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

2010 FEB 18 AM 11 40

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

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

0219

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
Existing BGT ☑ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Modification to an existing permit
☒ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

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

1.
Operator: XTO Energy, Inc OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: State Gas Com BG #1
API Number: 30-045-08776 OCD Permit Number:
U/L or Qtr/Qtr F Section 02 Township 29N Range 10W County: San Juan
Center of Proposed Design: Latitude 36 75746 Longitude 107.85755 NAD: ☐1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15 17 11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type. Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____bbl Dimensions. L_____ x W_____ x D_____

3.
☐ **Closed-loop System:** Subsection H of 19 15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

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MAY 2010
OIL CONS. DIV. DIST. 3

4.
☒ **Below-grade tank:** Subsection I of 19 15 17.11 NMAC
Volume 120 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

5
☐ **Alternative Method:**
Submittal of an exception request is required Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

6.

Fencing: Subsection D of 19.15.17 11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☒ Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing

7.

Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☒ Other Expanded metal or solid vaulted top

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17 11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15 17 NMAC for guidance

Please check a box if one or more of the following is requested, if not leave blank:

☐ Administrative approval(s). Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

☐ Exception(s) Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval

10.

Siting Criteria (regarding permitting): 19.15 17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo, Satellite image	☐ Yes ☒ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image	☐ Yes ☐ No ☒ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☒ No

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15 17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19 15 17 9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17 10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15 17 9 NMAC and 19.15 17 13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15 17 9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15 17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15 17 11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17 12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17 9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17 9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15 17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17 11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17 11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19 15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17 12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15 17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15 17 9 NMAC and 19.15 17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

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Waste Excavation and Removal Closure Plan Checklist: (19.15 17 13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15 17 13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17.13 NMAC

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Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19 15 17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name. _____ Disposal Facility Permit Number _____

Disposal Facility Name _____ Disposal Facility Permit Number. _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15 17 13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search, USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS, NM Geological Society, Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

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On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17 10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19 15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15 17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15 17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15 17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17 13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17 13 NMAC

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Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief

Name (Print) Kim Champlin Title Environmental Representative

Signature Kim Champlin Date 01/16/2009

e-mail address kim_champlin@xtoenergy.com Telephone (505) 333-3100

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OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Donald D. Kelly Approval Date: 9/12/2011 4/8/10

Title: Environmental Engineer Compliance Officer OCD Permit Number: 3M

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Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: *Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

☑ **Closure Completion Date:** 5/7/10

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Closure Method:

☑ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

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Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: *Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name _____ Disposal Facility Permit Number: _____

Disposal Facility Name _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations.

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: ***Instructions:*** *Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

☑ Proof of Closure Notice (surface owner and division)

☐ Proof of Deed Notice (required for on-site closure)

☐ Plot Plan (for on-site closures and temporary pits)

☑ Confirmation Sampling Analytical Results (if applicable)

☐ Waste Material Sampling Analytical Results (required for on-site closure)

☑ Disposal Facility Name and Permit Number Envirotech NM01-0011

☑ Soil Backfilling and Cover Installation pursuant to OCD standards

☑ Re-vegetation Application Rates and Seeding Technique Pursuant to BLM MOU upon P&A, site in use

☑ Site Reclamation (Photo Documentation) Upon completion of P&A Activities, site in use

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

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Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan

Name (Print): James McDaniel Title: EH&S Specialist

Signature: James McDaniel Date: 5/11/2010

e-mail address: James_McDaniel@xtoenergy.com Telephone 505-333-3701

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

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

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.

2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.

4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
   Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B
      Soil contaminated by exempt petroleum hydrocarbons
      Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes
   Basin Disposal Permit No. NM01-005
      Produced water

5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per 19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.

6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.

7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be

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

8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.

9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.
The notification will include the following:
    i. Operator's name
    ii. Well Name and API Number
    iii. Location by Unit Letter, Section, Township, and Range

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

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.

12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. Soil cover will be constructed to the site's existing grade and ponding of water and erosion of the cover material will be prevented with drainage control, natural drainages and silt traps where needed.

