Section 26, Township 32N, Range 9W, New Mexico Oil Conservation Division (OCD) Permit No. NM02-0001.

1) Once closure activities for Pond #2 have been completed pursuant to NMAC 19.15.36.18, the pond location will be backfilled using on-site material used to build the pond's structure upon its completion. During the pond's construction, native material was excavated to create the pond, and the native material was used to build the external structure of the evaporation pond. XTO proposes to use the existing, native soil to backfill the pond location, supplementing with Bureau of Land Management (BLM) approved outside sources of material, should enough native material not be available on site. All supplemental soil will be added to the top portion of the backfilled location, and will match the native soil type.

2) The site will be graded according to the attached ***Grading Plan*** prepared by Geomat, Inc. (Geomat). The grading plan was completed using survey points in and around the location of Pond #2 in order to match the natural grade of the surrounding area. This will be done in such a way as to minimize sheet and rill erosion as well as prevent surface ponding in the reclamation area.

3) The site will be seeded using the prescribed certified seed mixture of the Farmington Field Office (FFO) of the BLM for the area in which the pond is located. Seeding will be re-completed after the second growing season if satisfactory cover is not achieved. XTO will provide signs and surface roughening in order to protect seed and seedling establishment.

4) XTO will inspect the site quarterly to monitor the progress of the reclamation. Excessive weeds will be removed as necessary, and progress photos will be collected. An annual report will be submitted to the BLM documenting the progress of the reclamation area for the first three (3) years, or until acceptable coverage has been obtained, whichever comes later. Acceptable coverage is considered 70 percent of the native coverage.

5217

30-045-24591

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS
NORTHWESTERN NEW MEXICO
(Submit 3 copies to OCD Aztec Office)

Operator KOCH EXPLORATION COMPANY **Location:** Unit G Sec. 26 Twp 32 Rng 9

Name of Well/Wells or Pipeline Serviced GARDNER-5

Elevation 6570' **Completion Date** 11-8-85 **Total Depth** 397' **Land Type*** F-NM-013642

Casing, Sizes, Types & Depths NONE

If Casing is cemented, show amounts & types used

NONE

If Cement or Bentonite Plugs have been placed, show depths & amounts used

NONE

Depths & thickness of water zones with description of water when possible:

Fresh, Clear, Salty, Sulphur, Etc. @-40'-CLEAR,ALKALI.

Depths gas encountered: NONE

Type & amount of coke breeze used: METALLURGICAL, 3500#

Depths anodes placed: 375'-365'-355'-345'-290'-250'-200'-120'-110'-55'

Depths vent pipes placed: 390'

Vent pipe perforations: FROM 75'DOWN

Remarks:

RECEIVED
MAR 16 1990
OIL CON. DIV.
DIST. 3

If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included.

*Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee.
If Federal or Indian, add Lease Number.

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q Q Q 64 16 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
SJ 03131		STK	SJ	3 3 3	22	32N	09W	252963	4094453*	2162	843	580	263

Average Depth to Water: **580 feet**
Minimum Depth: **580 feet**
Maximum Depth: **580 feet**

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 254953 **Northing (Y):** 4093606.7205 **Radius:** 2500

***UTM location was derived from PLSS - see Help**

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

March 23, 2009

Martin Nee
EH&S Manager
XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410

RE: Request to Transfer Permits NM-02-0008 and NM-02-0001
To XTO Energy Inc.
From Coronado Energy E&P Company, LLC

Dear Mr. Nee:

The New Mexico Oil Conservation Division (OCD) has reviewed XTO Energy Inc. request, dated February 23, 2009, to transfer the above-referenced permits to XTO Energy Inc. (XTO) from Coronado Energy E&P Company, LLC. The OCD hereby approves the transfer of the following:

Permit NM-02-0008 for Pond #1
NE/4, NW/4, Section 31, Township 32 North, Range 8 West, NMPM,
San Juan County, New Mexico

Permit NM-02-0001 for Pond #2
SE/4, NW/4, Section 26, Township 32 North, Range 9 West, NMPM,
San Juan County, New Mexico

to XTO in accordance with Subsection E of 19.15.36.12 NMAC.

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

If there are any questions regarding this matter, please do not hesitate to contact Edward Hansen of my staff at (505) 476-3489 or edwardj.hansen@state.nm.us.

