

Sheet I
5 N. French Dr., Hobbs, NM 88240
Sheet II
1 W. Grand Avenue, Artesia, NM 88210
Sheet III
0 Rio Brazos Road, Aztec, NM 87410
Sheet IV
0 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Operator Name: XTO Energy	Contact: Gene Hudson
Address: P.O. Box 700 Eunice, NM 88321	Telephone No. (575)441-1634
Facility Name: State Section 27 SWD #2	Facility Type: Injection Well

Surface Owner: Larry Squires	Mineral Owner: State	Lease No. B-1520-1
------------------------------	----------------------	--------------------

LOCATION OF RELEASE

Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	Country
27	18S	35E	1980	North	660	East	Lea

Latitude N 32 43' 25.79" Longitude W 103 26' 19.12"

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release: 600 BBLS	Volume Recovered: 480 BBLS
Source of Release: Steel Valve	Date and Hour of Occurrence:	Date and Hour of Discovery: 12/28/09 08:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoff Leking/NMOCD Larry Squires/Land Owner	
Whom? Gene Hudson	Date and Hour 12/28/09 08:30 am	
Did a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

leak was caused by internal corrosion on valve. The valve was replaced.

Describe Area Affected and Cleanup Action Taken.*

Emergency and Environmental Solution performed cleanup. The area was excavated to a depth of 1 1/2' bgs. The contaminated soils were taken to a NMOCD approved facility for disposal. The area was then backfilled with like material from an offsite facility and contoured to its natural grade.

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

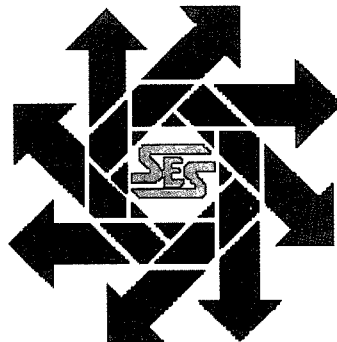
Signature: <i>Gene Hudson</i>	OIL CONSERVATION DIVISION	
Printed Name: Gene Hudson	Approved by <i>Geoff Leking</i> ENV. ENGINEER District Supervisor	
Job Title: Maintenance Foreman	Approval Date: 02/01/11	Expiration Date: —
Email Address: richard_hudson@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/15/10 Phone: 575.441.1634	IRP-10-1-2385	

Attach Additional Sheets If Necessary

**XTO Energy
State Section 27 SWD #2
Township 18 South, Range 35 East, Section 27
Lea County, New Mexico**

Closure Report

March 5, 2010



Prepared for:

***XTO Energy
P.O. Box 700
Eunice, New Mexico 88231-0700***

Prepared by:

***Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510***

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I. Company Contacts

Representative	Company	Telephone	E-mail
Gene Hudson	XTO Energy	575.441.1634	Richard_Hudson@xtoenergy.com
Bob Allen	SESI	575.390.7063	ballen@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by XTO Energy to perform clean-up services at the State Section 27 SWD #2 release. Approximately 600 barrels of produced water was released due to internal corrosion of a steel valve on the injection well, and recovered approximately 480 barrels.

III. Surface and Ground Water

The closest groundwater of record with the Office of the State Engineer is located in the same township, range, and section. The depth of water in this well was 70' in August 1958.

IV. Work Performed

On December 28, 2009, SESI was onsite with Hungry Horse to install a total of 8 test trenches (See Figure 2). Samples were retrieved at depths ranging from 1 to 2 feet. The samples were properly preserved and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Chlorides (EPA method 4500-Cl⁻B) (See Appendix A).

The results of the analysis are as follows:

Sample ID	Chlorides (mg/kg)
Analysis Date:	1/4/10
TT #1-2'	80
TT #2-2'	832
TT #3-2'	736
TT #4-1'	<16
TT #5-1 1/2'	1,500
TT #6-2'	2,040
TT #7-2'	1,400
TT #8-1'	32

On January 20, 2010, SESI was onsite with Hungry Horse to excavate the impacted area. The impacted area was excavated to a depth of 18-22 inches. Approximately 8,100 yards of contaminated soils were transported to a New Mexico Oil Conservation Division (NMOCD) approved facility.

On January 26, 2010, SESI was onsite to obtain random samples from the excavated area. The samples were transported under Chain-of-Custody to Cardinal Laboratories in Hobbs, New Mexico to be analyzed for Chlorides (EPA method 4500-B) (See Appendix A).

The results of the analysis are as follows:

Sample ID	Chlorides (mg/kg)
Analysis Date:	1/29/10
#1 1 ½'bgs	48
#2 1 ½'bgs	32
#3 1 ½'bgs	1,260
#4 1 ½'bgs	336
#5 1 ½'bgs	1,760
#6 1 ½'bgs	176
#7 1 ½'bgs	160
#8 1 ½'bgs	3,280
#9 1 ½'bgs	<16
#10 1 ½'bgs	3,120
#11 1 ½'bgs	2,880
#12 1 ½'bgs	672
#13 21"bgs	1,070
#14 1 ½'bgs	2,480
#15 1 ½'bgs	2,000
#16 1 ½'bgs	2,400
#17 21"bg	1,840
#18 21"bgs	2,720
#19 2'bgs	1,920
#20 21"bgs	16
#21 20"bgs	2,640
#22 22"bgs	688
#23 20"bgs	32
#24 22"bgs	1,920

On February 18, 2010, SESI was onsite to re-sample the high chloride spots. The samples were transported under Chain-of-Custody to Cardinal Laboratories in Hobbs, New Mexico to be analyzed for Chlorides (EPA method 4500-B) (See Appendix A).

The results of the analysis are as follows:

Sample Point	Chlorides (mg/kg)
Analysis Date:	2/18/10
#8 20"bgs	80
#10 20"bgs	1,460
#11 20"bgs	1,180
#14 20"bgs	864
#15 20"bgs	768
#16 20"bgs	992
#18 22"bgs	592
#21 20"bgs	1,260
#22 22"bgs	768

On February 19, 2010, SESI spoke with Mr. Larry Johnson of New Mexico Oil Conservation Division (NMOCD) regarding the analytical results of the re-sampling being under 2,000 parts per million (ppm). Mr. Johnson gave verbal approval to begin backfilling the excavation.

On February 22, 2010- March 4, 2010 SESI was onsite with Hungry Horse and began backfilling the excavated area with 9,060 yards of topsoil from an offsite location. The area was then contoured to its natural grade. Approximately 160 yards of caliche was used to backfill the location pad inside the fenced area as well as, a 2 ½ foot berm was installed along side the fence to prevent future releases into pasture area.

V. Conclusion

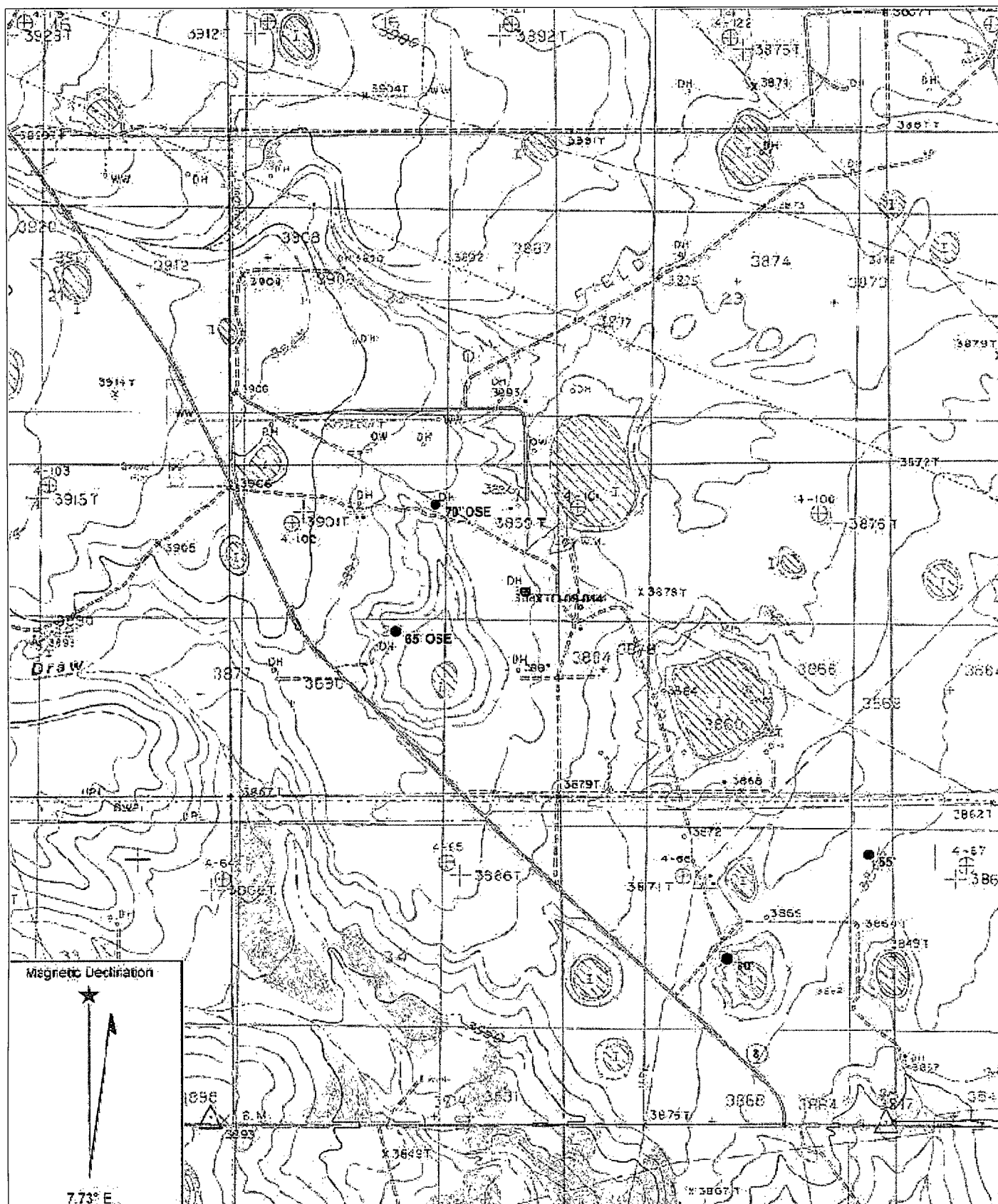
Remedial actions at this site have all been performed with the approval of, and in accordance with all New Mexico Oil Conservation Division (NMOCD) requirements.

As a result, we respectfully submit this closure report for your consideration and approval.

VI. Figures & Appendices

Figure 1 – Vicinity Map
Figure 2 – Site Plan
Appendix A – Analytical Results
Appendix B – Site Photos
Appendix C – C-141

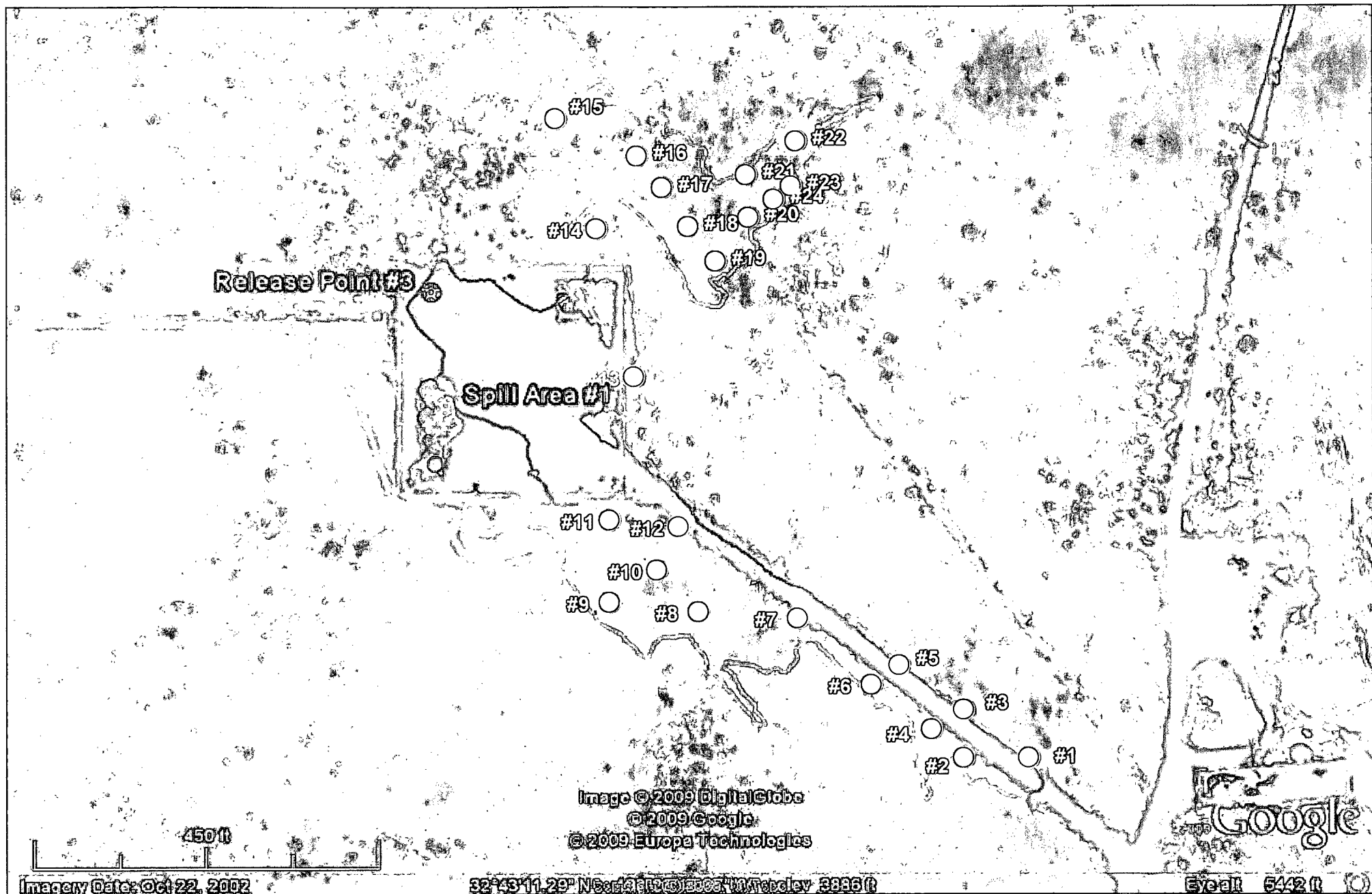
Figure 1
Vicinity Map



Name: IRONHOUSE DRAW
 Date: 1/7/2010
 Scale: 1 inch equals 2000 feet

Location: 13.0646229 E 3621333 N NAD83

Figure 2
Site Plan



Appendix A

Analytical Results



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

January 5, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Section 27 SWD #2 (XTO-09-014)

