

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
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

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

8987
Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

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

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

1
Operator XTO Energy, Inc OGRID # 5380
Address #382 County Road 3100, Aztec, NM 87410
Facility or well name Florance #75
API Number 30-045-34500 OCD Permit Number _____
U/L or Qtr/Qtr B Section 20 Township 27N Range 8W County San Juan
Center of Proposed Design Latitude 36 56530 Longitude -107 70260 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 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☒ String-Reinforced
Liner Seams ☒ Welded ☒ Factory ☐ Other _____ Volume _____ bbl Dimensions L 200 x W 80 x D 8-12

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) **To be used during completion operations**
☐ 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 _____

4
☐ **Below-grade tank:** Subsection I of 19 15 17 11 NMAC
Volume _____ bbl Type of fluid _____
Tank Construction material _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
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 _____

7

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

☐ Screen ☐ Netting ☐ Other _____

☐ 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

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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 **Fencing- Hogwire**

☐ 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

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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 _____

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Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17 9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a 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)

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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 H₂S, 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

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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 identify 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 Envirotech Disposal Facility Permit Number NM01-0011
 Disposal Facility Name IEI Disposal Facility Permit Number NM01-0010B

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

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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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map; Topographic map, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) Malia Villers Title Permitting Tech
 Signature Malia Villers Date 9-22-11
 e-mail address malia_villers@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: Jonathan D Kelly Approval Date: 9/26/2011

Title: Compliance Officer OCD Permit Number: _____

21

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: _____

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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 identify 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

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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
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

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) _____ Title _____

Signature _____ Date _____

e-mail address _____ Telephone _____

DISTRICT I
1625 N French Dr., Hobbs, NM 88240

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1301 W. Grand Ave., Artesia, NM 88210

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1220 South St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name FLORANCE	⁶ Well Number 75
⁷ GRID No	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6732

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	20	27-N	8-W		705	NORTH	1890	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No		

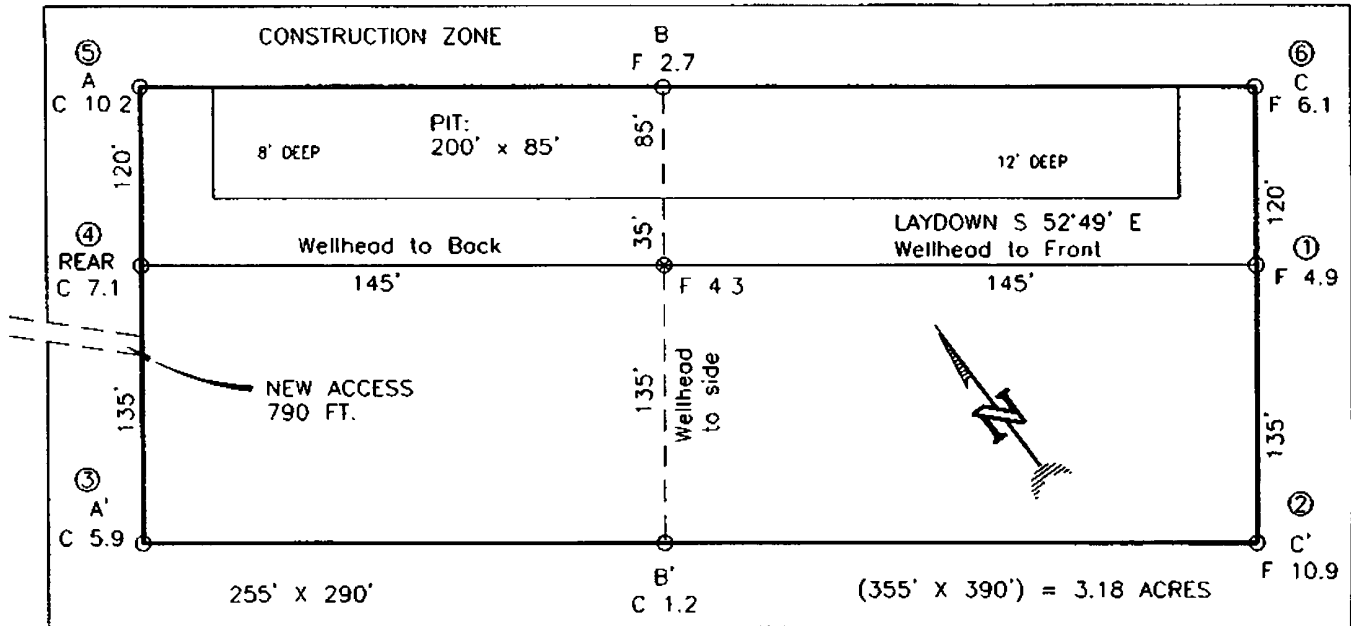
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