Sincerely,

Wayne Price
Bureau Chief
Environmental Bureau

WP:EJH:ejh

cc: OCD District III Office, Aztec
John H. Benton, Coronado Energy E&P Company, 1099 18th St., Suite 1900, Denver, CO 80128

XTO ENERGY

February 25, 2009

Brad Jones
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

Regarding: $50,000 Bond for Centralized Surface Waste Management Facilities
Travelers Casualty and Surety Company America
Permit No.'s NM-02-0008 & NM-02-0001
Section 31, Township 32N, Range 8W and
Section 26, Township 32N, Range 9W, NMPM, San Juan County, NM
Bond No. 105195313

Dear Mr. Jones,

Pursuant to NMAC 19.15.36.11 (A), XTO Energy Inc. (XTO) herein requests acceptance of the attached "blanket" financial assurance bond in the amount of $50,000 for the two above referenced centralized waste facilities. XTO purchased the properties from El Paso Exploration and Production Company on January 30, 2009 and recently submitted a request to your office for transfer of the existing permits. XTO will begin operating them March 1, 2009.

XTO appreciates your consideration of this request regarding the above mentioned bond. Should you require any further information feel free to contact me at (505) 333-3100.

Respectfully submitted,

Martin Nee
EH&S Manager
XTO Energy Inc.
San Juan Division

Cc: Kim Champlin, XTO
File

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

March 23, 2009

Martin Nee
EH&S Manager
XTO Energy Inc.
382 Road 3100
Aztec, New Mexico 87410

RE: Bond No.: 105195313
Amount: $50,000
Principal: XTO Energy, Inc.
Surety: Travelers Casualty and Surety Company of America

Dear Mr. Nee:

The New Mexico Oil Conservation Division hereby approves the above-referenced Financial Assurance for the following Surface Waste Management Facilities:

Permit NM-02-0008
XTO Pond #1 ($25,000)
NE/4, NW/4, Section 31, Township 32 North, Range 8 West, NMPM,
San Juan County, New Mexico

Permit NM-02-0001
XTO Pond #2 ($25,000)
SE/4, NW/4, Section 26, Township 32 North, Range 9 West, NMPM,
San Juan County, New Mexico

Sincerely,

David K. Brooks

David K. Brooks
Assistant General Counsel

DKB/ejh

Enclosure: Copy of Surety Bond # 105195313 (total amount $50,000.00)

cc: OCD District III Office, Aztec

Energy, Minerals and Natural Resources Department
Oil Conservation Division
Surety Bond For Waste Management Facilities
(File with Oil Conservation Division, 1220 S. Saint Francis, Santa Fe, New Mexico 87505)

BOND NO. 105195313
(For Surety Company Use)

KNOW ALL MEN BY THESE PRESENTS:

That **XTO Energy Inc.**, (an individual, partnership, or a corporation organized in the State of **Delaware**, with its principal office in the City of **Fort Worth**, State of **Texas**, and authorized to do business in the State of New Mexico), as PRINCIPAL, and **Travelers Casualty and Surety Company America**, a corporation organized and existing under the laws of the State of **Connecticut** and authorized to do business in the State of New Mexico as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (the "Division") pursuant to NMSA 1978, Section 70-2-12 as amended, in the sum of **Fifty Thousand and No/100- ($50,000.00)** Dollars for the payment of which PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally.

The conditions of this obligation are such that:

WHEREAS, the above PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, BS&W, tank bottoms, waste oil and/or other oil field related waste in Section 26, Township 32 North, Range 9 West, NMPM, San Juan County, New Mexico. and Section 31, Township 32 North, Range 8 West, NMPM, San Juan, County, New Mexico

NOW, THEREFORE, this $50,000.00 performance bond is conditioned upon substantial compliance with all applicable statutes of the State of New Mexico and all rules and orders of the Oil Conservation Commission and the Division. Upon clean-up of the facility site to standards of the Division, the Division will release this bond; otherwise, the principal amount of the bond is to be forfeited to the State of New Mexico.

Signed and sealed this 24th day of February, 2009.

XTO Energy Inc.
PRINCIPAL

810 Houston Street Fort Worth TX 76102
Mailing Address

By Tilbert L Caddick
Signature

VP Ops
Title

Note: If Principal is a corporation, affix corporate seal here.

Travelers Casualty and surety Company of America
SURETY

One Tower Square 3PB, Hartford, CT 06183
Mailing Address

By Teresa Godsey
Teresa Godsey, Attorney-in-Fact

Note: If corporate surety, affix corporate seal here.