Enclosed are the results of analyses for sample number H18974, received by the laboratory on 12/31/09 at 3:00 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS, INC.
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

Analysis Date: 01/04/10
Sampling Date: 12/31/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4°C
Sample Received By: CK
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H18974-1	TT #1 2'	80
H18974-2	TT #2 2'	832
H18974-3	TT #3 2'	736
H18974-4	TT #4 1'	< 16
H18974-5	TT #5 1 ¹ / ₂ '	1,500
H18974-6	TT #6 2'	2,040
H18974-7	TT #7 2'	1,400
H18974-8	TT #8 1'	32
Quality Control		510
True Value QC		500
% Recovery		102
Relative Percent Difference		2.0

4500-CIB

Note: Analyses performed on 1:4 w/v aqueous extracts.

Chemist

Date _____

H18974 SESI

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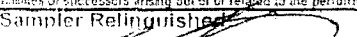



101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

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Date: <u>12/31/09</u> Time: <u>1500</u>		Received By: _____		Phone Result: <input type="checkbox"/> No Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No Add'l Fax #: _____	
Relinquished By: 		Date: _____ Time: _____		REMARKS: _____	
Delivered By: (Circle One) Sampler - UPS - Bus - Other: _____		Temp. <u>40C</u>	Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHECKED BY: (Initials) 	

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

February 1, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Sec 27 St. SWD #2 (XTO-09-014)

Enclosed are the results of analyses for sample number H19161, received by the laboratory on 01/27/10 at 4:40 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 6 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR SAFETY & ENVIRONMENTAL SOLUTIONS

ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

Receiving Date: 01/27/10
Reporting Date: 01/29/10
Project Number: XTO-09-014 (XTO ENERGY)
Project Name: SEC 27 ST. SWD #2
Project Location: BUCKEYE, NM


Analysis Date: 01/29/09
Sampling Date: 01/26/10 & 01/27/10
Sample Type: SOIL
Sample Condition: INTACT @ 19°C
Sample Received By: JH
Analyzed By: HM

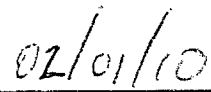
LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H19161-1	#1 1 ¹ / ₂ ' BGS	48
H19161-2	#2 1 ¹ / ₂ ' BGS	32
H19161-3	#3 1 ¹ / ₂ ' BGS	1,260
H19161-4	#4 1 ¹ / ₂ ' BGS	336
H19161-5	#5 1 ¹ / ₂ ' BGS	1,760
H19161-6	#6 1 ¹ / ₂ ' BGS	176
H19161-7	#7 1 ¹ / ₂ ' BGS	160
H19161-8	#8 1 ¹ / ₂ ' BGS	3,280
H19161-9	#9 1 ¹ / ₂ ' BGS	< 16
H19161-10	#10 1 ¹ / ₂ ' BGS	3,120
H19161-11	#11 1 ¹ / ₂ ' BGS	2,880
H19161-12	#12 1 ¹ / ₂ ' BGS	672
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		<0.1

METHOD: Standard Methods

4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H19161 SESI

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ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388

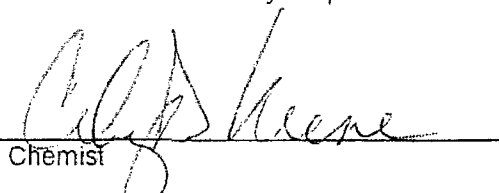
Receiving Date: 01/27/10
Reporting Date: 01/29/10
Project Number: XTO-09-014 (XTO ENERGY)
Project Name: SEC 27 ST. SWD #2
Project Location: BUCKEYE, NM

Analysis Date: 01/29/09
Sampling Date: 01/27/10
Sample Type: SOIL
Sample Condition: INTACT @ 19°C
Sample Received By: JH
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/kg)
H19161-13	#13 21" BGS	1,070
H19161-14	#14 1 1/2" BGS	2,480
H19161-15	#15 1 1/2" BGS	2,000
H19161-16	#16 1 1/2" BGS	2,400
H19161-17	#17 21" BGS	1,840
H19161-18	#18 21" BGS	2,720
H19161-19	#20 21" BGS	16
H19161-20	#21 1 1/2" BGS	2,880
H19161-21	#22 21" BGS	2,640
H19161-22	#23 1 1/2" BGS	688
H19161-23	#24 1 1/2" BGS	32
H19161-24	#19 2" BGS	1,920
Quality Control		510
True Value QC		500
% Recovery		102
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H19161 SESI

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(575) 393-2326 Fax (575) 393-2476

Page 1 of 3

Company Name: <u>SESE</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>Bob Allen</u>		P.O. #:													
Address: <u>703 E Clinton</u>		Company:													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn:													
Phone #: <u>575-397-0510</u> Fax #:		Address: <u>SGAR</u>													
Project #: <u>KTO-09-014</u> Project Owner: <u>KTO Energy</u>		City:													
Project Name: <u>SEC 27 st. SWD #2</u>		State: Zip:													
Project Location: <u>Buckeye, NM</u>		Phone #:													
Sampler Name: <u>ESGAR Kincaid</u>		Fax #:													

Lab I.D.	Sample I.D.	(GIRAB OR (C)OMP # CONTAINERS	MATRIX					PRESERV.		SAMPLING		DATE	TIME												
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER														
<u>H19161-1</u>	<u>#1 1 1/2' BGS</u>	<u>0</u>			<u>✓</u>							<u>1/26/10</u>	<u>1420</u>	<u>Chlorides</u>											
<u>-2</u>	<u>#2 1 1/2' BGS</u>	<u>1</u>											<u>1425</u>												
<u>-3</u>	<u>#3 1 1/2' BGS</u>	<u>1</u>											<u>1430</u>												
<u>-4</u>	<u>#4 1 1/2' BGS</u>	<u>1</u>											<u>1435</u>												
<u>-5</u>	<u>#5 1 1/2' BGS</u>	<u>1</u>											<u>1450</u>												
<u>-6</u>	<u>#6 1 1/2' BGS</u>	<u>1</u>											<u>1500</u>												
<u>-7</u>	<u>#7 1 1/2' BGS</u>	<u>1</u>										<u>1/27/10</u>	<u>0715</u>												
<u>-8</u>	<u>#8 1 1/2' BGS</u>	<u>1</u>											<u>0720</u>												
<u>-9</u>	<u>#9 1 1/2' BGS</u>	<u>1</u>											<u>0725</u>												
<u>-10</u>	<u>#10 1 1/2' BGS</u>	<u>1</u>											<u>0730</u>												

WE HEREBY (1015) Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable analysis. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished: <u>[Signature]</u>		Date: <u>1/27/10</u>	Received By:	Phone Result: <input type="checkbox"/> No Add'l Phone #:
Relinquished By: <u>[Signature]</u>		Time: <u>1630</u>		Fax Result: <input type="checkbox"/> No Add'l Fax #:
Delivered By: (Circle One) <u>Sampler - UPS - Bus - Other:</u>		Date: <u>1/27/10</u>	Received By: <u>[Signature]</u>	REMARKS: <u>IKincaid@SESE-nm.com</u>
Temp. <u>19°C</u>		Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHECKED BY: (Initials) <u>[Initials]</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page 2 of 3

Company Name: <u>SESF</u>				BILL TO				ANALYSIS REQUEST																	
Project Manager: <u>Bob Allen</u>				P.O. #:																					
Address: <u>703 E dinton</u>				Company:																					
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>				Attn:																					
Phone #: <u>575-397-0510</u> Fax #:				Address: <u>SEMR</u>																					
Project #: <u>XTO-09-014</u> Project Owner: <u>XTO Energy</u>				City:																					
Project Name: <u>Sec 27 St SWD #2</u>				State: Zip:																					
Project Location: <u>Buckeye, NM</u>				Phone #:																					
Sampler Name: <u>Isaac Lircaid</u>				Fax #:																					
Lab I.D.		Sample I.D.		GRAB OR (C)OMP		# CONTAINERS		MATRIX		PRESERV.		SAMPLING													
								GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER:		ACID/BASE: ICE / COOL OTHER:		DATE TIME													
<u>H19161-11</u>		<u>#11 1 1/2' BGS</u>		<u>6</u>		<u>1</u>		<u>✓</u>				<u>1/27/10 0735</u>		<u>chlorides</u>											
<u>-12</u>		<u>#12 1 1/2' BGS</u>										<u>0740</u>													
<u>-13</u>		<u>#13 21" BGS</u>										<u>1200</u>													
<u>-14</u>		<u>#14 1 1/2' BGS</u>										<u>0845</u>													
<u>-15</u>		<u>#15 1 1/2' BGS</u>										<u>0850</u>													
<u>-16</u>		<u>#16 1 1/2' BGS</u>										<u>0950</u>													
<u>-17</u>		<u>#17 21" BGS</u>										<u>1305</u>													
<u>-18</u>		<u>#18 21" BGS</u>										<u>1310</u>													
<u>-19</u>		<u>#19 21" BGS #2</u>										<u>1330</u>													
<u>-19</u>		<u>#20 21" BGS</u>										<u>1350</u>													

RELEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. No claim shall be filed against Cardinal for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or processors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished By:		Date: <u>1/27/10</u>		Received By:		Phone Result: <input type="checkbox"/> No Add'l Phone #:	
Time: <u>1630</u>						Fax Result: <input type="checkbox"/> No Add'l Fax #:	
Relinquished By:		Date: <u>1/27/10</u>		Received By: <u>Godi Henson</u>		REMARKS:	
Time: <u>4:40</u>							
Delivered By: (Circle One)		Temp: <u>19°C</u>		Sample Condition		CHECKED BY: <u>GA</u>	
<input checked="" type="radio"/> Sample <input type="radio"/> UPS <input type="radio"/> Bus <input type="radio"/> Other:				Cool Intact		(Initials)	
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page 3 of 3

Company Name: <u>1 SESE</u>				BILL TO				ANALYSIS REQUEST																		
Project Manager: <u>Bob Allen</u>				P.O. #:																						
Address: <u>703 E Clinton</u>				Company:																						
City: <u>Hobbs, NM</u> State: <u>NM</u> Zip: <u>88240</u>				Attn:																						
Phone #: <u>575-397-0510</u> Fax #:				Address: <u>same</u>																						
Project #: <u>X10-09-014</u> Project Owner: <u>X10 Energy</u>				City:																						
Project Name: <u>Sec 27 St SW #2</u>				State: Zip:																						
Project Location: <u>Buckeye, NM</u>				Phone #:																						
Sampler Name: <u>Jesse Kincaid</u>				Fax #:																						
FOR LAB USE ONLY				MATRIX		PRESERV.		SAMPLING		chlorides																
Lab I.D.	Sample I.D.	GRAB OR C/COMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER													ACID/BASE	ICE / COOL	OTHER	DATE	TIME
H19161-20	#21 1 1/2' BGS	↓	1			✓																			1/27/10	1000
	-21 #22 21" BGS	↓	1			↓																			↓	1350
	-22 #23 1' BGS	↓	1			↓																			↓	1004
	-23 #24 1 1/2' BGS	↓	1			↓																			↓	1006
	-24 #19 2' BGS	↓	1			↓																			↓	1530

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Sampler Relinquished By:		Date: <u>1/27/10</u>	Received By:	Phone Result: <input type="checkbox"/> No Add'l Phone #:
Relinquished By:		Date: <u>1/27/10</u>	Received By: <u>Jodi Benson</u>	Fax Result: <input type="checkbox"/> No Add'l Fax #:
Delivered By: (Circle One)		Time: <u>4:40</u>	Sample Condition: <u>19°C</u>	CHECKED BY: <u>JA</u>
Sample: <u>UPS</u> - Bus - Other:		Temp: <u>19°C</u>	Cool In Lab: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	REMARKS:

Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

February 18, 2010

Bob Allen
Safety & Environmental Solutions, Inc.
703 East Clinton, #102
Hobbs, NM 88240

Re: Sec 27 St. SWD (XTO-09-014)

Enclosed are the results of analyses for sample number H19295, received by the laboratory on 02/18/10 at 12:15 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

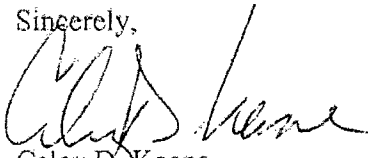
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,



Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SAFETY & ENVIRONMENTAL SOLUTIONS
ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (575) 393-4388


Receiving Date: 02/18/10
Reporting Date: 02/18/10
Project Number: XTO-09-014 (XTO)
Project Name: SEC 27 ST SWD
Project Location: BUCKEYE, NM

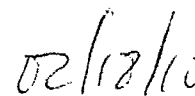
Analysis Date: 02/18/10
Sampling Date: 02/18/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 6°C
Sample Received By: JH
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H19295-1	#8 20" BGS	80
H19295-2	#10 20" BGS	1,460
H19295-3	#11 20" BGS	1,180
H19295-4	#14 20" BGS	864
H19295-5	#15 20" BGS	768
H19295-6	#16 20" BGS	992
H19295-7	#18 22" BGS	592
H19295-8	#21 22" BGS	1,260
H19295-9	#22 22" BGS	768
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H19295 SESI

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors, arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: <u>SEST</u>				BILL TO				ANALYSIS REQUEST											
Project Manager: <u>Bob Allen</u>				P.O. #:															
Address: <u>703 E Clinton</u>				Company:															
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>				Attn:															
Phone #: <u>575-397-0510</u> Fax #:				Address: <u>SEME</u>															
Project #: <u>X70-09-014</u> Project Owner: <u>X70</u>				City:															
Project Name: <u>Sec 27 St SWD</u>				State: Zip:															
Project Location: <u>Buckeye, NM</u>				Phone #:															
Sampler Name: <u>ESGAC Kincaid</u>				Fax #:															
FOR LAB USE ONLY																			
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.		SAMPLING		chlorides							
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL					OTHER	DATE	TIME	
H19295-1	#8 20" bgs	G	1			✓				✓							2/18	1050	
-2	#10 20" bgs																	1105	
-3	#11 20" bgs																	1115	
-4	#14 20" bgs																	1615	
-5	#15 20" bgs																	1030	
-6	#16 20" bgs																	0930	
-7	#18 22" bgs													0945					
-8	#21 22" bgs													0955					
9	#22 22" bgs													1005					

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:		Date: <u>2/18/10</u>	Received By:		Phone Result: <input type="checkbox"/>	No	Add'l Phone #:
Relinquished By:		Time: <u>12:15</u>			Fax Result: <input type="checkbox"/>	No	Add'l Fax #:
		Date: <u>2/18/10</u>	Received By:		REMARKS:		
Delivered By: (Circle One)		Time: <u>12:15</u>					
Sampler - UPS - Bus - Other:		Temp. <u>6°C</u>	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY:		

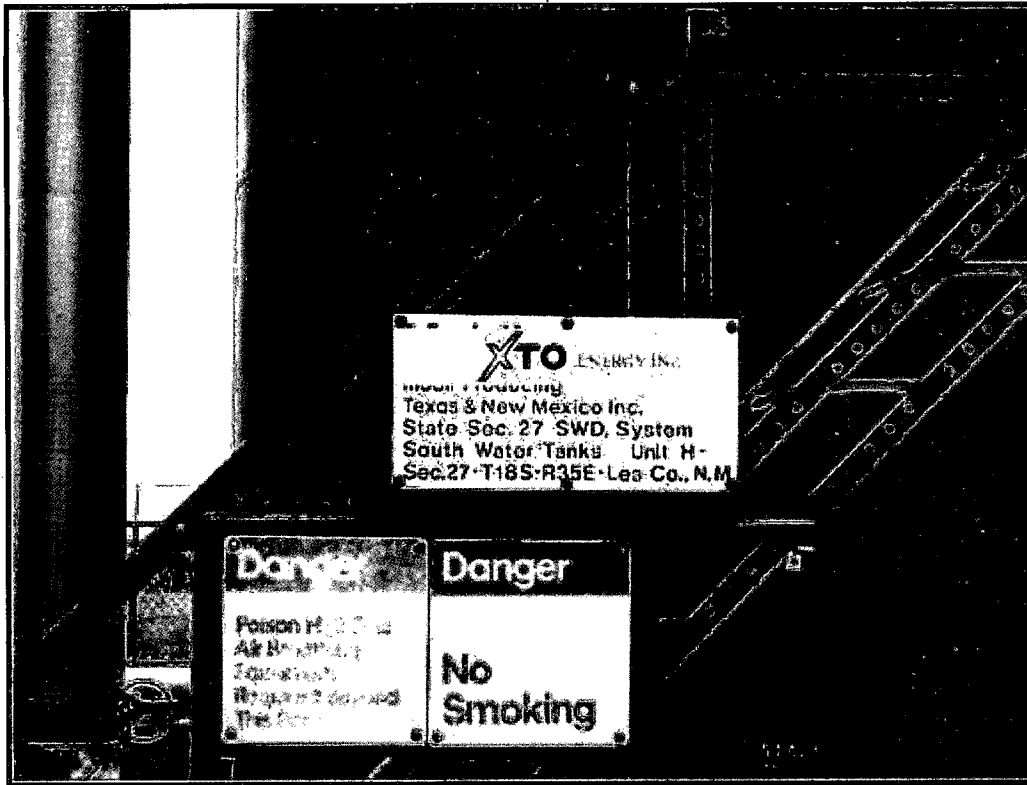
† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26