13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs

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

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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, Inc.	Contact: James McDaniel
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3701
Facility Name: State Gas COM BG #1 (30-045-08776)	Facility Type: Gas Well (Mesaverde/Dakota)

Surface Owner: State of NM	Mineral Owner:	Lease No.:

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	2	29N	10W	1450	FNL	1490	FWL	San Juan

Latitude: 36.75746 **Longitude:** -107.85755

NATURE OF RELEASE

Type of Release: Historical	Volume of Release: Unknown	Volume Recovered: NA
Source of Release: BGT	Date and Hour of Occurrence: Historical	Date and Hour of Discovery: NA
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A below grade tank was taken out of service at the above mentioned facility and replaced with an above ground tank for continued operation. A second BGT was discovered off the compressor during maintenance activities, and was closed pursuant to the Closure Plan accepted for this location. A below grade tank closure composite sample was collected for each on-site BGT pursuant to the 'Pit Rule'.

BGT #1 – The sample returned results below the 50 mg/kg total BTEX standard, but above the 0.2 mg/kg benzene standard, the 250 mg/kg chloride standard, and the 100 mg/kg TPH standard, confirming that a release has occurred from this BGT.

BGT #2 – The sample returned results below the 100 mg/kg TPH standard, the 0.2 mg/kg benzene standard, the 50 mg/kg total BTEX standard, and the 250 mg/kg chloride standard, confirming that a release has not occurred from this BGT.

The site was then ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 20 due to a depth to groundwater of less than 100 feet, and a wash at less than 1,000 feet from the location. This set the closure standards to 100 mg/kg TPH and 100 mg/kg organic vapors.

Describe Area Affected and Cleanup Action Taken.

Due to sandstone being encountered directly below BGT #1, maximum reasonable extent was reached on the bottom. Approximately 156 cubic yards of impacted soil was excavated from the east wall, using a track hoe, until visual extent of impact was reached. A sample was collected from the east wall where the excavation activities took place, and analyzed in the field for organic vapors using a PID, and in Envirotech's laboratory for total petroleum hydrocarbons (TPH) via USEPA Method 8015. The sample returned results below the 100 mg/kg organic vapor and the 100 mg/kg TPH standard determined for this site. Approximately 156 cubic yards of impacted soil was transported to Envirotech's NMOCD permitted soil remediation facility No further action is required regarding this incident The Analytical Results and Bills of Lading are attached for your reference. A C-141 was submitted previously documenting the spill prior to BGT Closure Activities on March 29, 2010.

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:	OIL CONSERVATION DIVISION	
Printed Name: James McDaniel	Approved by District Supervisor:	
Title: EH&S Specialist	Approval Date:	Expiration Date:
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:	Attached ☐
Date: 5/11/2010 Phone: 505-333-3701		

XTO Energy Inc.
San Juan Basin
Below Grade Tank
Closure Report

Lease Name: State Gas COM BG #1
API No.: 30-045-08776
Description: Unit F, Section 02, Township 29N, Range 10W, San Juan County

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

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
   Closure Date is May 7, 2010

2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
   Closure Date is May 7, 2010

3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
   Required C-144 Form is attached to this document.

4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
   Envirotech Permit No. NM01-0011
   Soil contaminated by exempt petroleum hydrocarbons
   Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes
   Basin Disposal Permit No. NM01-005
   Produced water
   All liquids and sludge were removed from the tank prior to closure activities. Impacted soils were transported to Envirotech's Landfarm; see Bills of Lading.

5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.

XTO has removed the below grade tank, and will dispose of it at a division approved facility, or recycle, reclaim or reuse it in a manner that is approved by the division.

6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
XTO Energy will utilize on-site equipment for the continued operation of this well site for oil and gas production.

7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

A five point composite sample was taken of each pit using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached).