ACKNOWLEDGMENT FORM FOR NATURAL PERSONS

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2____, by

_____

My commission expires:

_____ _____
Date Notary Public

ACKNOWLEDGMENT FORM FOR A CORPORATION, INCORPORATED ASSOCIATION OR PARTNERSHIP

STATE OF _____)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2____, by

_____ as (title) _____

of _____, a corporation, incorporated association, or partnership.

My commission expires:

_____
Date Notary Public

WARNING THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

POWER OF ATTORNEY

TRAVELERS

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 215661 Certificate No. 002547474

KNOW ALL MEN BY THESE PRESENTS. That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Teresa Godsey, Stuart L. Iverson, Linda White, and Brenda McCaw

of the City of Fort Worth, State of Texas, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 24th day of July 2008.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss

By: George W. Thompson, Senior Vice President

On this the 24th day of July 2008, before me personally appeared George W Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer

In Witness Whereof, I hereunto set my hand and official seal
My Commission expires the 30th day of June, 2011

MARIE C. TETREAULT NOTARY PUBLIC CONNECTICUT

Marie C. Tetreault Notary Public

58440-5-07 Printed in U.S.A.

WARNING THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St Paul Guardian Insurance Company, St Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her, and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary, and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 24th day of February, 2009.

Kori M. Johanson, Assistant Secretary

To verify the authenticity of this Power-of-Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

XTO Energy San Juan Division Reclamation Guidelines for the Farmington BLM Field Office

The following reclamation guidelines may be modified to accommodate any local County, State, Federal or Tribal regulatory specific requirements for reclamation.

The XTO Energy Reclamation Guideline addresses surface disturbing activities, will become part of the proposed Surface Use Plan document, and will address short term stabilization to facilitate long term and final reclamation. The techniques to meet the reclamation requirements are described in detail. The reclamation is considered complete when all the reclamation requirements described below have been addressed and approved by the authorized surface management agency.

Most landscapes can be reclaimed using established conventional reclamation methods. However, some areas have unique characteristics that make achieving all the reclamation requirements described in this guideline unrealistic. Innovative techniques beyond conventional practices must be considered and applied to reclaim these more challenging areas. Areas posing the most extreme reclamation challenges will be identified as having Limited Reclamation Potential (LRP). These areas are often characterized by highly sensitive and/or erosive soils, extremely sensitive vegetation types, soils with severe physical or chemical limitations, extremely steep slopes, etc. LRP areas may require site-specific reclamation measures. The authorized surface management agency along with XTO Energy will develop unique site specific reclamation requirements for those areas within the framework of the attached guidelines. The additional difficulty of reclaiming these areas of Limited Reclamation should be considered during the initial on site when planning surface-disturbing activities.

Reclamation Goals:

1. Short term goal: Immediately stabilize disturbed areas and provide conditions necessary to achieve the long term goal.

2. Long term goal: To reduce areas of disturbance not needed for production operation and restoration to pre-disturbance condition, maintain a safe and stable landscape and meet the desired outcomes of the land use plan.

3. Final goal: To restore the character and productivity of the land. Then, release and removal of final reclamated acreage from bond.

1. Management of all waste materials.

a. Waste materials produced during all phases of operation will be disposed of within 30-45 days after completion of the well in an approved manner to minimize any impact to the air, soil, water, vegetation or wildlife and livestock.

b. Treat and/or bio-remediate contaminated soil material.

c. Treat, bio-remediate, or remove waste materials, such as cuttings and liners. Buried material will be covered with a minimum of four feet of suitable material or meet other program standards.

d. Ensure waste and/or contaminated soil materials moved off-site are transported to and disposed of at an authorized disposal facility in accordance with all local, State and Federal requirements.

e. Liquid in pits will be properly disposed of before pits are back filled and re-contoured.

2. Maintain the biological, chemical, and physical integrity of the topsoil during all phases of construction, operation and reclamation.

a. Identify, delineate, and segregate salvaged topsoil based on site specific evaluation of soil characteristics.

b. When soil depth allows, the top 6 inches of topsoil will be stripped and stockpiled in the construction zones approved.

c. The stock piled soil will be reasonably free of brush, tree limbs, trunks and roots.

d. Implement BLM recommendations to minimize and protect all stored soil material from erosion, degradation, and contamination will be used to maintain the top soil.

e. Identify stockpiles with appropriate signage to prevent improper use.

f. Soils to be stored beyond one growing season will be seeded with the desired vegetation.

g. Stockpiled topsoil material will be spread on all areas to be reclaimed prior to seeding.

h. If fill dirt or gravel is required, it will be weed free and placed on the proposed final day to day use area upon delivery of material. **Prior** to ripping and seeding excess gravel will be removed from areas of reclamation.