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<p>FD 3 1/4" BC. 1955 B.L.M.</p> <p>N 89-24-37 W 2568.83' (M)</p>		<p>FD. 3 1/4" BC 1955 B.L.M.</p> <p>1890'</p>		<p>17</p> <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
		<p>LAT: 36.56530° N. (NAD 83) LONG: 107.70260° W. (NAD 83)</p> <p>LAT: 36°33'55.1" N. (NAD 27) LONG 107°42'07.2" W. (NAD 27)</p> <p>20</p> <p>S 3-42-54 W 2669.10' (M)</p>		
		<p>FD. 3 1/4" BC 1955 B.L.M.</p>		<p>18</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 2006</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p>

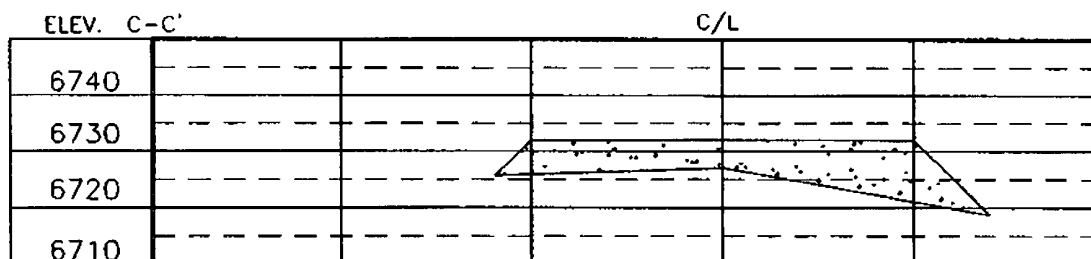
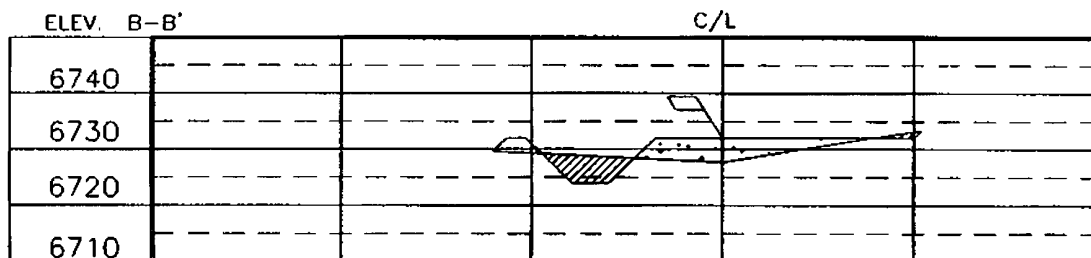
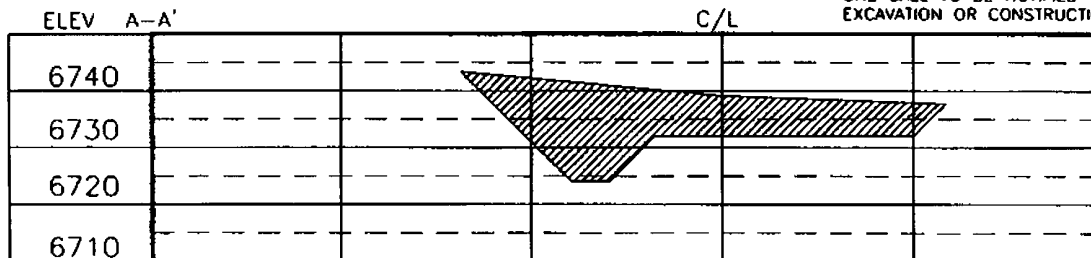
XTO ENERGY INC.
 FLORANCE No. 75, 705 FNL 1890 FEL
 SECTION 20, T27N, R8W, N.M.P.M., SAN JUAN COUNTY, N.M.
 GROUND ELEVATION: 6732' DATE: SEPTEMBER 19, 2006

NAD 83
 LAT. = 36.56530° N
 LONG. = 107.70260° W
 NAD 27
 LAT. = 36°33'55.1" N
 LONG. = 107°42'07.2" W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE).
 BLOW PIT OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION

DRAWN BY: B.L.	CHECKED BY: G.V.	DATE: 10/02/08	LOCATION: RESTAKE D	PROJECT: CR235-PLB	DATE: 04/14/04
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894</p>					

Pit Permit Siting Criteria Information Sheet

Well Name	Florance No. 75	
Date	September 21, 2011	
Prepared By	K. Wilson	

API #	N/A
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Depth to groundwater:	Greater than 50'
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Distance to closest continuously flowing watercourse:	1.5 Miles East of Blanco Wash
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	7900' to Largo Canyon

Permanent residence, school, hospital, institution or church within 300':	No
---	----

Domestic fresh water well or spring within 500':	No
Any other fresh water well or spring within 1000':	No

Within incorporated municipal boundaries:	No
Within defined municipal fresh water well field:	No