Appendix B

Site Photos

XTO Section 27 site photos 12-28-09



Well Sign



Release point



Release area facing east



Release area facing southeast



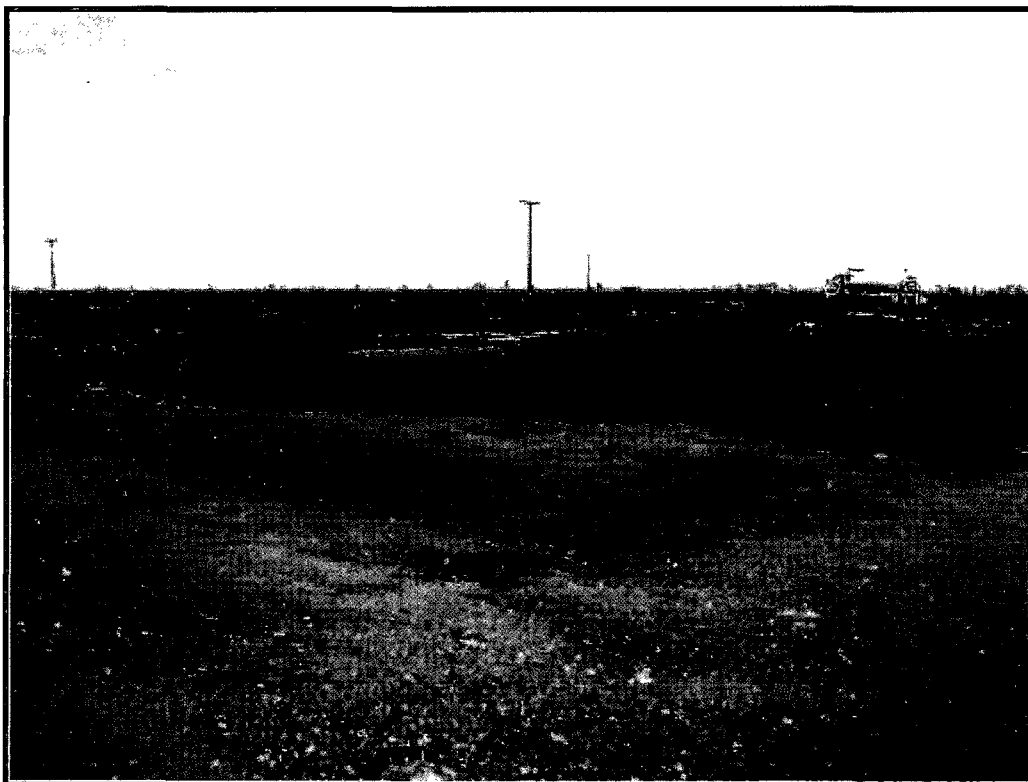
Release area facing southeast



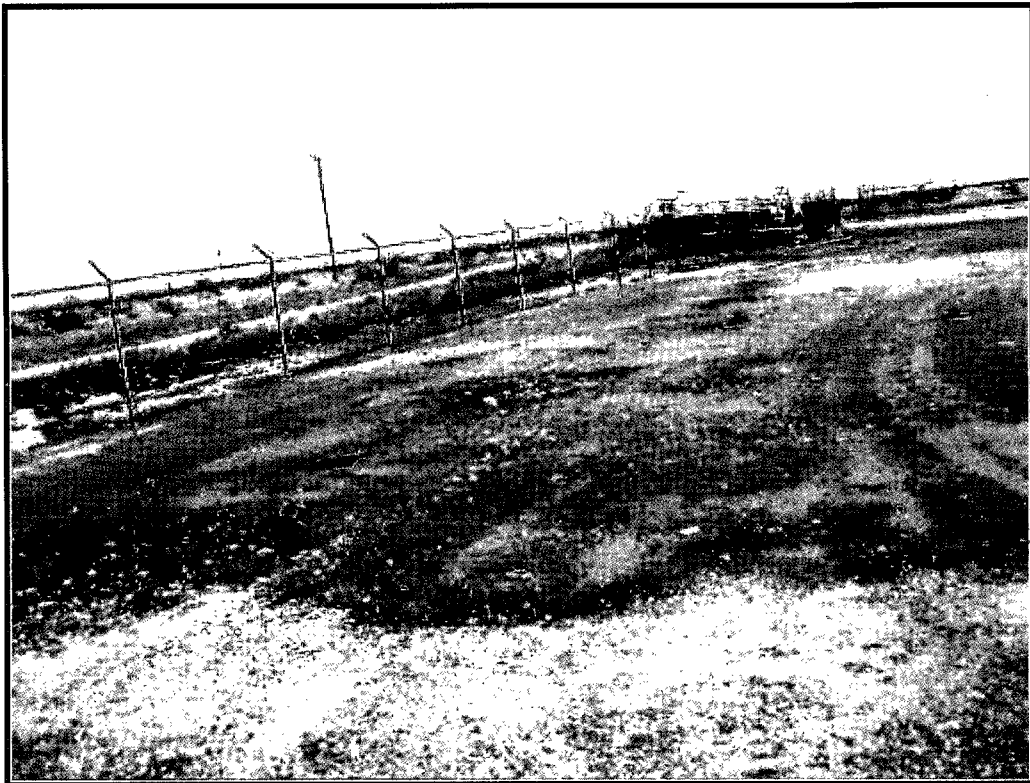
Release area facing south



Release area facing south



Release area facing southeast



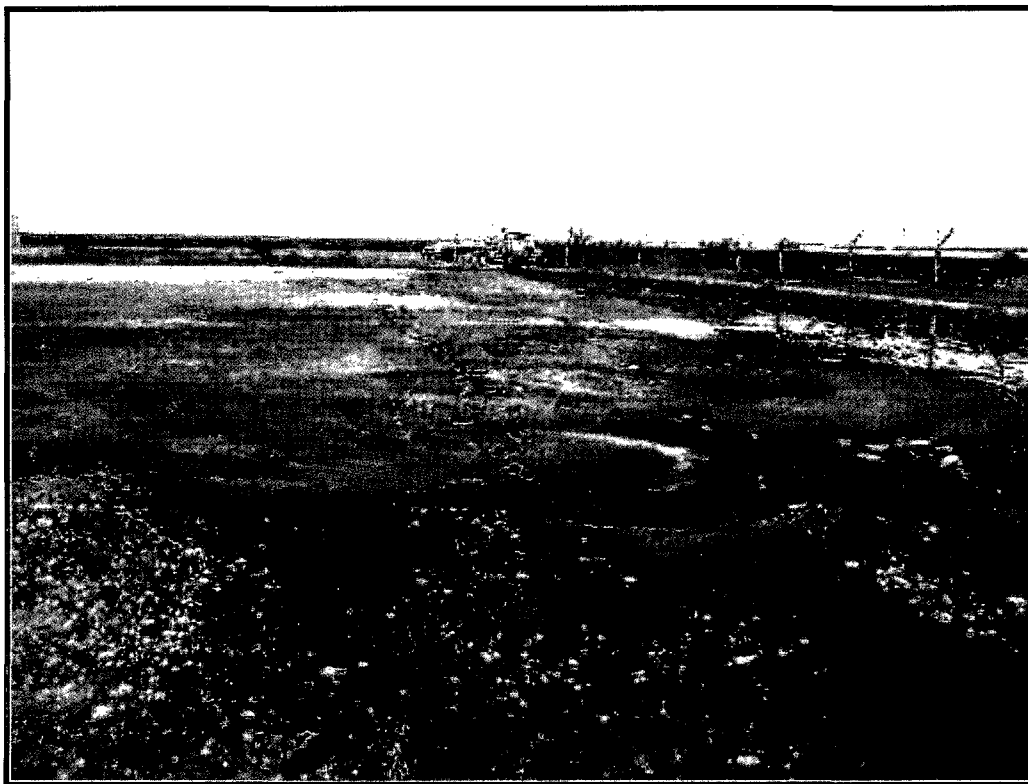
Release area facing west



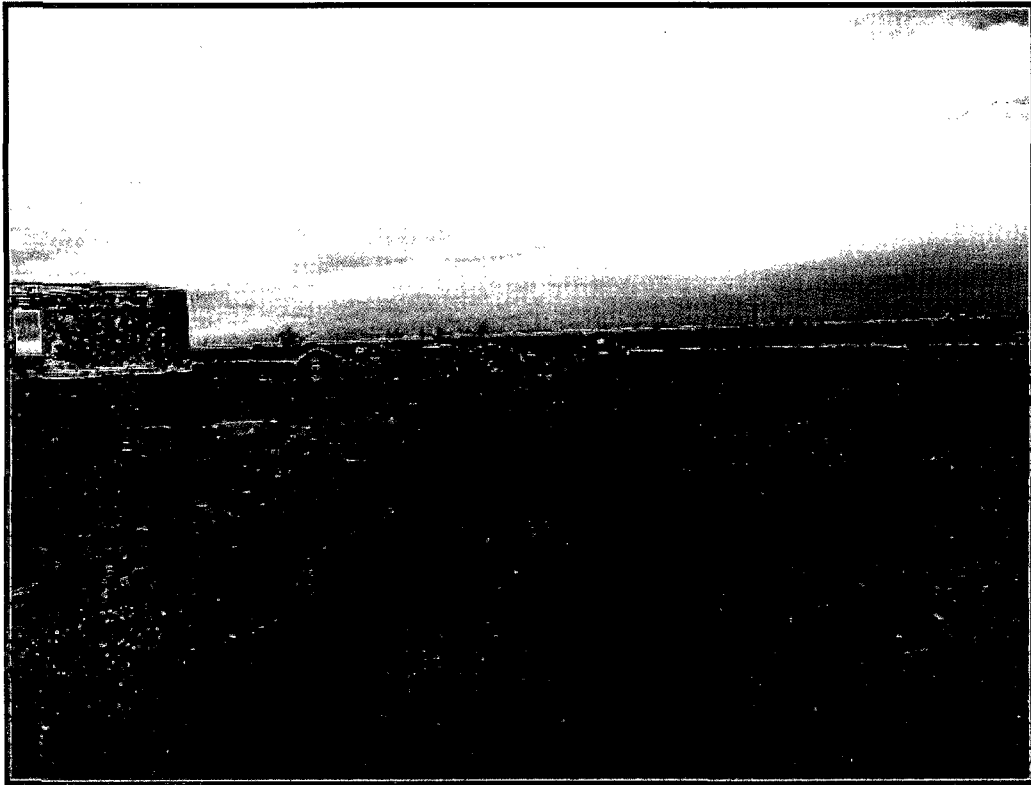
Release area facing northeast



Release area facing northwest



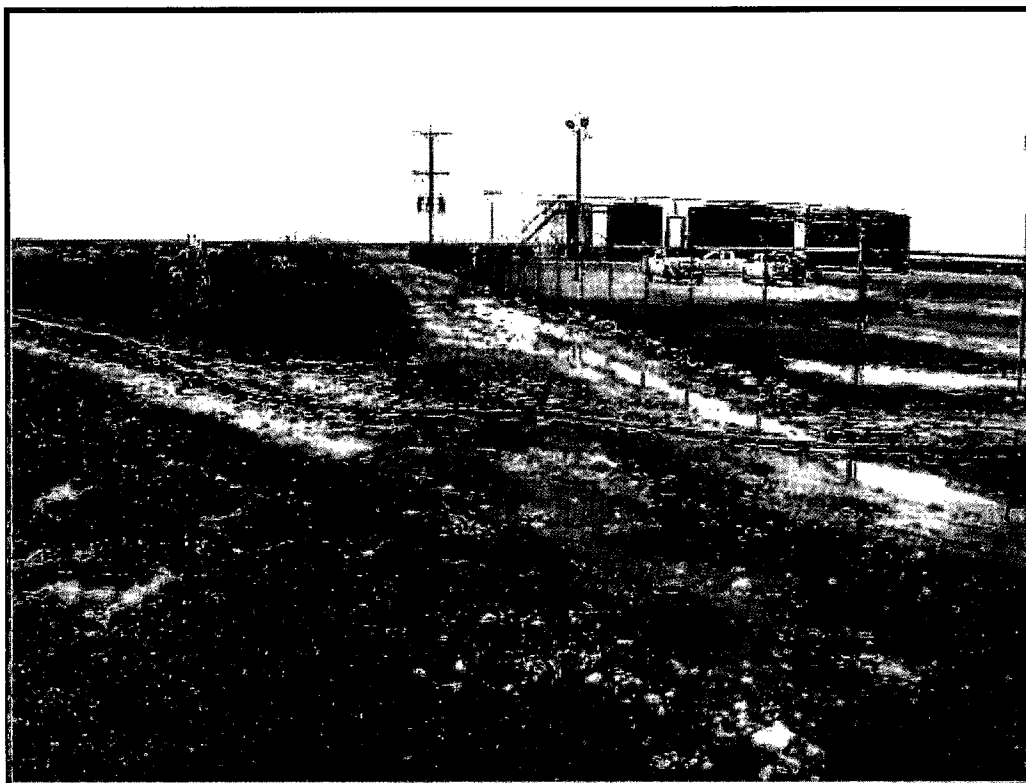
Release area facing north



Release area facing west



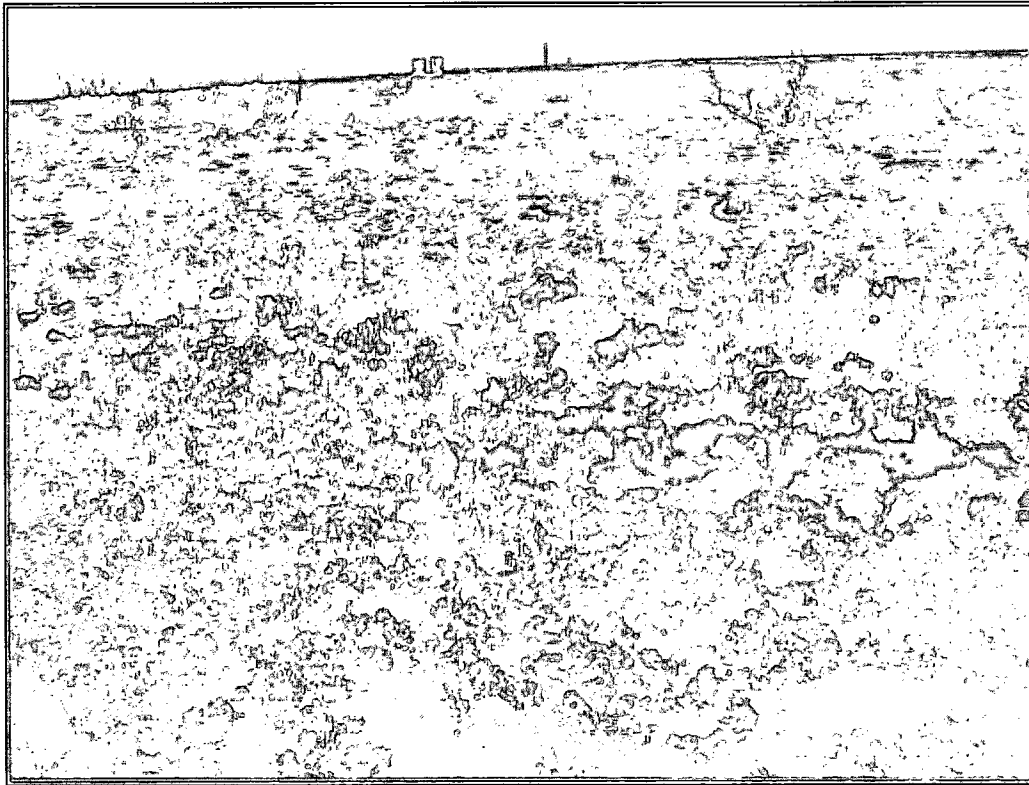
Release area facing south



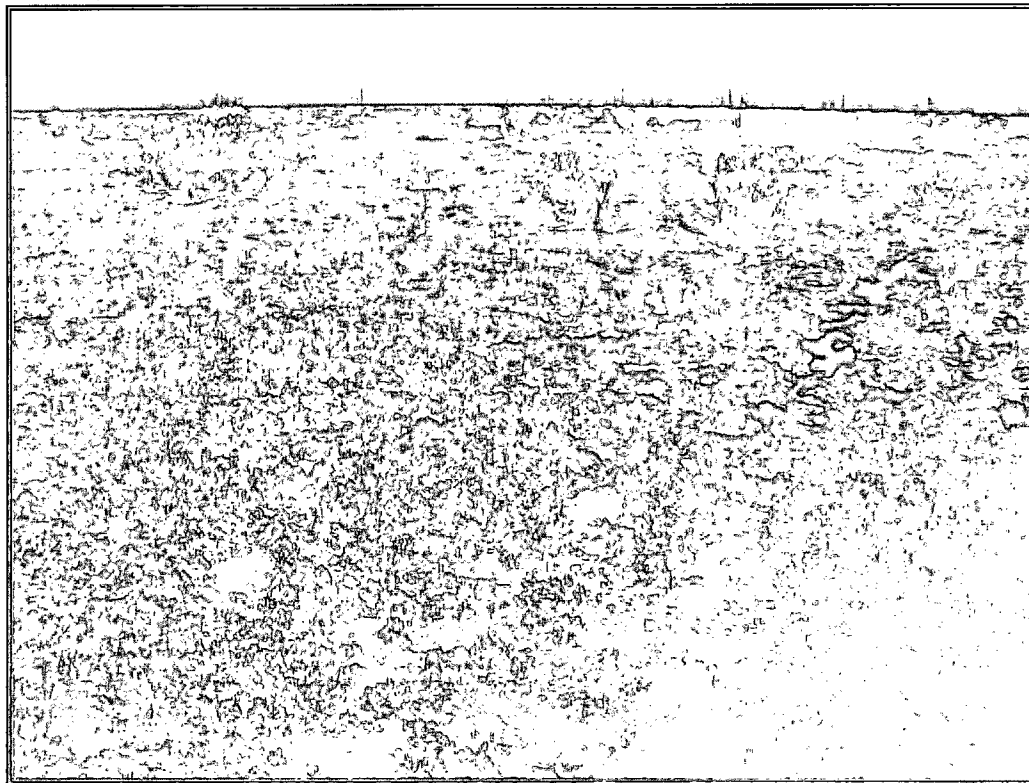
Release area facing west



South release area facing south



South release area facing west



South release area facing south



South release area facing south



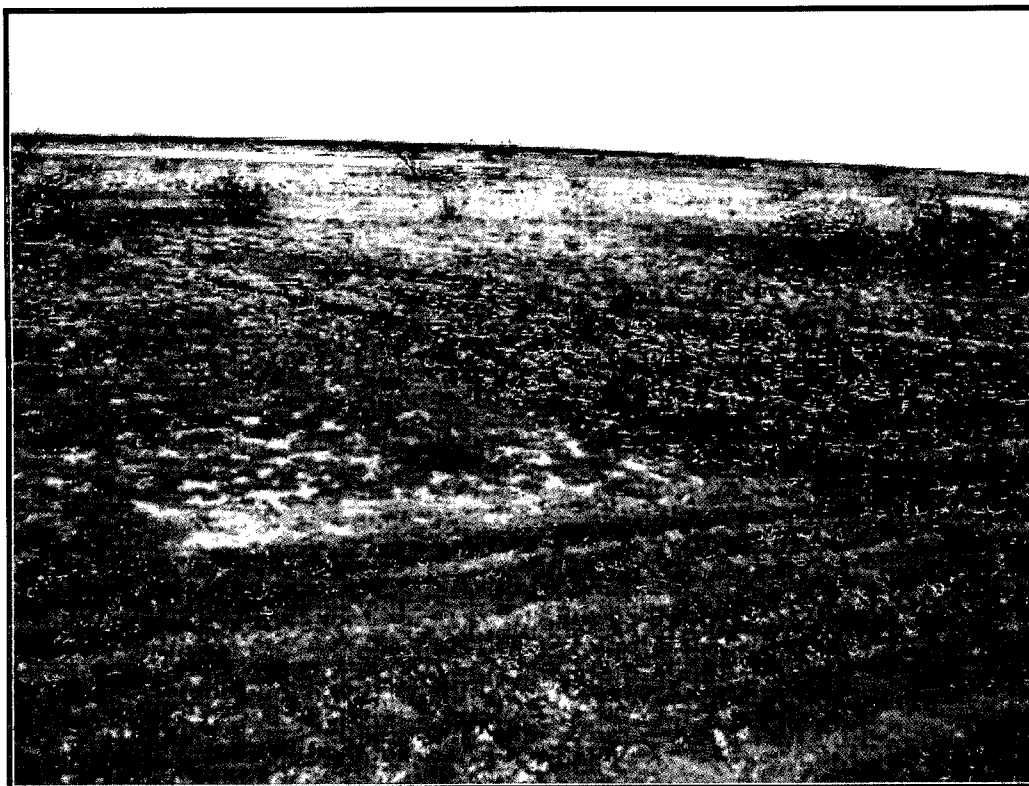
South release area facing east