3. Ensuring subsurface integrity, and eliminate sources of ground and surface water contamination.

a. Properly plug drill holes and other subsurface openings (temporary pits, mouse holes, rat holes, etc.).

b. Control sources of contamination to protect surface and ground water quality.

c. Temporary pits will be closed and interim reclamation will be completed within 90 days of completion, weather permitting, or in accordance with State and Federal regulations in conjunction with BLM.

d. The final grade of temporary pit, after reclamation, shall allow for drainage away from the pit area.

4. Reconstruct and stabilize water courses and drainage features.

a. Reconstruct drainage basins and reclaim impoundments to maintain the drainage pattern, profile, and dimension as close to the natural functioning features.

b. Identify and implement sediment controls designed to minimize sediment transport from the reclamated areas.

c. Reconstruct and stabilize stream channels, drainages, and impoundments to exhibit similar hydrologic characteristics found in naturally functioning systems.

5. Re-establishing slope stability, surface stability, and desired topographic diversity.

a. The cut and fill slopes will be contoured as close to the original contour as possible.

b. Minimize sheet and rill erosion on or adjacent to the reclaimed area. There should be no evidence of mass wasting, head cutting, large rills or gullies, down cutting in drainages, or overall slope instability on or adjacent to the reclaimed area.

c. Reconstruct the landscape to the approximate original contour or to be consistent with the land use plan.

d. Earth work for interim reclamation will be completed within 6 months of well completion, weather permitting.

e. Pads, pits, and roads will be reclaimed to a stable condition.

6. Prepare the site for re-vegetation.

a. Redistribute topsoil materials as close as possible to pre-disturbance depth. This distribution will include any cut and fill slopes.

b. Reduce compaction to an appropriate depth (12 inches), prior to redistribution of topsoil, to accommodate desired plant species.

c. In areas that have been surfaced with gravel material, the gravel material will be removed prior to recontouring.

d. Protect seed and seedling establishment (erosion control matting, mulching, surface roughening, fencing and signs.)

7. Establishing a desired self-perpetuating native plant community.

a. Establish appropriate and locally adaptive native plant material and sustainable ground cover appropriate for the desired plant community based on the characteristics and ecological setting per BLM specifications.

b. Enhance critical resource values (wildlife, range, recreation, etc.), where appropriate, by augmenting plant community composition, diversity, and/or structure.

c. Entire area of site not utilized for day to day operation will be seeded with the specified seed mix within 90 days of well completion or when weather conditions are the most favorable for establishing vegetation.

d. Select non-native plants as an alternative to native plant materials only as approved by BLM.

e. Seeding will be repeated if a satisfactory coverage is not achieved after the second growing season.

8. Reestablish complementary visual composition

a. Reclaim landscape features to blend into the adjacent area and conform to the land use plan decisions that do not result in a long term change to the scenic quality of the area.

b. The location equipment will be painted within 90 days of installation or as weather permits. The color will be the designated color specified in the approved APD or blend with the natural color of the landscape.

9. Management of weed control

a. Assess the proposed route and site for noxious weeds before initiating surface disturbing activities. Reference Noxious weed lists from the State, County and BLM Field Offices.

b. Consult with BLM for the treatment options of existing weeds prior to new surface disturbance.

c. Use of pesticides and herbicides will comply with applicable federal/state laws.

d. Prior to the use of pesticides, written approval will be obtained from the BLM Field Office.

e. Monitor and document invasive plant treatments.

10. Final Reclamation.

a. Fences, production equipment, concrete slabs, anchors, debris and trash must be removed from location within 3 months of plugging a well weather permitting or as soon as practical.

b. Any additional reclamation earthwork for final reclamation will be completed within 9 months of well plugging. Total final reclamation of site will be completed within 12 months of well plugging date.

c. Remaining production pits will be closed in accordance with federal/state regulations.

d. The well pad will be re-contoured to blend with the natural contour.

e. Compacted areas will be ripped to required depth and disked before seeding.

f. Access roads will be stripped of any remaining road base, re-contoured to conform to the natural contour, and left as rough as possible to deter use.

g. Disturbed areas will be seeded with the prescribed certified seed mix per BLM.

h. A reclamation fence may be necessary to prevent any vehicular access.

i. Continue processes and implementation until final reclamation goals are achieved.