BGT #1

Components	Test Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	**0.243 mg/kg**
BTEX	EPA SW-846 8021B or 8260B	50	**7.23 mg/kg**
TPH	EPA SW-846 418.1	100	**362 mg/kg**
Chlorides	EPA 300.1	250 or background	**300 mg/kg**

BGT #2

Components	Test Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	**0.002 mg/kg**
BTEX	EPA SW-846 8021B or 8260B	50	**0.319 mg/kg**
TPH	EPA SW-846 418.1	100	**81.9 mg/kg**
Chlorides	EPA 300.1	250 or background	**5 mg/kg**

8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
Sample results indicate that a release has occurred from BGT #1. Pursuant to NMAC 19.15.3.116, the site was then ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 20 due to a depth to groundwater of less than 100 feet, and a wash at less than 1,000 feet from the location. Due to sandstone being encountered directly below the former location of the BGT, maximum reasonable extent was reached at this depth. Visual staining was noticed on the east wall of the pit cellar, and approximately 156 cubic yards of impacted soil was removed, until sandstone was encountered on the east well. A composite sample was collected from the east wall, and analyzed in the field for organic vapors using a PID. The sample returned results below 100 ppm organic vapors. The sample was then analyzed in Envirotech's

laboratory for TPH via USEPA Method 8015. The sample returned results of non-detect for TPH; see Analytical Results. No further excavation is required. All impacted soils were transported to Envirotech's NMOCD permitted Landfarm.

9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
The former BGT areas will continue to be utilized for day to day oil and gas production activity.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.
The notification will include the following:
    i. Operator's name
    ii. Well Name and API Number
    iii. Location by Unit Letter, Section, Township, and Range
Notification was provided to Mr. Brandon Powell with the Aztec office of the OCD via email on May 4, 2010; see attached email printout.

The surface owner shall be notified of XTO's proposal to close the BGT as per the approved closure plan using certified mail, return receipt requested.
The surface owner was notified on May 4, 2010; see attached letter and return receipt.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
The former BGT areas will continue to be utilized for day to day oil and gas production activity.

12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
The BGT areas have been backfilled to match the OCD specifications.

13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.
The former BGT areas will continue to be utilized for day to day oil and gas production activity.

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

ii. Details on capping and covering, where applicable; **per OCD Specifications**
iii. Inspection reports; **attached**
iv. Confirmation sampling analytical results; **attached**
v. Disposal facility name(s) and permit number(s); **Envirotech, NM0011-0011**
vi. Soil backfilling and cover installation; **per OCD Specifications**
vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable); **NA**
viii. Photo documentation of the site reclamation. **NA**

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EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	XTO Energy	Project #:	98031-0121
Sample ID:	BGT Composite #1	Date Reported:	03-25-10
Laboratory Number:	53464	Date Sampled:	03-24-10
Chain of Custody:	8915	Date Received:	03-24-10
Sample Matrix:	Soil	Date Analyzed:	03-25-10
Preservative:	Cool	Date Extracted:	03-24-10
Condition:	Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**243**	**0.9**
Toluene	**1,300**	**1.0**
Ethylbenzene	**615**	**1.0**
p,m-Xylene	**3,770**	**1.2**
o-Xylene	**1,300**	**0.9**
Total BTEX	**7,230**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**91.0 %**
	1,4-difluorobenzene	**99.0 %**
	Bromochlorobenzene	**94.0 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

Review

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EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	XTO Energy	Project #:	98031-0121
Sample ID:	BGT Composite #2	Date Reported:	03-25-10
Laboratory Number:	53465	Date Sampled:	03-24-10
Chain of Custody:	8915	Date Received:	03-24-10
Sample Matrix:	Soil	Date Analyzed:	03-25-10
Preservative:	Cool	Date Extracted:	03-24-10
Condition:	Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**2.0**	**0.9**
Toluene	**66.9**	**1.0**
Ethylbenzene	**32.7**	**1.0**
p,m-Xylene	**162**	**1.2**
o-Xylene	**55.3**	**0.9**
Total BTEX	**319**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**94.0 %**
	1,4-difluorobenzene	**99.8 %**
	Bromochlorobenzene	**98.5 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

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EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client	N/A	Project #:	N/A
Sample ID.	03-25-BT QA/QC	Date Reported:	03-25-10
Laboratory Number.	53451	Date Sampled:	N/A
Sample Matrix.	Soil	Date Received:	N/A
Preservative.	N/A	Date Analyzed:	03-25-10
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept. Range 0 - 15%	Blank Conc	Detect. Limit
Benzene	1.2880E+006	1.2906E+006	0.2%	ND	0.1
Toluene	1.1888E+006	1.1912E+006	0.2%	ND	0.1
Ethylbenzene	1.0830E+006	1.0852E+006	0.2%	ND	0.1
p,m-Xylene	2.6931E+006	2.6985E+006	0.2%	ND	0.1
o-Xylene	1.0140E+006	1.0160E+006	0.2%	ND	0.1