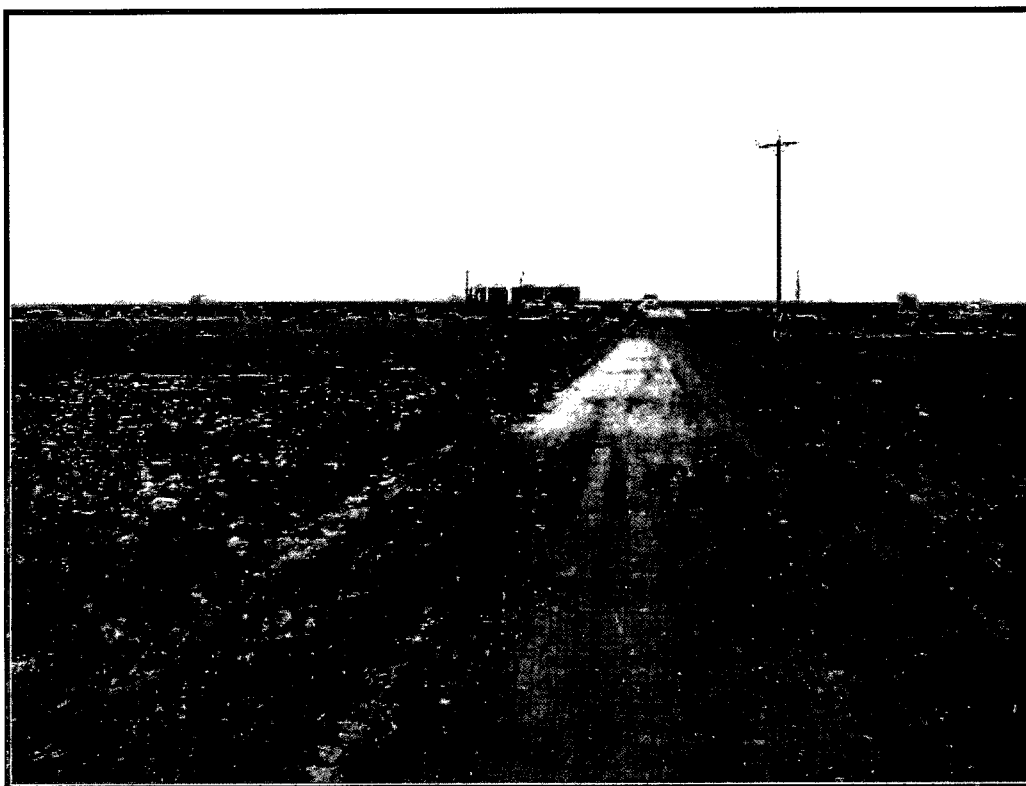
South release area facing east



South release area facing east



South release area facing north



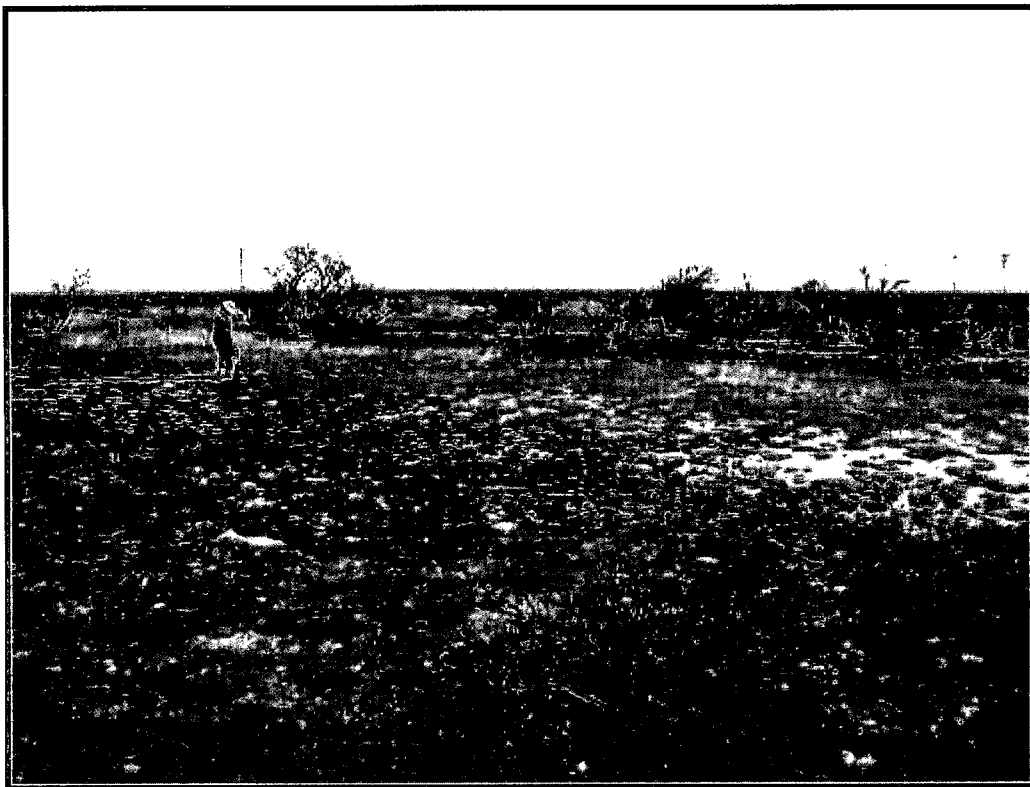
South release area facing west



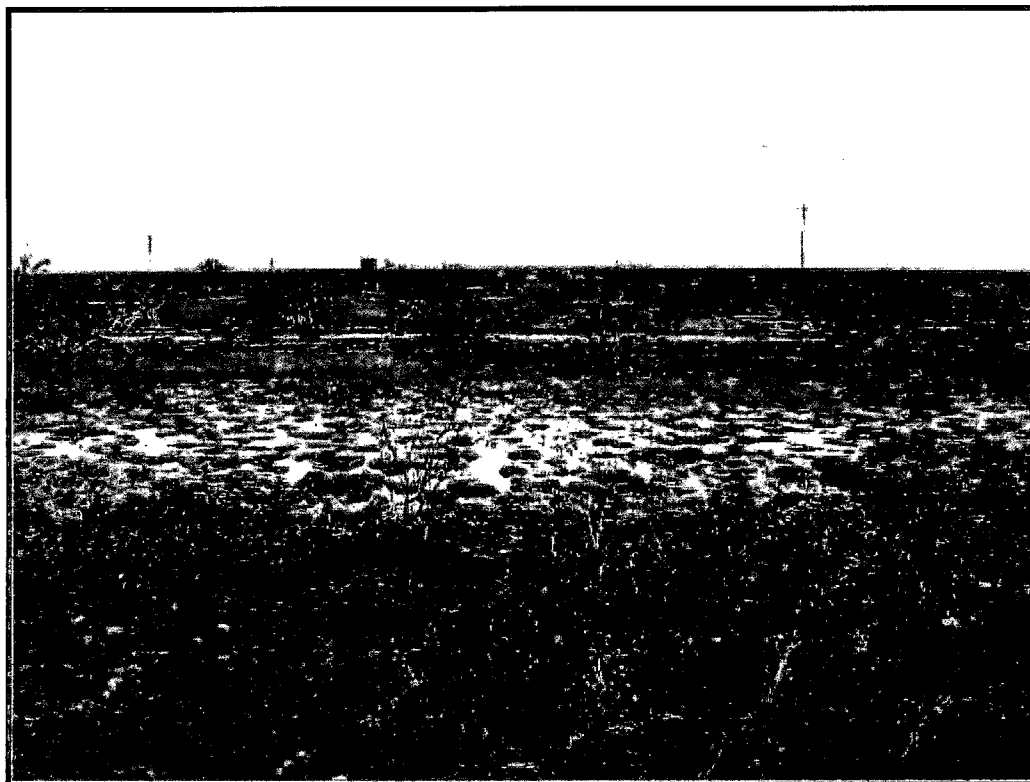
Release area facing northwest



North release area facing north



North release area facing east



North release area facing east



North release area facing east



North release area facing north



North release area facing east



North release area facing east



North release area facing east
Site photos 2-19-10



Excavated area east of fence facing north



South excavated area facing west



South excavated area facing west



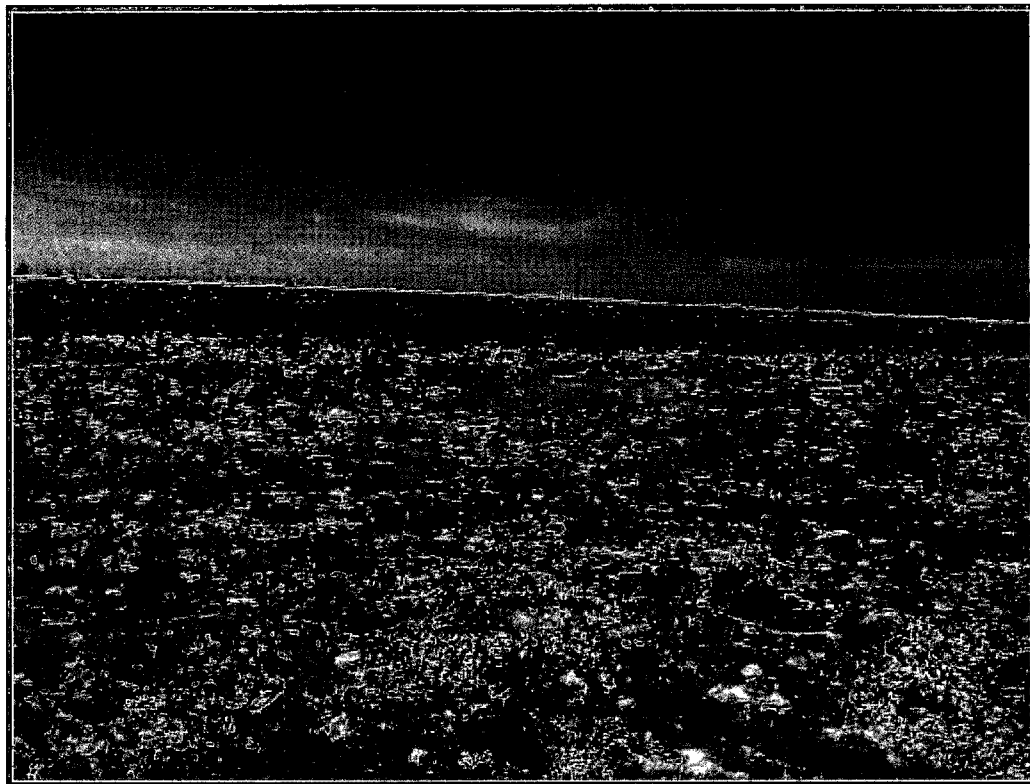
South excavated area facing southwest



South excavated area facing southwest



South excavated area facing south



South excavated area facing south



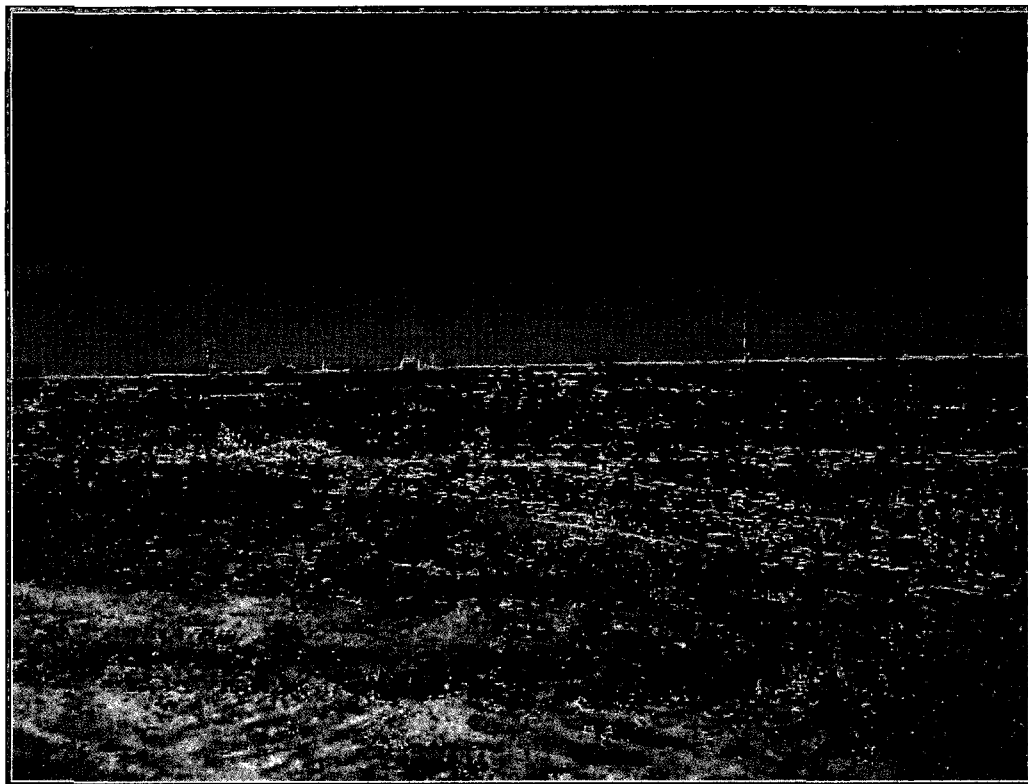
South excavated area facing north



South excavated area facing east