11. Reclamation monitoring and reporting strategy.

a. Conduct inspections and monitor effectiveness in accordance with the BLM approved monitoring protocol.

b. Evaluate monitoring data for compliance with the reclamation guidelines.

c. Document and report monitoring data and recommend revised reclamation strategies.

d. Implement revised reclamation strategies as needed.

e. Repeat the process of monitoring, evaluating, documenting/reporting, and implementing processes until reclamation goals are achieved.

Approved by: Rick Kein

Date of Approval: 9/28/10

Definitions

Reclamation Plan - A written document that addresses the reconstruction of disturbed surface by returning the land to a condition approximate or equal to that which existed prior to disturbance, or to a stable and productive condition compatible with the land use plan.

Interim Reclamation – The process to minimize the footprint and restore areas of disturbance needed during continued production operations.

Final Reclamation – The process to restore the character of the land and water to approximate or equal to pre-disturbance condition after the well has been permanently plugged and abandoned.

Surface Disturbing Activities – New construction, reconstruction, excavation, or altering existing facilities, including roads, flow lines, pipelines, pits, tank batteries or any other production facilities.

Normal Operating Procedures – Procedures that **do not require prior** approval and do not involve additional disturbance such as, routine fracturing, acidizing jobs, recompletion of the same interval, or normal production facility maintenance.

Non-Routine Procedures – Procedures that **do require prior** approval and may involve surface disturbance such as, non-routine fracturing, recompletion in a different interval, conversion to a service well, deepening or plugging, new production equipment installations.

Day to Day Use Area – The minimum area required to conduct daily production operations typically within the teardrop area.

Day to Day Driving Surface – The two track driving path typically in a tear drop shape required for access to production equipment for daily maintenance and production operations.

Jones, Brad A., EMNRD

From: Kim_Champlin@xtoenergy.com
Sent: Friday, November 05, 2010 4:54 PM
To: Jones, Brad A., EMNRD
Cc: Martin_Nee@xtoenergy.com; James_McDaniel@xtoenergy.com
Subject: Revised Draft
Attachments: Document.pdf

Brad,

Attached you will find a revised draft copy of our closure plan for the pond #2 as per our phone conversation earlier in the week. I have only attached the documents that required revision so this is not a complete version. As soon as I hear from you that this draft is approved I will re-submit a completed copy. If you have any questions or comments feel free to contact me. I know your schedule next week is hectic and I appreciate you trying to get this approved as quickly as possible.

Kim Champlin
XTO Energy Inc.
EH&S Administrative Coordinator
San Juan Division
(505) 333-3100 office
(505) 330-8357 cell
(505) 333-3280 fax
kim_champlin@xtoenergy.com

SITE NAME:

CENTRALIZED EVAPORATION POND #2
SECTION 26, TOWNSHIP 32N, RANGE 9W
SAN JUAN COUNTY, NEW MEXICO
OCD PERMIT NO. NM-02-0001

SUBMITTED TO:

MR. BRAD JONES
NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505
(505) 476-3487

SUBMITTED BY:

XTO ENERGY, INC.
SAN JUAN DIVISION
382 ROAD 3100
AZTEC, NEW MEXICO 87410
(505) 333-3100

OCTOBER 28, 2010

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Reclamation Plan
Gardner #5 Cathodic Well Data Sheet
iWATERS Data Sheet

INTRODUCTION

The Centralized Evaporation Pond #2 (Pond #2) was originally permitted by the New Mexico Oil Conservation Division (OCD) for Koch Exploration in July of 1998, OCD Permit No. NM-02-0001. The pond lease and permit was acquired by XTO Energy, Inc. (XTO) in 2009 from El Paso Exploration and Production Company, and approval to transfer the permit was issued in March of 2009. The evaporation pond was used to dispose of produced water from the Blancett COM C #1, Gardner C #1, Gardner C #5 and Gardner C #7 well sites by previous operators. These wells are now owned and operated by XTO, however Pond #2 has not been used for disposal by XTO. XTO notified OCD in April 2009 of plans for evaporating the fluid in the pond in order to clean and inspect the liner as part of our routine operations and maintenance program. During inspection and maintenance obsolete, damaged and non-operational equipment was removed from the location. Based on completion of this process XTO has decided to close Pond #2.