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	ND	ND	0.0%	0 - 30%	0.9
Toluene	ND	ND	0.0%	0 - 30%	1.0
Ethylbenzene	ND	ND	0.0%	0 - 30%	1.0
p,m-Xylene	ND	ND	0.0%	0 - 30%	1.2
o-Xylene	ND	ND	0.0%	0 - 30%	0.9

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	ND	50.0	45.8	91.6%	39 - 150
Toluene	ND	50.0	48.6	97.2%	46 - 148
Ethylbenzene	ND	50.0	48.9	97.8%	32 - 160
p,m-Xylene	ND	100	93.8	93.8%	46 - 148
o-Xylene	ND	50.0	48.8	97.6%	46 - 148

ND - Parameter not detected at the stated detection limit.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996

Comments: **QA/QC for Samples 53451 - 53453, 53458 - 53460, and 53462 - 53465**

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	XTO	Project #:	98031-0121
Sample ID:	BGT Composite #1	Date Reported:	03-25-10
Laboratory Number:	53464	Date Sampled:	03-24-10
Chain of Custody No:	8915	Date Received:	03-24-10
Sample Matrix:	Soil	Date Extracted:	03-25-10
Preservative:	Cool	Date Analyzed:	03-25-10
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**362**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

Review

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	XTO	Project #:	98031-0121
Sample ID:	BGT Composite.#2	Date Reported:	03-25-10
Laboratory Number:	53465	Date Sampled:	03-24-10
Chain of Custody No:	8915	Date Received:	03-24-10
Sample Matrix:	Soil	Date Extracted:	03-25-10
Preservative:	Cool	Date Analyzed:	03-25-10
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**81.9**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

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EPA METHOD 418.1
TOTAL PETROLEUM HYROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	03-25-10
Laboratory Number:	03-25-TPH.QA/QC 53464	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	03-25-10
Preservative:	N/A	Date Extracted:	03-25-10
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	03-04-10	03-25-10	1,680	1,630	3.0%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	5.0

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	362	336	7.4%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	362	2,000	2,010	85.1%	80 - 120%

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **QA/QC for Samples 53464 - 53465.**

Analyst

Review

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Chloride

Client:	XTO Energy	Project #:	98031-0121
Sample ID:	BGT Composite #1	Date Reported:	03-25-10
Lab ID#:	53464	Date Sampled:	03-24-10
Sample Matrix:	Soil	Date Received:	03-24-10
Preservative.	Cool	Date Analyzed:	03-25-10
Condition:	Intact	Chain of Custody:	8915

Parameter	Concentration (mg/Kg)
Total Chloride	**300**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

Review

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Chloride

Client:	XTO Energy	Project #	98031-0121
Sample ID:	BGT Composite #2	Date Reported:	03-25-10
Lab ID#:	53465	Date Sampled:	03-24-10
Sample Matrix:	Soil	Date Received:	03-24-10
Preservative:	Cool	Date Analyzed:	03-25-10
Condition:	Intact	Chain of Custody:	8915

Parameter	Concentration (mg/Kg)
Total Chloride	**50**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **State Gas Com BG #1 (Sandstone)**

Analyst

Review

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CHAIN OF CUSTODY RECORD

8915

Client: XTO	Project Name / Location: State Gas COM BG #1	ANALYSIS / PARAMETERS RUSH
Client Address: 382 Road 3100	Sampler Name: James and Kurt	
Client Phone No.: 787-0519	Client No.: 98031-0121	

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative: H_2SO_4	HCl	Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
BGT Composite #1 (sandstone)	3/24/10	1400	53464	Soil Solid Sludge Aqueous	1/4oz			X		X							X	X				y	y
BGT Composite #2 (sandstone)	3/24/10	1355	53465	Soil Solid Sludge Aqueous	1/4oz			X		X							X	X				y	y
				Soil Solid Sludge Aqueous																		y	y
				Soil Solid Sludge Aqueous																			
				Soil Solid Sludge Aqueous																			
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Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
	3/24/10	1452	Brandi Tate	3/24/10	1452
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