South excavated area facing northwest



East excavated area facing northeast



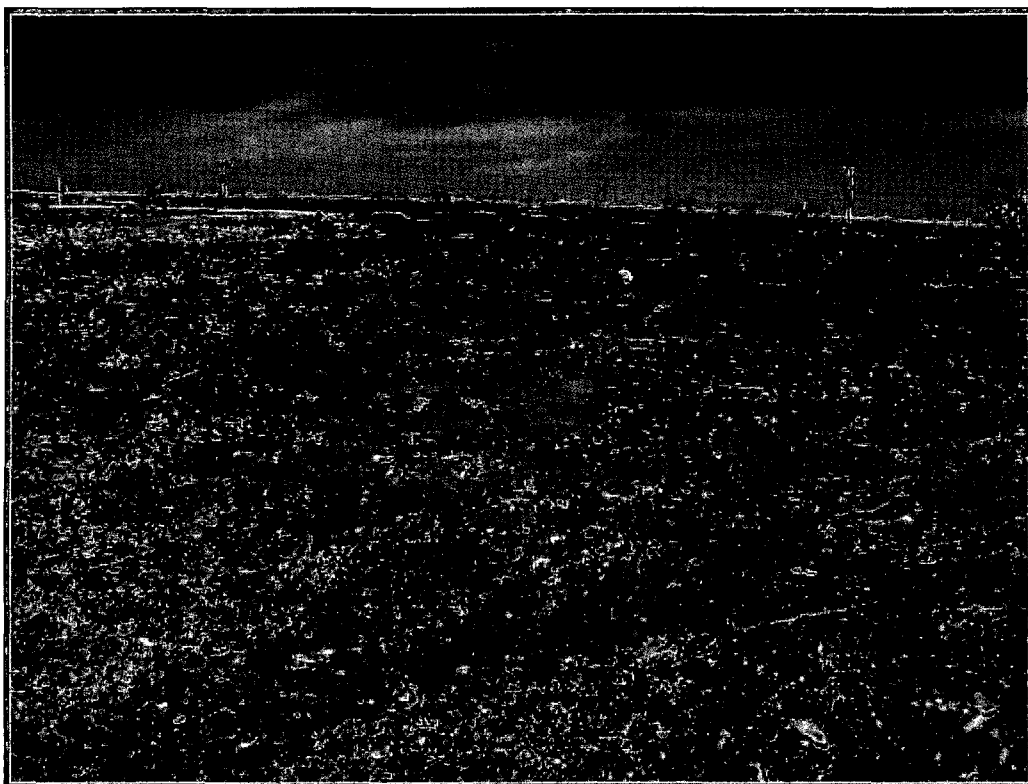
East excavated area facing east



East excavated area facing east



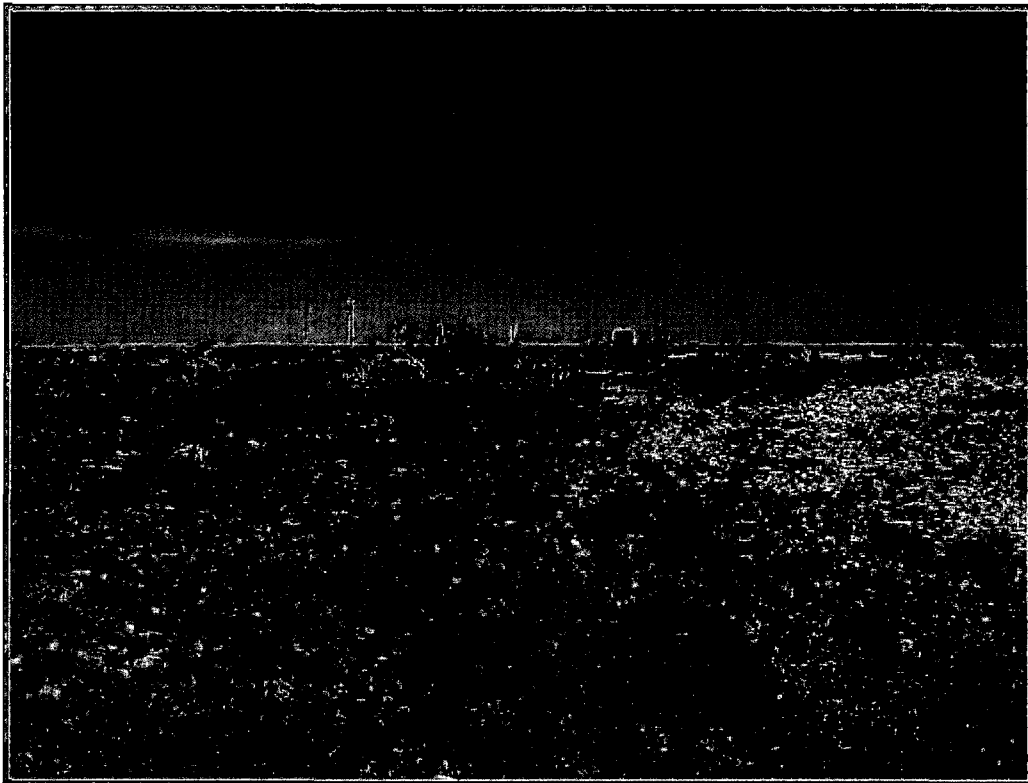
East excavated area facing north



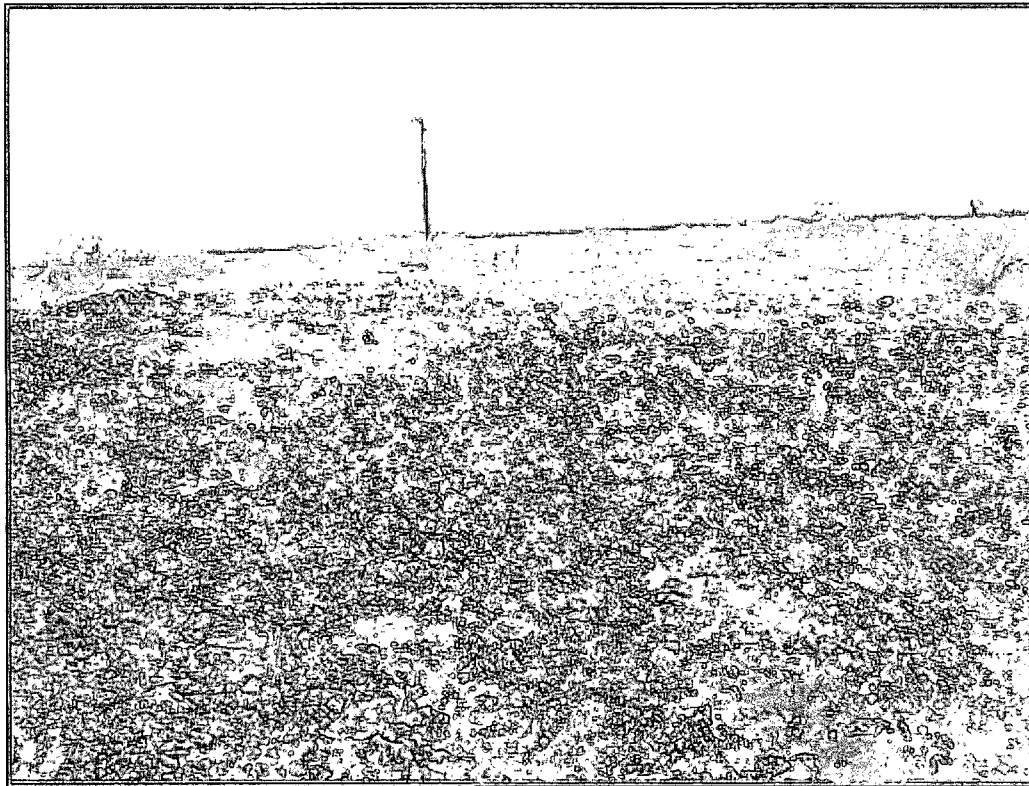
East excavated area facing north



East excavated area facing east



East excavated area facing northeast



East excavated area facing east



East excavated area facing east



East excavated area facing west



East excavated area facing west



East excavated area facing west



East excavated area facing west



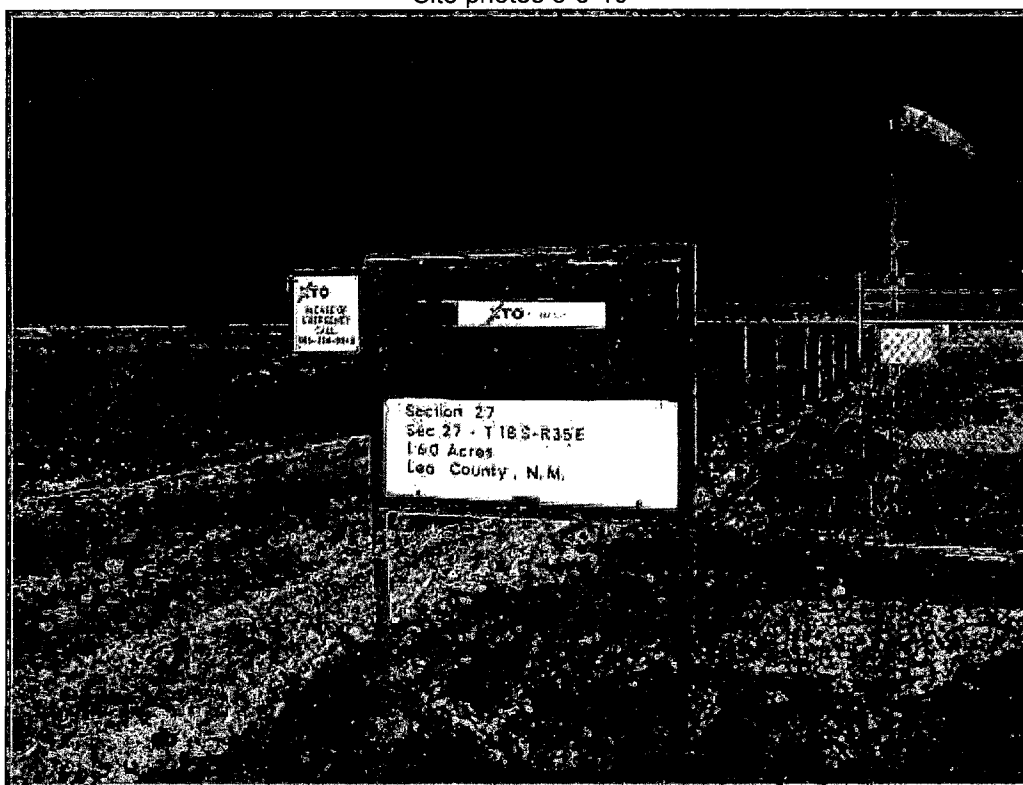
North excavated area facing west



North excavated area facing south



North excavated area facing northwest
Site photos 3-5-10



Lease sign



Location pad backfilled facing west



Location pad backfilled facing west



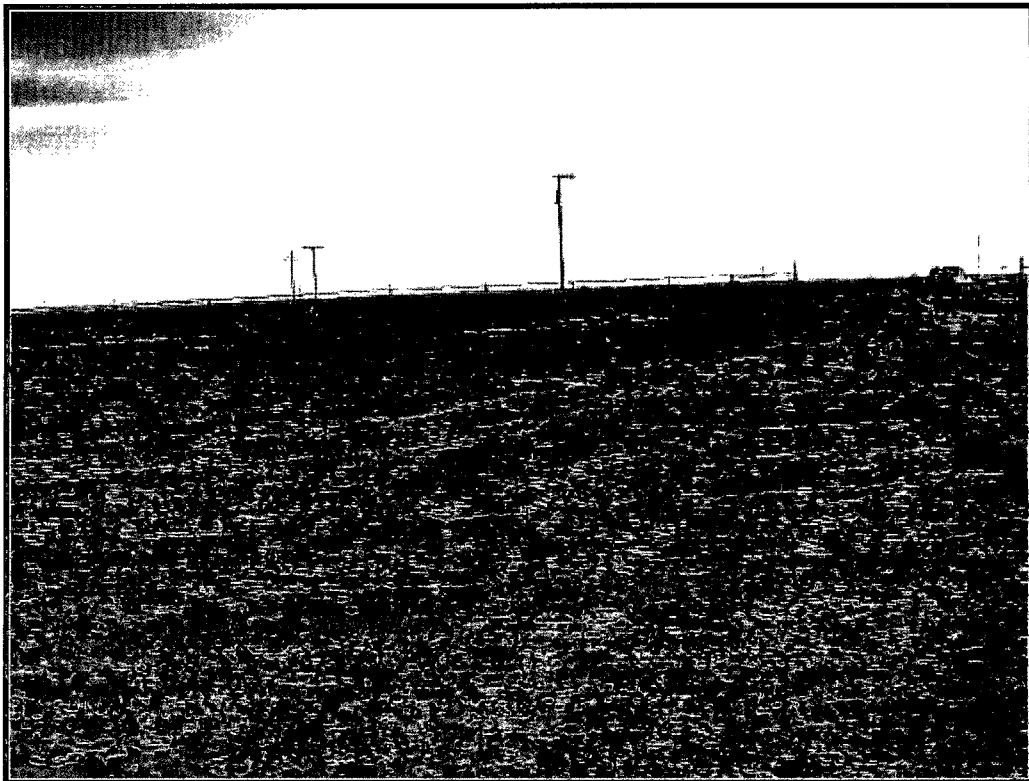
Location pad backfilled facing northwest