Wetland within 500':	No
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Within unstable area:	No
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Within 100 year flood plain:	No
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Additional Notes:

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USPLSS:	NE/4 Sec. 20, T27N, R8W
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Lat/Long:	36.56530, -107.70260
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Geologic formation:	San Jose
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Soil Type:	Entisols
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Annual Precipitation:	10 to 14 inches
Precipitation Notes:	No significant precipitation events in the area

Attached Documents:	Hydrogeologic Report Figure 1: Topographical Map Figure 2: Aerial Map Figure 3: FEMA Flood Zone Map NM Office of the State Engineer Water Well Data
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Mining Activity:	None
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A Subsidiary of ExxonMobil

Florance # 75

Hydrogeologic Report for Siting Criteria

General Geologic Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate the surficial geology. The proposed pit location will be situated on the undulating surface of Blanco Mesa located between Blanco Canyon and Largo Wash (figure 1). The predominant geologic formation is the San Jose Formation, which underlines surface soils or is exposed as lithic and paralithic rock outcrops. The San Jose Formation occurs in both New Mexico and Colorado and its outcrop forms the land surface over much of the eastern half of the central basin.

Cretaceous and Tertiary sandstones and Quaternary alluvial deposits serve as the primary aquifers in the San Juan Basin. In the proposed area, the San Juan Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and shale. Groundwater is associated with alluvial and fluvial sandstone aquifers. Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers. The aquifers are found between 0 and 2700 feet. The reported or measured discharge from numerous water wells within the surrounding area completed in the formation range from 0.15 to 61 gallons per minute (gpm) of production, with a median of 5 gpm. Most of the wells provide water for livestock and domestic purposes.

The formation is not as suitable for recharge from precipitation as other regional soil complexes are due to the close proximity of bedrock to the surface (within 9 inches) (www.websoilsurvey.nrcs.usda.gov). Along with low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the formation by the San Juan River and its main tributaries all tend to reduce the effective recharge of the formation. Most recharge occurs during the inter months during snowmelt periods within the upper elevations (Western Regional Climate Center, www.wrcc.dri.edu).

The predominate vegetation is sagebrush and grasses with a more restricted pinon-juniper association.

Site-Specific Hydrology

Blanco Mesa lies to the north and northwest of Largo Wash. It consists of heavy clays and bedrocks of the San Jose Formation. The site in question is located near the center of Blanco Mesa at an elevation of approximately 6,700 feet above sea level (Figures 1 and 2). The immediate surrounding area consists of shallow washes and canyons that have eroded through the sandstone into underlying shale units. The washes drain to smaller tributaries of Largo Wash and Blanco Canyon.



A Subsidiary of ExxonMobil

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

There is no ground water data available from water well logs for wells within the near vicinity. The closest water well is estimated to be approximately 5 miles north of the proposed pit location with ground water measured at greater than 50 feet.