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EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	XTO	Project #:	98031-0121
Sample ID:	East Wall (sandstone)	Date Reported:	03-26-10
Laboratory Number:	53470	Date Sampled:	03-25-10
Chain of Custody No:	8917	Date Received:	03-25-10
Sample Matrix:	Soil	Date Extracted.	03-25-10
Preservative:	Cool	Date Analyzed:	03-26-10
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **State Gas Com BG #1**

Analyst

Review

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EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	03-26-10 QA/QC	Date Reported:	03-26-10
Laboratory Number:	53454	Date Sampled:	N/A
Sample Matrix.	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	03-26-10
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	05-07-07	9.4355E+002	9.4393E+002	**0.04%**	**0 - 15%**
Diesel Range C10 - C28	05-07-07	8.3973E+002	8.4007E+002	**0.04%**	**0 - 15%**

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	**ND**	**0.2**
Diesel Range C10 - C28	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	**ND**	**ND**	**0.0%**	**0 - 30%**
Diesel Range C10 - C28	**ND**	**ND**	**0.0%**	**0 - 30%**

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	**ND**	**250**	**252**	**101%**	**75 - 125%**
Diesel Range C10 - C28	**ND**	**250**	**265**	**106%**	**75 - 125%**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **QA/QC for Samples 53454 - 53457 and 53466 - 53470**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

CHAIN OF CUSTODY RECORD

8917

Client: XTO	Project Name / Location: State Gas COM B6 #1	ANALYSIS / PARAMETERS
Client Address: 382 Road 3100	Sampler Name: J McDaniel	
Client Phone No.: 787-0519	Client No.: 98031-0121	

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl	Preservative Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
East Wall (sandstone)	3/25/10	~~1305~~ 1200	53470	(Soil) Sludge Solid Aqueous	1/4oz				X													Y	Y
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
[signature]	3/25/10	1305	[signature]	3/25/10	13 05
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

envirotech
Analytical Laboratory

5796 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • lab@envirotech-inc.com

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
bruce frantz	01/28/2010	02 00	No	No	No	Yes	No	2	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
bruce frantz	02/05/2010	12 00	No	No	No	Yes	No	2	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
bruce frantz	03/09/2010	11 00	No	No	No	Yes	No	1	Well Water Pit	Below Gr	cell needs to be redone , high water table

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Bill Smith	10/13/2009	09 38	No	No	No	Yes	No	2	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
bruce frantz	11/11/2009	10 00	No	No	No	Yes	No	3	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
BRUCE FRANTZ	12/10/2009	02 00	No	No	No	Yes	No	3	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
Linsey Ross	07/09/2009	10 00	No	No	No	Yes	No	3	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
Bill Smith	08/05/2009	10 00	No	No	No	Yes	No	4,544	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT
Bill Smith	09/04/2009	09 38	No	No	No	Yes	No	4	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BRUCE FRANTZ	04/01/2009	10 00	No	No	No	Yes	No	3	Well Water Pit	Below Gr	
Linsey Ross	05/11/2009	11 30	No	No	No	Yes	No	2	Well Water Pit	Below Gr	
Linsey Ross	06/03/2009	16.00	No	No	No	Yes	No	1	Well Water Pit	Below Gr	BOTTOM REALLY RUST OUT

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BRUCE FRANTZ	01/04/2009	12 00	No	No	No	Yes	No	4	Well Water Pit	Below Gr	
BRUCE FRANTZ	02/15/2009	12 00	No	No	No	Yes	No	3	Well Water Pit	Below Gr	
BRUCE FRANTZ	03/04/2009	12 00	No	No	No	Yes	No	4	Well Water Pit	Below Gr	

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BRUCE FRANTZ	10/07/2008	08 00	No	No	No	Yes	No	40			
BRUCE FRANTZ	10/21/2008	15 00	No	No	No	Yes	No	2	Well Water Pit Below Gr		CALLED PIT INTO M&R
BRUCE FRANTZ	11/06/2008	15 00	No	No	No	Yes	No	100	Well Water Pit Below Gr		
BRUCE FRANTZ	12/22/2008	12 00	No	No	No	Yes	No	4	Well Water Pit Below Gr		