The closure standard for this site has been determined to be 100 mg/kg total petroleum hydrocarbons (TPH), 10 mg/kg benzene and 50 mg/kg total benzene, toluene, ethyl-benzene and total xylene (BTEX). This standard was determined pursuant to the OCD Guidelines for the Remediation of Leaks, Spills and Releases. The OCD Hazard Ranking of 30 was determined based on a depth to groundwater at this site of less than 50 feet, a distance to a water well of over 1,000 feet, and a horizontal distance to surface water of over 200 feet; see ***Gardner #5 Cathodic Well Data Sheet, iWaters Data Sheet and Figure 1, Vicinity Map.***

Soil samples will be collected to be analyzed for chloride standard of 250 mg/kg or background to determine if a release has occurred.

Onsite equipment will be removed including any equipment specified in the original design of the pond that might still be on location (i.e. leak detection sump, steel skimmer tank, etc.).

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide a step-by-step list of the closure activities proposed by XTO for Pond #2 located in Section 26, Township 32N, Range 9W.

1) XTO notified the division's environmental bureau on April 28, 2009 of the cessation of operations at Pond #2 as part of our plans for evaporating the fluid in the pond in order to clean and inspect the liner. This closure plan and proposed schedule is being submitted to the division for adequacy in accordance with Paragraph 1 of Subsection A of NMAC 19.15.36.18.

2) XTO is requesting an exception to Paragraph 2 of Subsection A of NMAC 19.15.36.18, the division's 60 days for notification of modifications of the closure plan and proposed schedule, based on the time of year and expected weather impediments. Winter precipitation, snow melt and Federal area closures will hinder closure operations.

3) However, if the division does not notify XTO of additional closure requirements within 60 days as provided, the operator may proceed with closure in accordance with the approved closure plan; provided that the director, for good cause, extend the time for the division's response for an additional period not to exceed 60 days by written notice to XTO in accordance with Paragraph 3 of Subsection A of NMAC 19.15.36.18.

4) XTO shall be entitled to a hearing concerning a modification or additional requirement the division seeks to impose if it files an application for a hearing within 10 days after receipt of written notice of the proposed modifications or additional requirements in accordance with Paragraph 4 of Subsection A of NMAC 19.15.36.18.

5) Closure shall proceed in accordance with the approved closure plan and schedule and modifications or additional requirements the division imposes. During closure operations XTO shall maintain the surface waste management facility to protect fresh water, public health, safety and the environment in accordance with Paragraph 5 of Subsection A of NMAC 19.15.36.18.

6) Upon completion of closure, XTO shall re-vegetate the site in accordance with the included Reclamation Plan. The surface owner of this site is the Bureau of Land Management (BLM) and the included Reclamation Plan conforms to BLM requirements and is in accordance with Paragraph 6 of Subsection A of NMAC 19.15.36.18.

7) All water and sediment in the pond has been removed and disposed of at an OCD permitted disposal facility in order to inspect the liner as per our agreement with OCD dated April 2009 and in accordance with Paragraph 1 Subsection E of NMAC 19.15.36.18.

8) The pond liner will be cleaned, and cut into sections upon removal. All liners and bedding material will be inspected for re-use in other Oil and Gas operations (with OCD approval). Portions of the liner and bedding material that are deemed unusable will be hauled to the Bondad Landfill, located in La Plata County, Colorado or an approved OCD disposal facility in accordance with Paragraph 2 Subsection E of NMAC 19.15.36.18.

9) The soil beneath the evaporation pond liner, pond sidewalls, liquids receiving and treatment area, leak detection sump area, and area outside the berm will be sampled, by a third party contractor, into 4-ounce glass jars, capped headspace free,and analyzed for BTEX via USEPA Method 8021B, and for total petroleum hydrocarbons (TPH) via USEPA Method 418.1. Samples will also be collected from each of the four (4) grid areas, and from the natural background (for comparative purposes), to be analyzed for metals, organics, and other inorganics listed in Subsections A and B of NMAC 20.6.2.3103. Standard metals will be analyzed via USEPA Method 6010B, Mercury will be analyzed via USEPA Method 7470 and cyanide will be analyzed via USEPA Method 9012B. Fluoride, Nitrate, Sulfate and Chlorides will be analyzed via USEPA Method

9056. Polychlorinated Biphenyls (PCB) will be analyzed via USEPA Method 8082, Volatile Organic Compounds (VOCs) will be analyzed via USEPA Method 8260B, Poly Aromatic Hydrocarbons (PAH) will be analyzed via USEPA Method 8310, Ethylene Dibromide (EDB) will be analyzed via USEPA Method 8011, Phenols will be analyzed via USEPA Method 9066, Total Dissolved Solids (TDS) will be analyzed via USEPA Method 2540C, Uranium will be analyzed via USEPA Method 200.8, and Radium 226/228 will be analyzed via USEPA Method 7500.