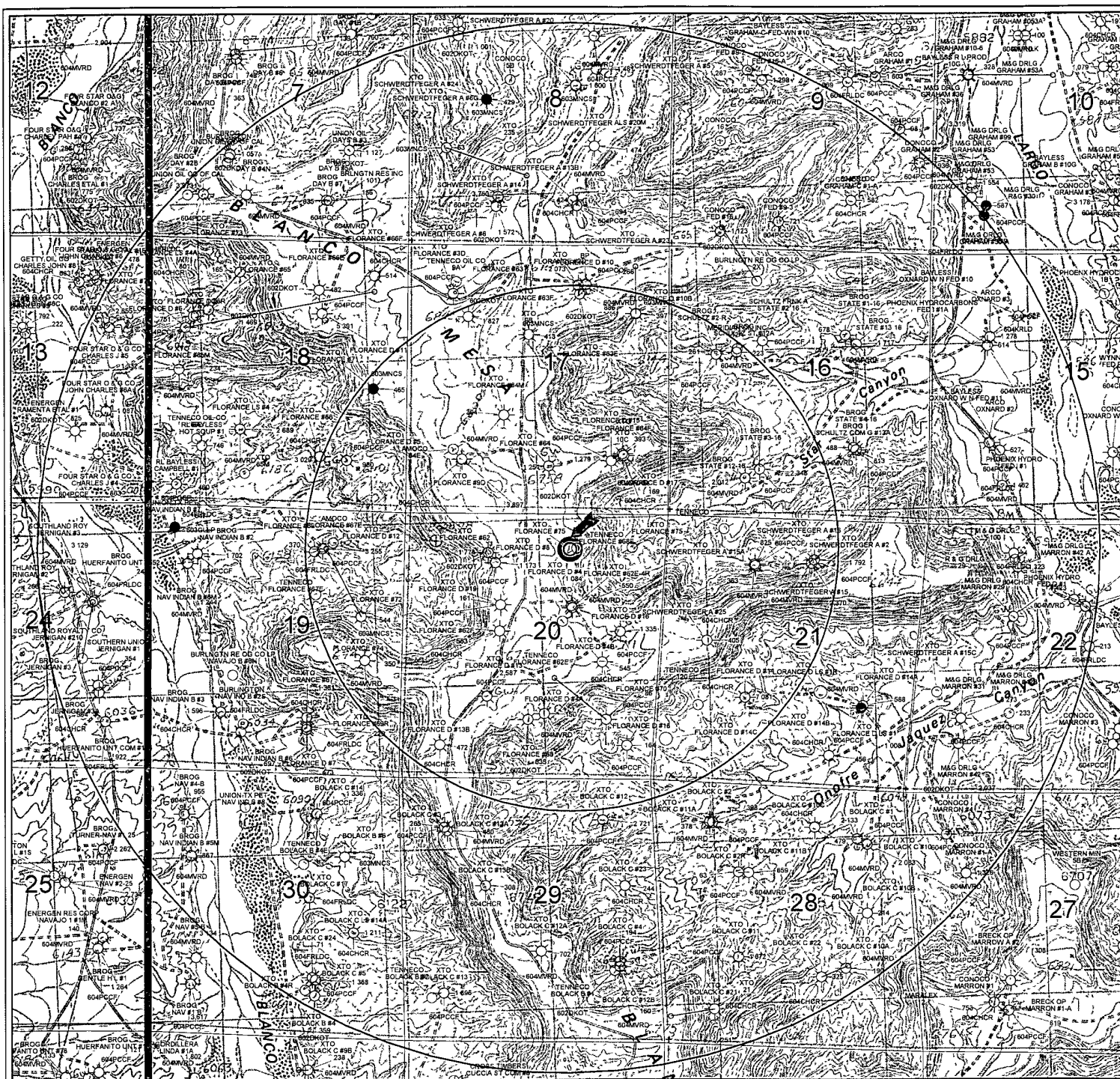
The proposed pit location is approximately 1.5 miles northwest of Largo Wash. The distance between the proposed pit location and the water bodies plus the topography features surrounding area suggests that ground water would not be present at 50 feet.

References:

USDA-NRCS, Web Soil Survey: (<http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>)

USDA-NRCS, Plants Data Base: (<http://plants.usda.gov/java/>)

New Mexico Office of the State Engineer: (<http://nmwrrs.ose.state.nm.us/nmwrrs/meterReport.html>)



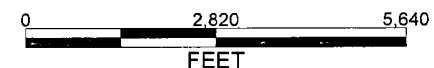
XTO ENERGY INC.