Location pad backfilled facing north



Location pad backfilled facing northeast



Location pad backfilled facing east



Location pad backfilled facing south



East side backfilled facing north



East side backfilled facing north



East side backfilled facing northeast



East side backfilled facing northeast



East side backfilled facing east



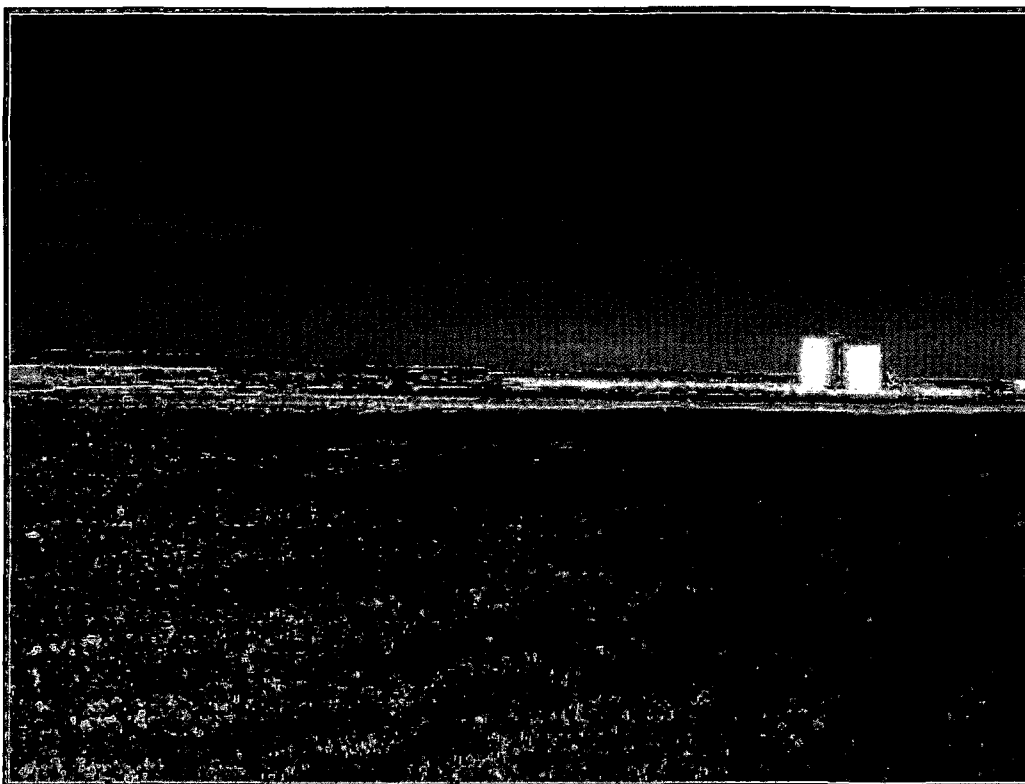
East side backfilled facing east



East side backfilled facing northeast



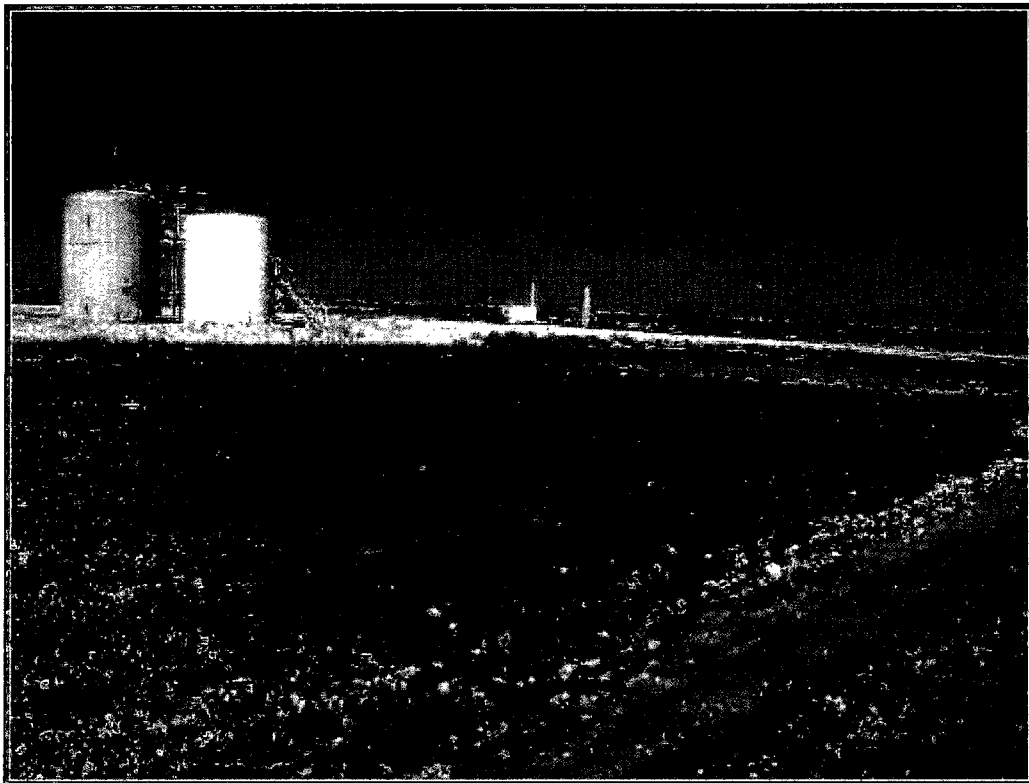
East side backfilled facing south



East side backfilled facing west



East side backfilled facing north



North side backfilled facing northwest



North side backfilled facing south



South side backfilled facing west



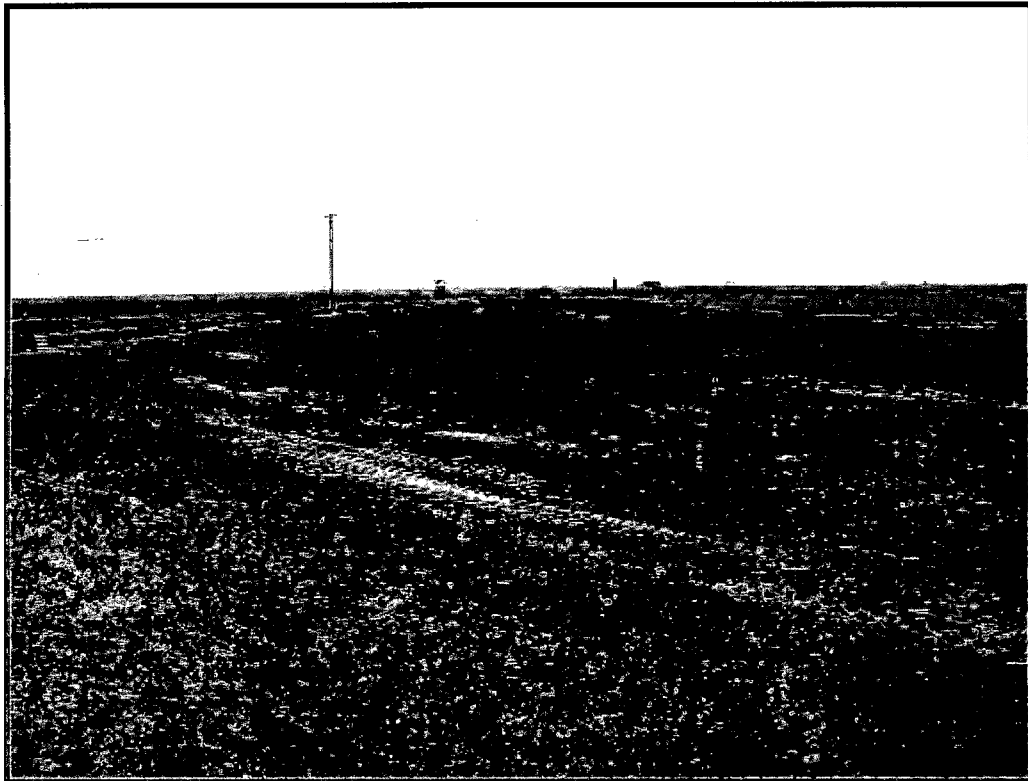
South side backfilled facing south



South side backfilled facing southeast



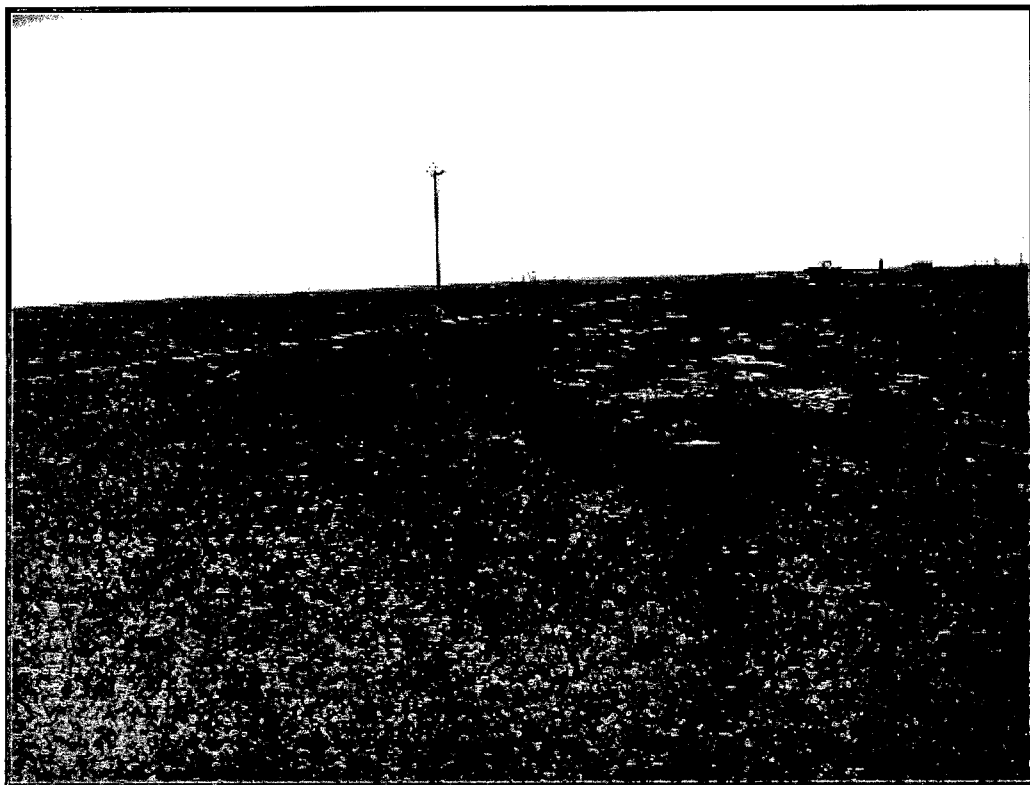
South side backfilled facing south



South side backfilled facing east



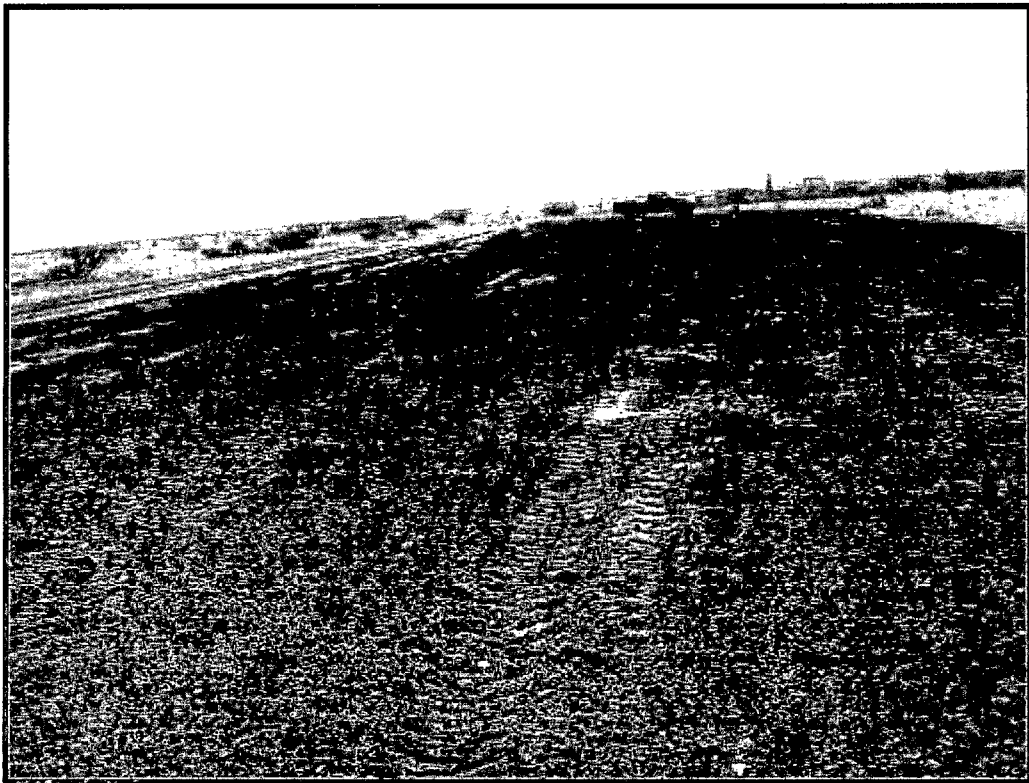
South side backfilled facing southeast



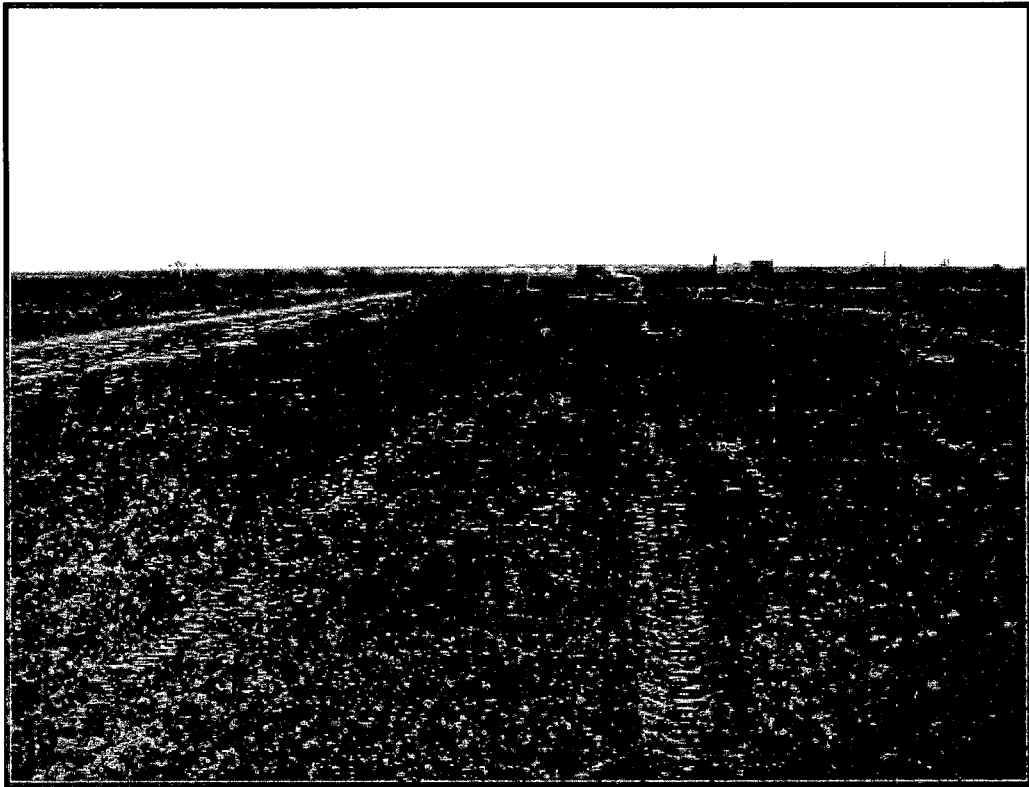
South side backfilled facing east



South side backfilled facing east



South side backfilled facing east



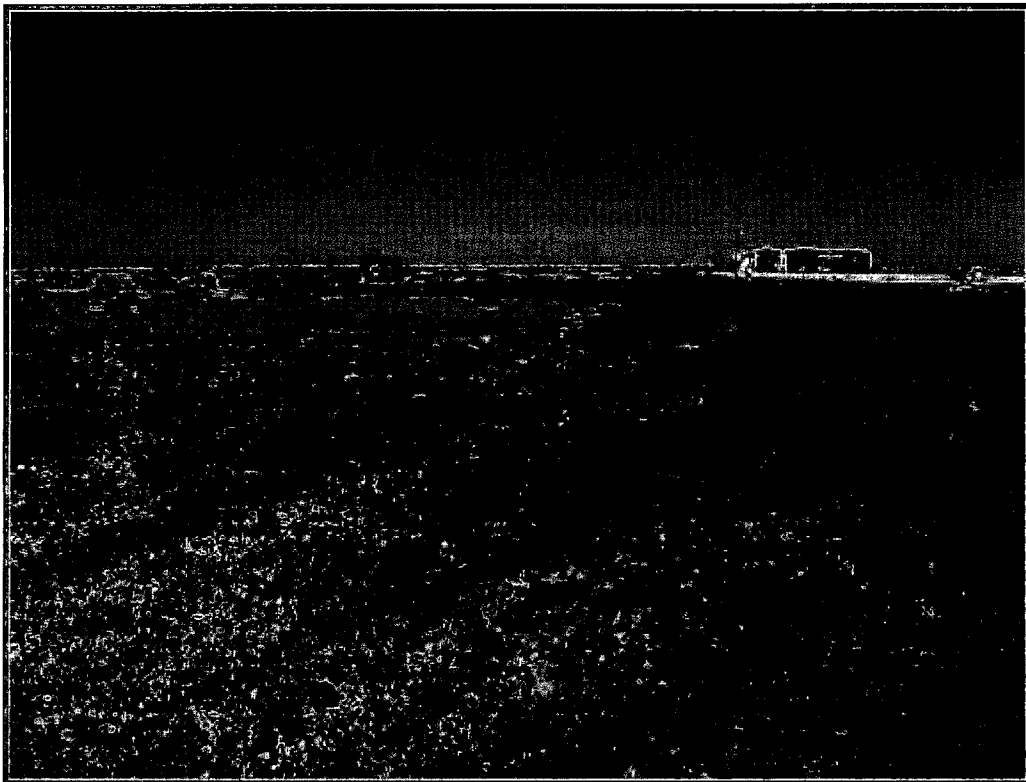
South side backfilled facing east



South side backfilled facing northwest



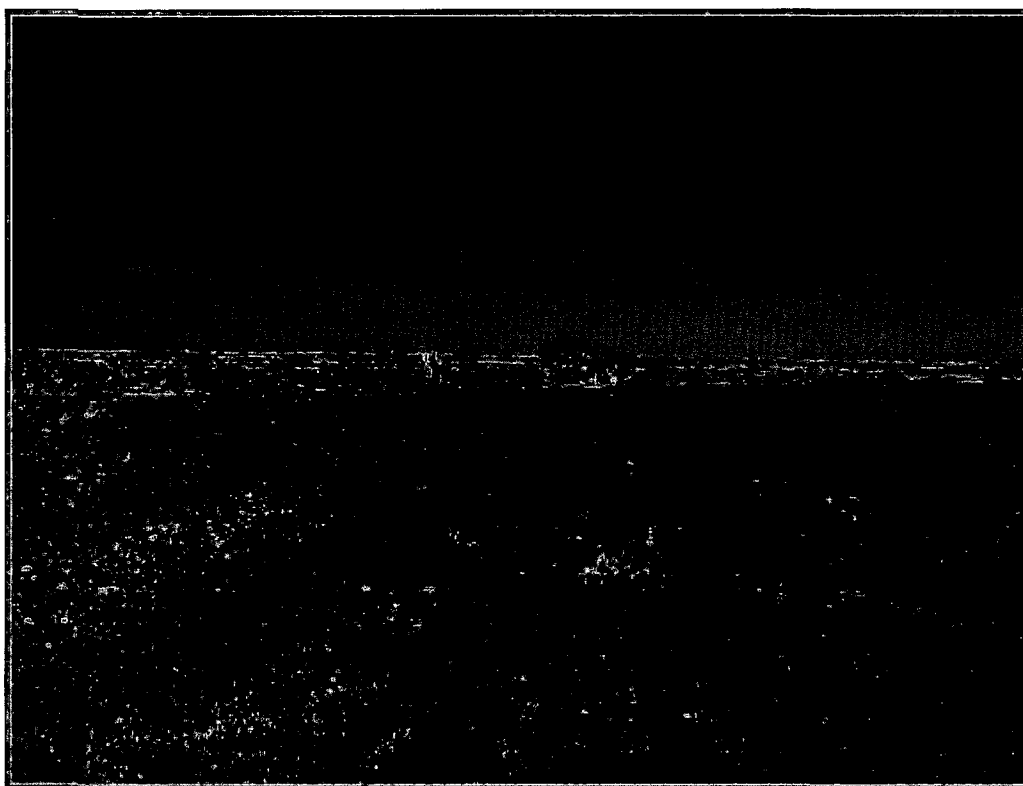
South side backfilled facing west



South side backfilled facing west



South side backfilled facing northwest



Southside backfilled facing southwest



South side backfilled facing southwest

Appendix C
C-141

District I
1625 N. French Dr., Hobbs, NM 88216
District II
1391 W. Conrad Avenue, Artesia, NM 88210
District III
1000 Rio Grande Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form O-141
Revised October 16, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 115 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: XTO Energy	Contact: Gene Hudson
Address: PO Box 700, Espanola, NM 88231	Telephone No.: 575-441-1634
Facility Name: Section 27 SWD #2	Facility Type: Injection Well
Surface Owner: Larry Squires	Mineral Owner: State
Lease No.:	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	27	18S	35E					Lin

Latitude: 32 43°25.79"

Longitude: 103 26°19.12"

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 600	Volume Recovered: 480
Source of Release: Steel Valve	Date and Time of Occurrence:	Date and Time of Discovery: 12/28/09 08:50 am
Was Immediate Notice Given?	If YES, To Whom? Gene Hudson/NMOCOD Larry Squires/Lease owner	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required		
By Whom? Gene Hudson	Date and Time: 12/28/09 08:50 am	
Was a Watersource Kept?	If YES, Volume Impacting the Watersource:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