Individual grab samples will be obtained from any areas with visually obvious staining or moist soil. If the liner is obviously damaged, or there is any indication of a release, a subsurface investigation will be conducted.

10) Samples will be collected in accordance with the USEPA SW-846 protocols. Four (4) soil samples will be collected from beneath the pond and along the pond sidewalls, one in each quadrant of a grid pattern. Each sample will be a 5 point composite as show on Figure 3. Each grid will measure approximately 160' x 160'. The evaporation pond is approximately 315' x 315'. One background sample of virgin, undisturbed soil will be analyzed for comparative purposes. The sample results will be submitted to the OCD Santa Fe office in accordance with Paragraphs 4-5 of Subsection E of NMAC 19.15.36.18.

11) Sample results above the 100 mg/kg TPH, 10 mg/kg benzene and 50 mg/kg BTEX standards will be excavated and a new sample collected for DRO/GRO via USEPA Method 8015 and for BTEX via USEPA Method 8021. Should all closure samples return results below the closure standards determined for this site, no excavation will be required.

12) Once laboratory analysis indicates closure standards have been achieved for the site, the evaporation pond will be backfilled using non-waste containing soil, and re-contoured and re-vegetated pursuant to the attached ***Grading Plan*** and ***Reclamation Plan***. These plans conform to NMAC 19.15.36.18 and BLM requirements.

13) The post-closure care period for the evaporation pond closure shall be three years if XTO has achieved clean closure. During that period XTO or another responsible entity shall regularly inspect and maintain the required re-vegetation. If there has been a release to the vadose zone or to groundwater, then XTO shall comply with applicable requirements of 19.15.29 and 19.15.30 NMAC in accordance with Subsection F on NMAC 19.15.36.18.

14) Once all closure activities have been completed, a report detailing on-site activities and sampling results will be prepared and submitted to OCD environmental bureau in Santa Fe.

XTO proposes to begin closure activities immediately upon approval of this closure plan and attached documentation. This list of closure activities conforms to the closure plan on file submitted by Koch Industries when the evaporation pond was permitted.

Supplemental to "Notes" Section of included Grading Plan

Note #4 reads "It is understood that the re-graded areas will be vegetated per BLM requirements."

Note #4 revised to read "It is understood that the re-graded areas will be vegetated per BLM and OCD requirements."

Note #5 reads "To minimize the potential for future noticeable settlement of the re-graded areas, it is recommended that the fill be placed in lifts no exceeding 1-foot in thickness and each lift be compacted to a minimum of 85% based on ASTM D698 standard proctor."

Note #5 revised to read "To minimize the potential for future noticeable settlement of the re-graded areas, it is recommended that the fill be placed in lifts not exceeding 6"-8" in thickness and each lift be compacted to a minimum of 85% based on ASTM D698 standard proctor."

RECLAMATION PLAN

The purpose of this reclamation plan is to provide a step-by-step list of the reclamation activities proposed by XTO Energy, Inc. (XTO) for Centralized Evaporation Pond #2 (Pond #2) located in Section 26, Township 32N, Range 9W, New Mexico Oil Conservation Division (OCD) Permit No. NM02-0001.

1) Once closure activities for Pond #2 have been completed pursuant to NMAC 19.15.36.18, the pond location will be backfilled using on-site material used to build the pond's structure upon its completion. During the pond's construction, native material was excavated to create the pond, and the native material was used to build the external structure of the evaporation pond. XTO proposes to use the existing, native soil to backfill the pond location, after closure sampling results in no contamination of the soil. XTO will supplement with Bureau of Land Management (BLM) approved outside sources of material, should enough native material not be available on site. All supplemental soil will be added to the top portion of the backfilled location, and will match the native soil type.

2) The site will be graded according to the attached ***Grading Plan*** prepared by Geomat, Inc. (Geomat). The grading plan was completed using survey points in and around the location of Pond #2 in order to match the natural grade of the surrounding area. This will be done in such a way as to minimize sheet and rill erosion as well as prevent surface ponding in the reclamation area.

3) The site will be seeded using the prescribed certified seed mixture of the Farmington Field Office (FFO) of the BLM for the area in which the pond is located. Seeding will be re-completed after the second growing season if satisfactory cover is not achieved. XTO will provide signs and surface roughening in order to protect seed and seedling establishment.