Florance #75

SEC 20 T27N-R08W

SAN JUAN COUNTY, NM

Farmington-Durango_04-27-09 OVL



POSTED WELL DATA

Operator
Well Label

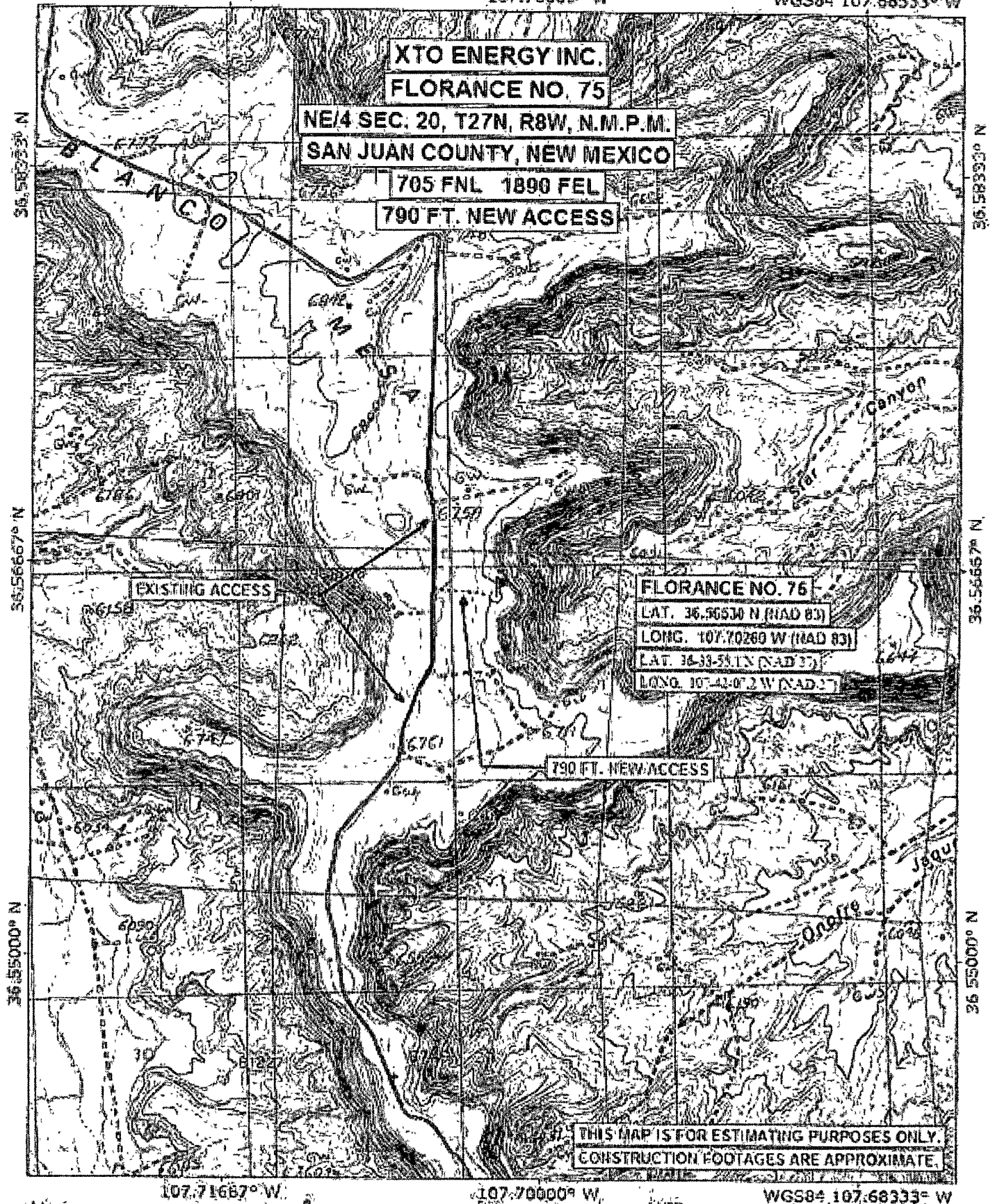
WELL - CUMGAS (MMCF)
ProdFM

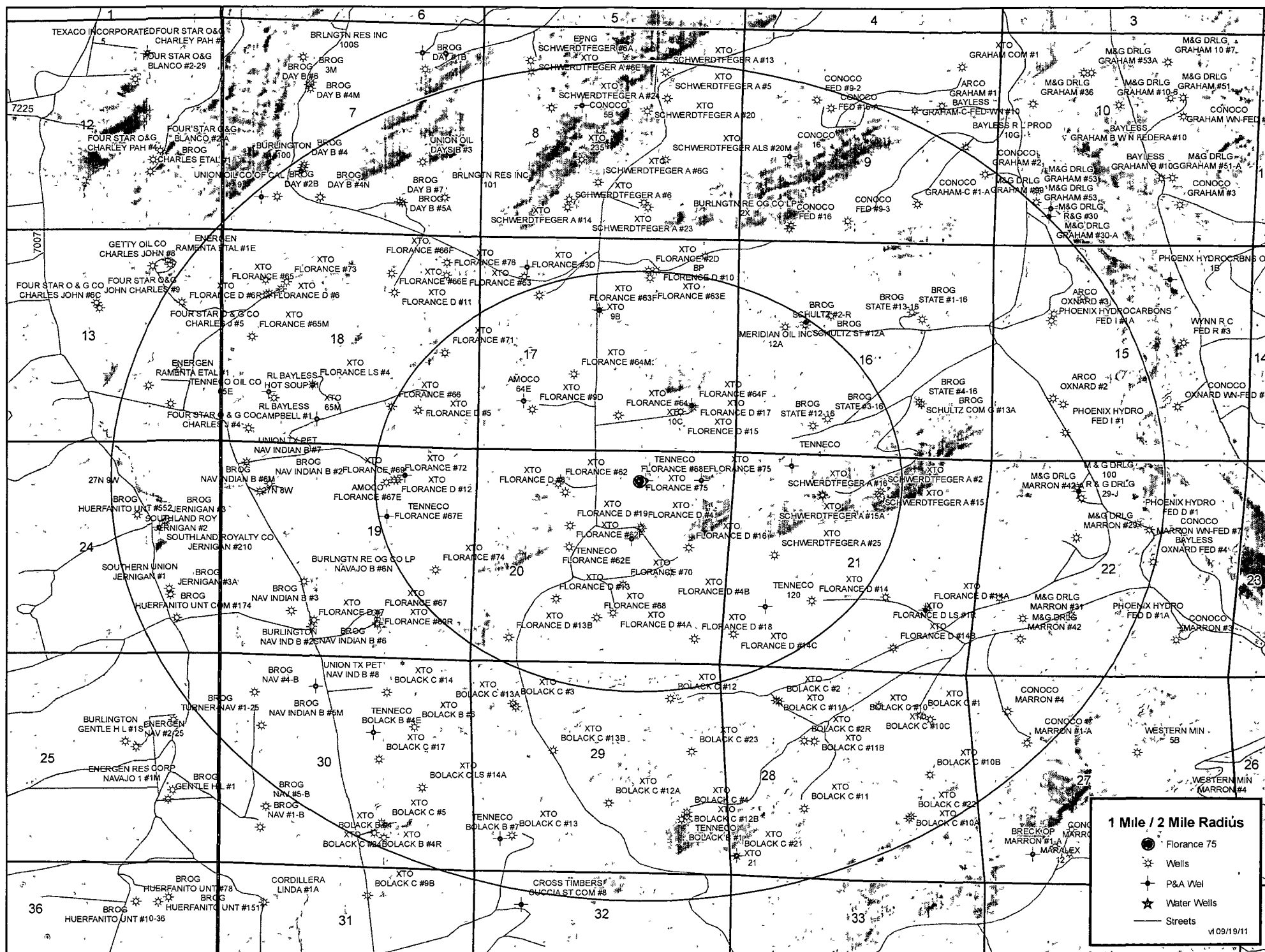
WELL SYMBOLS

- APDAPPRLOC
- Gas Well
- Oil & Gas Well
- Dry Hole
- Plugged and Abandoned
- Abandoned Well
- Oil Well

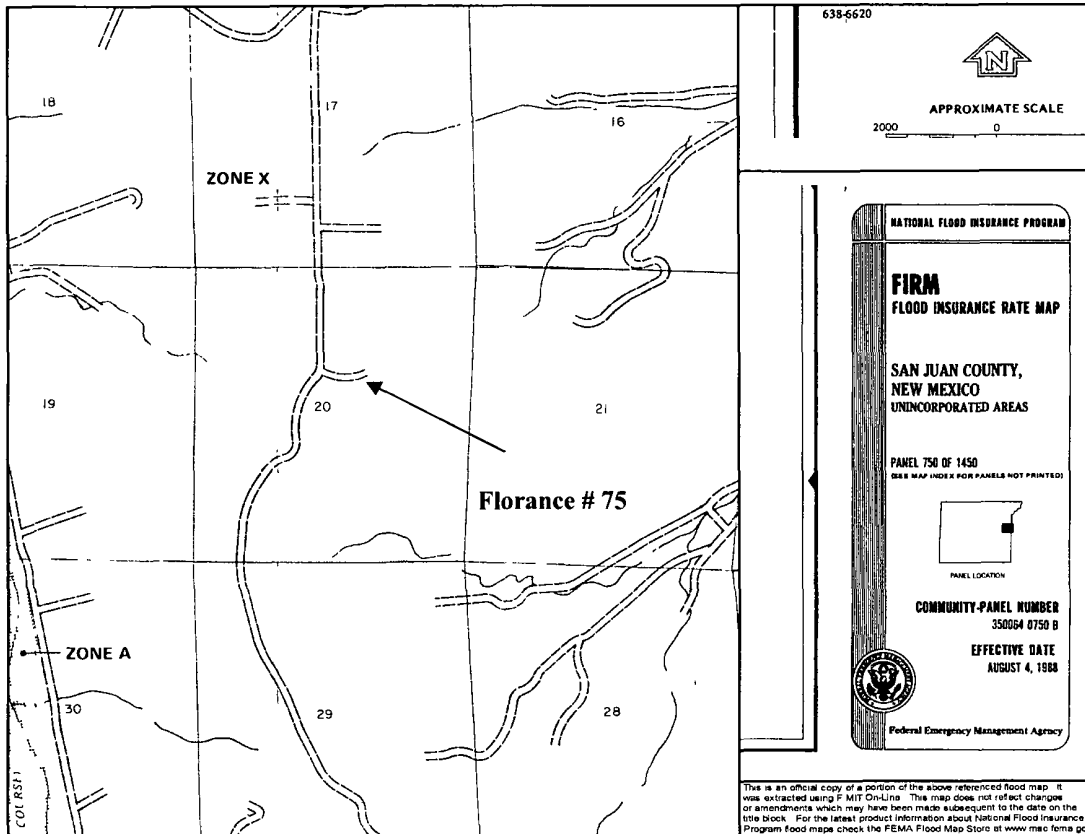
By vl

September 16, 2011





Florance # 75
FEMA Flood Zone Map
XTO – Pit Siting





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

No records found

Basin/County Search:

County: San Juan

UTMNAD83 Radius Search (in meters):

Easting (X): 258231

Northing (Y): 4049966

Radius: 800

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer

Wells with Well Log Information

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

POD Number	Sub basin	Use	County	Source	q q q	6416 4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File	Depth Well	Depth Water
<u>SJ 00163 S</u>		IND	SJ	Artesian	2 4 4	18	28N	08W		257354	4060237*	09/04/1978	09/06/1978	09/13/1978	1450	800
<u>SJ 00163 S</u>		OIL	SJ	Artesian	2 4 4	18	28N	08W		257354	4060237*	09/04/1978	09/06/1978	09/13/1978	1450	800
<u>SJ 02283</u>		STK	SJ	Shallow	1 2 4	14	28N	08W		263604	4060474*	06/07/1990	06/10/1990	06/25/1990	540	480