If a Watersource was Impacted, Describe Fully:

Describe Cause of Problem and Remedial Action Taken:

The leak was caused by internal corrosion on steel valve/valve was repaired.

Describe Area Affected and Cleanup Action Taken:

The affected area is approximately 195' x 1,000'. Vacuum trucks were called to remove standing fluid and SEMI was called for assessment. An appropriate work plan will follow.

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

Signature: <i>Gene Hudson</i>	OIL CONSERVATION DIVISION	
Printed Name: Gene Hudson	Approved by District Supervisor:	
Title: Maintenance Foreman	Approval Date:	Expiration Date:
Email Address: richard.hudson@xtoenergy.com	Conditions of Approval:	
Date: 12/29/09	Phone: 575-441-1634	Attached: <input type="checkbox"/>

Attach Additional Sheets if Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company XTO Energy	Contact Gene Hudson
Address: P.O. Box 700 Eunice, NM 88321	Telephone No. (575)441-1634
Facility Name: State Section 27 SWD #2	Facility Type: Injection Well
Surface Owner: Larry Squires	Mineral Owner: State
Lease No. B-1520-1	

LOCATION OF RELEASE

API # 30-125-03142

Unit Letter H	Section 27	Township 18S	Range 35E	Feet from the 1980	North/South Line North	Feet from the 660	East/West Line East	County Lca
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	----------------------	------------------------	---------------

Latitude N 32 43' 25.79" Longitude W 103 26' 19.12"

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release: 600 BBLs	Volume Recovered: 480 BBLs
Source of Release Steel Valve	Date and Hour of Occurrence:	Date and Hour of Discovery: 12/28/09 08:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoff Leking/NMOCD Larry Squires/Land Owner	
By Whom? Gene Hudson	Date and Hour 12/28/09 08:30 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The leak was caused by internal corrosion on valve. The valve was replaced.

Describe Area Affected and Cleanup Action Taken.*

Safety and Environmental Solution performed cleanup. The area was excavated to a depth of 1 1/2' bgs. The contaminated soils were taken to a NMOCD approved facility for disposal. The area was then backfilled with like material from an offsite facility and contoured to its natural grade.

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

OIL CONSERVATION DIVISION

Signature: *Gene Hudson*

ENV. ENGINEER

Printed Name: Gene Hudson

Approved by District Supervisor: *Geoff Leking*

Title: Maintenance Foreman

Approval Date: 02/10/10

Expiration Date: —

E-mail Address: richard_hudson@xtoenergy.com

Conditions of Approval:

Attached ☐

Date: 3/15/10

Phone: 575.441.1634

IRP-10-1-2385

* Attach Additional Sheets If Necessary