4) XTO will inspect the site and maintain required re-vegetation in accordance with Subsection F on NMAC 19.15.36.18. In addition, excessive weeds will be removed as necessary, and progress photos will be collected. An annual report will be submitted to the BLM documenting the progress of the reclamation area for the first three (3) years, or until acceptable coverage has been obtained, whichever comes later. Acceptable coverage is considered 70 percent of the native coverage.

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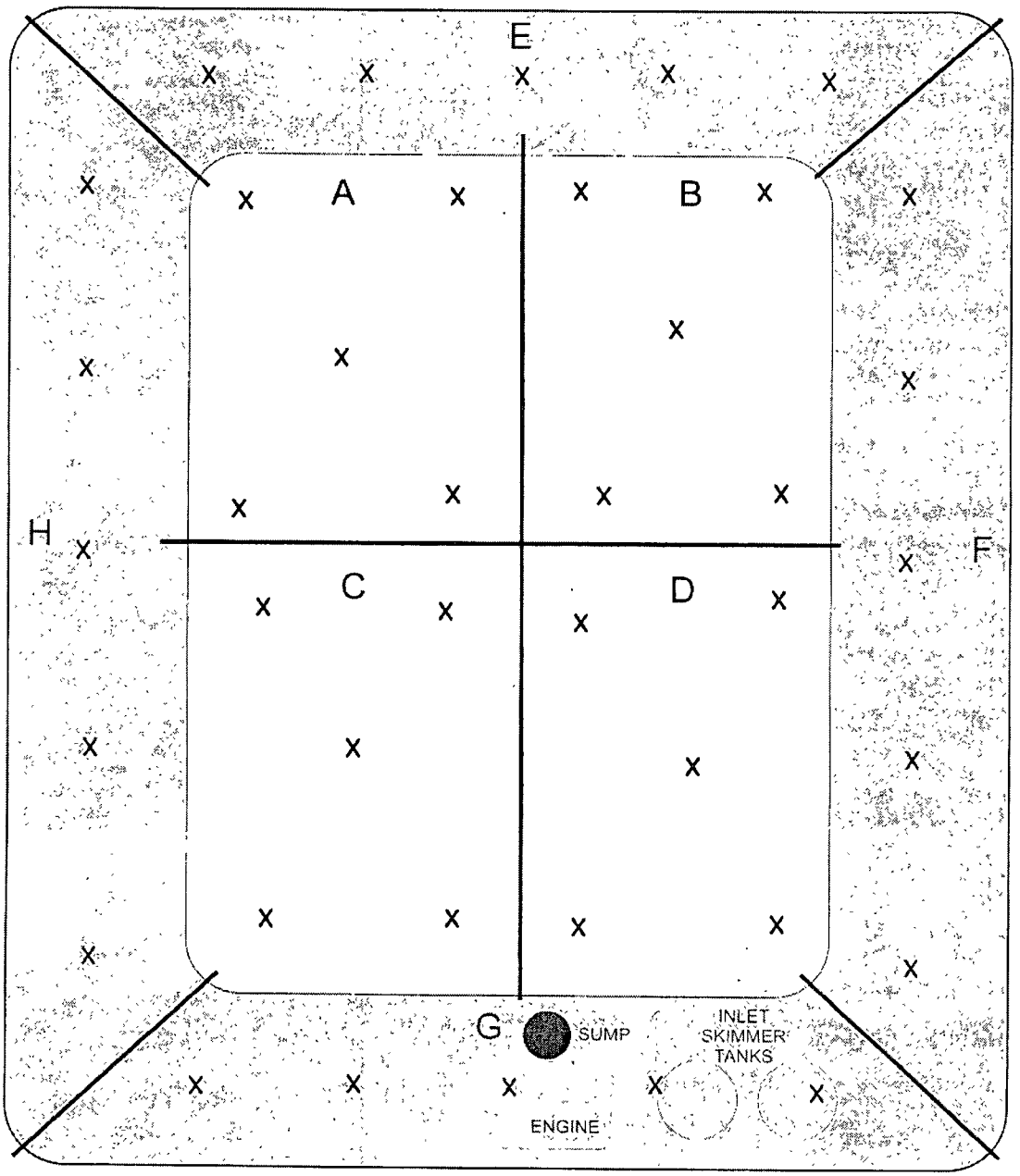

NOT TO SCALE

LEGEND

X ALIQUOT SAMPLE LOCATION

A COMPOSITE SAMPLE LOCATION

FIGURE 3
SOIL SAMPLING LOCATIONS (SCHEMATIC)
CORONADO PONDS
XTO ENERGY, INC