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township
FAR NM Run 43	STATE GAS COM BG 001	Frantz, Bruce	Bramwell, Chris	STATE GAS COM BG 001	3004508776	2	10W	29N

InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
BRUCE FRANTZ	08/04/2008	08 00	No	No	No	Yes	No	5			

XTO ENERGY

May 4, 2010

Scott Dawson
New Mexico State Land Office
Oil, Gas and Minerals Division
PO Box 1148
Santa Fe, New Mexico 8504

Re: State Gas COM BG #1 (API #30-045-08776)
Unit F, Section 2, Township 29N, Range 10W, San Juan County, New Mexico

Dear Mr. Dawson,

This submittal is pursuant to Rule 19.15.17.13 requiring operators to notify surface owners of the closure of a below grade tank pit. XTO Energy, Inc. (XTO) is hereby providing written documentation of our proposal to close the below grade tank pit associated with the above mentioned well site by waste excavation and removal.

Should you have questions or require additional information, please feel free to contact me at your convenience at (505) 333-3100. Thank you for your time in regards to this matter.

Respectfully Submitted,

James McDaniel
EH&S Specialist
XTO Energy, Inc.
San Juan Division

7009 2250 0001 1303 9109

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FARMINGTON NM 87401 MAY 4 2010 USPS Postmark Here

Sent To: New Mexico State Land Office
Scott Dawson - Oil, Gas and Minerals Division
Street, Apt. No.; or PO Box No.: PO Box 1148
City, State, ZIP+4: Santa Fe, NM 8504

PS Form 3800, August 2006 See Reverse for Instructions

James McDaniel /FAR/CTOC
05/04/2010 07:22 AM

To brandon.powell@state.nm.us
cc Scott Baxstrom/FAR/CTOC@CTOC, Martin Nee/FAR/CTOC@CTOC, Kurt Hoekstra/FAR/CTOC@CTOC, Kim
bcc
Subject State Gas COM BG #1

Brandon,
Please consider this email the required 72 hour notice for pit closure activities at the State Gas COM BG #1 (API #30-045-08776) located in Unit F, Section 2, Township 29N, Range 10W, San Juan County, New Mexico. This pit is being closed and replaced with an above ground storage tank to serve the same purpose. If you have any additional questions or concerns, please don't hesitate to contact me. Thanks much!

James McDaniel
EH&S Specialist
XTO Energy, Inc.
Office # 505-333-3701
Cell # 505-787-0519

envirotech

Bill of Lading

MANIFEST # 35286

PHONE: (505) 632-0615 • 5796 U.S. HIGHWAY 64 • FARMINGTON, NEW MEXICO 87401

DATE 3-25-10 JOB# 98031-0524

LOAD NO.	COMPLETE DESCRIPTION OF SHIPMENT						TRANSPORTING COMPANY			
	POINT OF ORIGIN	DESTINATION	MATERIAL	GRID	YDS	BBLS	COMPANY	TRK#	TIME	DRIVER SIGNATURE
1	XTO State Gas Com B #6	LF-T-5	Cont Soil	X9	12	—	Joe L.	691	10:14	José L Pantoja
2	" "	" "	" "	X9	12	—	Double Trouble	DT 1	10:30	[signature]
3	" "	" "	" "	X9	12	—	Double Trouble	DT 1	13:19	[signature]
4	" "	" "	" "	X9	12	—	Jose Luis Trucking	698	1:21	Jesus Salazar
5	" "	" "	" "	X-9	12	—	Double Trouble	DT 1	16:04	[signature]
6	" "	" "	" "	X-9	12	—	Joe Lewis	692	16:10	Jesus Salazar
					72					

RESULTS:

<298	CHLORIDE TEST	6
	PAINT FILTER TEST	6

LANDFARM EMPLOYEE: [signature]

NOTES:

"I certify the material hauled from the above location has not been added to or mixed with, and is the same material received from the above mentioned Generator, and that no additional materials have been added."