Record Count: 3

Basin/County Search:

Basin: San Juan

County: San Juan

PLSS Search:

Township: 28N

Range: 08W

Proposed pit is located in T28N (\pm 5 mi South)

W location was derived from PLSS - see Help

data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, utility, usability, or suitability for any particular purpose of the data

1/11 10:58 AM

Page 1 of 1

WELLS WITH WELL LOG INFORMATION



Malia Villers/FAR/CTOC

09/22/2011 09:48 AM

To Mark Kelly

cc

bcc

Subject Florance #75 New well site

RE: Florance #75
Sec. 20 (B), T27N-R8W, San Juan County

Dear Mr. Kelly,

This submittal is pursuant to Rule 19.15.17 13 requiring operators to notify surface owners of on site burial of temporary pits. XTO Energy Inc. (XTO) is hereby providing written documentation of our intention to close the temporary pit associated with the aforementioned location by means of in place burial.

Should you have any questions or require additional information please feel free to contact me at your earliest convenience (505) 333-3100.

Malia Villers
XTO Energy a subsidiary of ExxonMobil
Office 505-333-3698
Cell 505-787-7700
Fax: 505-333-3284
malia_villers@xtoenergy.com

XTO Energy Inc.
San Juan Basin
Pit Design and Construction Plan

In accordance with Rule 19 15 17 11 NMAC the following information describes the design and construction of temporary pits on XTO Energy Inc (XTO) locations. This is XTO's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

General Plan

- 1 XTO will design and construct a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment
- 2 Prior to constructing the pit, topsoil will be stockpiled in the construction zone for later use in restoration
- 3 XTO will post a well sign, in compliance with 19 15 3 103 NMAC, on the well site prior to construction of the temporary pit. The sign will list the Operator on record as the operator, the location of the well site by unit letter, section, township, range, and emergency telephone numbers
- 4 XTO shall construct all new fences utilizing 48" steel mesh field-fence (hogwire) on the bottom with a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Temporary pits will be fenced at all times excluding drilling or workover operations, when the front side of the fence will be temporarily removed for operational purposes
- 5 XTO shall construct the temporary pit so that the foundation and interior slopes are firm and free of rocks, debris, sharp edges or irregularities to prevent liner failure
- 6 XTO shall construct the pit so that the slopes are no steeper than two horizontal feet to one vertical foot
- 7 Pit walls will be walked down by a crawler type tractor following construction
- 8 All temporary pits will be lined with a 20-mil, string reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements
- 9 Geotextile will be installed beneath the liner when rocks, debris, sharp edges or irregularities cannot be avoided
- 10 All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep
- 11 XTO will minimize liner seams and orient them up and down, not across a slope. Factory seams will be used when possible. XTO will ensure all field seams are welded by qualified personnel. Field seams will be overlapped four to six inches and will be oriented parallel to the line of maximum slope. XTO will minimize the number of field seams in corners and irregularly shaped areas
- ~~12 The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system~~
- 13 The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some areas
- 14 The volume of the pit shall not exceed 10 acre-feet, including freeboard.

XTO Energy Inc.
San Juan Basin
Maintenance and Operating Plan

In accordance with Rule 19 15 17 12 NMAC the following information describes the operation and maintenance of temporary pits on XTO Energy Inc. locations. This is XTO's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

General Plan

- 1 XTO will operate and maintain a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2 XTO will conserve drilling fluids by transmitting liquids to pits ahead of the rigs whenever possible. All drilling fluids will be disposed at Basin Disposal Inc, Permit # NM-01-005.
- 3 XTO will not discharge or store any hazardous waste in any temporary pit.
- 4 If any pit liner integrity is compromised, or if any penetration of the liner occurs above the liquid surface, then XTO shall notify the Aztec Division office by phone or email within 48 hours of the discovery and repair the damage or replace the liner.
- 5 If a leak develops below the liquid level, XTO shall remove all liquids above the damaged liner within 48 hours and repair the damage or replace the liner. XTO shall notify the Aztec Division office by phone or email within 48 hours of the discovery for leaks less than 25 barrels. XTO shall notify the Aztec Division office as required pursuant to Subsection B of 19 15 3 116 NMAC within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19 15 3 116 NMAC shall be reported to the division's Environmental Bureau Chief.
- 6 The liner shall be protected from any fluid force or mechanical damage through the use of mud pits slides, or a manifold system.
- 7 The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 8 XTO shall immediately remove any visible layer of oil from the surface of the temporary pit after cessation of a drilling or workover operation. Oil absorbent booms will be utilized to contain and remove oil from pits surface. An oil absorbent boom will be stored on-site until closure of pit.
- 9 Only fluids generated during the drilling or workover process will be discharged into a temporary pit.
- 10 XTO will maintain the temporary pit free of miscellaneous solid waste or debris.
- 11 During drilling or workover operations, XTO will inspect the temporary pit at least once daily to ensure compliance with this plan. Inspections will be logged and logs maintained for review. XTO will file this log with the Aztec Division office upon closure of the pit.
- 12 After drilling or workover operations, XTO will inspect the temporary pit weekly so long as liquids remain in the temporary pit. A log of the inspections will be stored at XTO's office electronically and will be filed with the Aztec Division office upon closure of the pit.
- 13 XTO shall maintain at least two feet of freeboard for a temporary pit.
- 14 XTO shall remove all free liquids from a temporary pit within 30 days from the date the operator releases the drilling or workover rig.