NAME José L. Pantoja COMPANY Joe Luis Truckins SIGNATURE José L Pantoja

COMPANY CONTACT Scott Baxtrom PHONE 505 632 5200 DATE 3-25-10

ACCENT Printing • Form 28-1212

envirotech

Bill of Lading

MANIFEST # 35295

PHONE: (505) 632-0615 • 5796 U.S. HIGHWAY 64 • FARMINGTON, NEW MEXICO 87401

DATE 3-26-10 JOB# 9803-0524

LOAD NO.	COMPLETE DESCRIPTION OF SHIPMENT						TRANSPORTING COMPANY			
	POINT OF ORIGIN	DESTINATION	MATERIAL	GRID	YDS	BBLS	COMPANY	TRK#	TIME	DRIVER SIGNATURE
1	XTO State Gas B-Gi	LF II-5	Cont Soil	X 8	12	—	Joe Louis Trucking	692	929	Lionso Salazar
2	#1 "	"	"	X 8	12	—	Double Trouble	DT1	940	
3	"	"	"	X 8	12	—	BNL	7	9:54	
4	"	"	"	X 8	12	—	JLT	691	11:07	
5	"	"	"	X 8	12	—	JLT	692	12:02	Lionso Salazar
6	"	"	"	X 8	12	—	BNL	7	1228	
7	"	"	"	X 8	12	—	Double Trouble	DT1	1235	
					84					

RESULTS:

<298	CHLORIDE TEST	7
	PAINT FILTER TEST	7

LANDFARM EMPLOYEE: Gary Robinson

NOTES:

"I certify the material hauled from the above location has not been added to or mixed with, and is the same material received from the above mentioned Generator, and that no additional materials have been added."

NAME Lionio Salazar COMPANY Joe Louis trucking SIGNATURE Lionso Salazar

COMPANY CONTACT Scott Baxtrom PHONE _____ DATE 3-26-16

6219

XTO Energy, Inc.
State Gas COM BG #1
Section 2, Township 29N, Range 10W
Closure Date: 5/7/2010

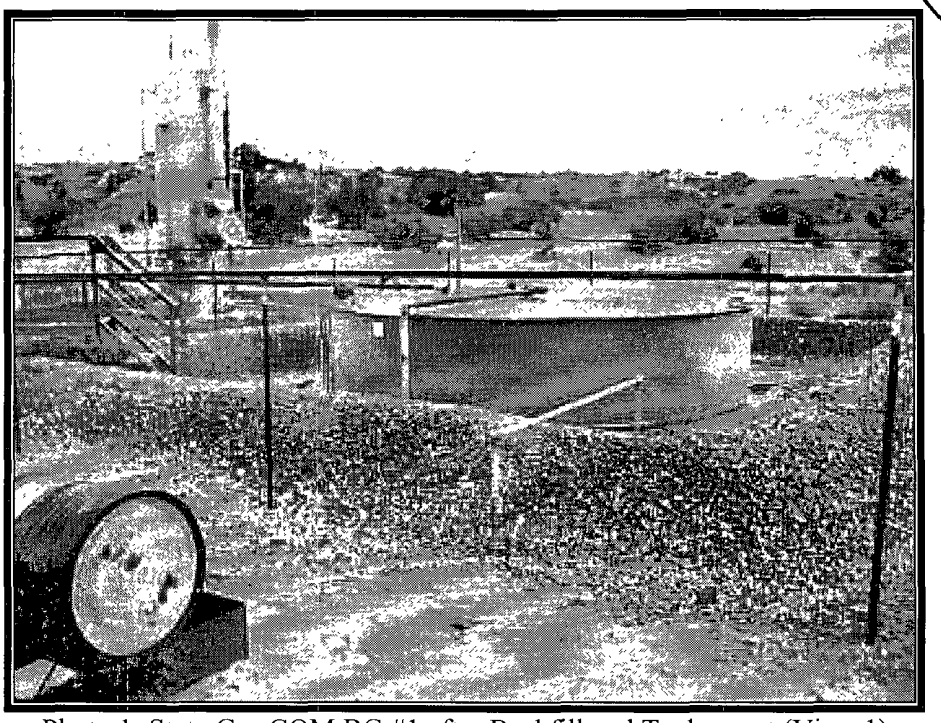

Photo 1: State Gas COM BG #1 after Backfill and Tank re-set (View 1)

Photo 2: State Gas COM BG #1 after Backfill and Tank re-set (View 2)