XTO Energy Inc. San Juan Basin Closure Plan

In accordance with Rule 19 15 17 13 NMAC the following information describes the closure requirements of temporary pits on XTO Energy Inc (XTO) locations. This is XTO's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

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

- Details on Capping and Covering, where applicable
- Plot Plan (Pit Diagram)
- Inspection Reports
- Sampling Results
- C-105
- Copy of Deed Notice will be filed with County Clerk

General Plan:

- 1 All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division-approved facility or recycled, reused, or reclaimed in a manner that the Aztec Division office approves.
- 2 The preferred method of closure for all temporary pits will be on-site, in-place burial, assuming that all criteria listed in sub-section (B) of 19 15 17 13 are met.
- 3 The surface owner shall be notified of XTO proposed closure plan using a means that provides proof of notice i.e., Certified mail, return receipt requested.
- 4 Within 6 months of the Rig Off status occurring XTO will ensure that temporary pits are closed, re-contoured, and reseeded.
- 5 Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i Operators Name
 - ii Location by Unit Letter, Section, Township, and Range Well name and API number
- 6 Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liner will be disposed of at a licensed disposal facility.
- 7 Pit contents shall be mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed a safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.
- 8 A five point composite sample will be taken of the pit using sampling tools and all samples tested per Subsection B of 19 15 17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19 15 17 13 i.e., Dig and haul. Disposal facility to be utilized should this method be required will be Envirotech, Permit No. NM01-0011 or IEI, Permit No. NM01-0010B.

Components	Test Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	500 or background

- 9 Upon completion of solidification and testing, the pit area will be backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 10 Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, ponding prevention, and erosion prevention. 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.
- 11 Notification will be sent to OCD when the reclaimed area is seeded.
- 12 XTO shall 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 of 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.
- 13 The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time all wells on the pad are abandoned. The operator's information will include the following: Operator's Name, Lease Name, Well Name and Number, Unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location.

XTO Energy Inc.
San Juan Basin
Closed-Loop System Design and Construction Plan

In accordance with Rule 19 15 17 11 NMAC the following information describes the design and construction of closed-loop systems on XTO Energy Inc (XTO) locations. This is XTO's standard procedure for all closed-loop systems. A separate plan will be submitted for any closed-loop system which does not conform to this plan.

General Plan

Our closed-loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will entail an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1 Fencing is not required for an above ground closed-loop system
- 2 It will be signed in compliance with 19 15 3 103 NMAC

XTO Energy Inc.
San Juan Basin
Closed-Loop Systems Maintenance and Operating Plan

In accordance with Rule 19 15 17 11 NMAC the following information describes the operation and maintenance of closed-loop systems on XTO Energy Inc (XTO) locations. This is XTO's standard procedure for all closed-loop systems. A separate plan will be submitted for any closed-loop system which does not conform to this plan.

General Plan

The closed-loop tank will be operated and maintained, to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain the goal the following steps will be followed:

- 1 The liquids will be vacuumed out and disposed of at the Basin Disposal, Inc. facility (Permit Number NM01-005). An alternative if available for liquids disposal, will be to move the liquids forward to a XTO temporary pit constructed in accordance with all specifications in NMAC Rule 19 15 17 for a well yet to be drilled. All specifications, limitations, and rules within the New Mexico Administrative Code regulating this transfer of liquids will be strictly adhered to. As a third alternative, if Basin Disposal turns away the fluids because of capacity reasons, and the second transfer option is not available, XTO may elect to haul fluids to IEI (Permit Number NM01-0010B) for final disposition.
- 2 Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM01-0011) or IEI (Permit Number NM01-0010B) on a periodic basis to prevent over topping.
- 3 No hazardous waste, miscellaneous solids, waste, or debris will be discharged into, or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 4 The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon discovery of the compromised tank, repairs will be enacted immediately.
- 5 All of the above operations will be inspected and a log will be signed and dated daily during rig operations.

XTO Energy Inc.
San Juan Basin
Closed-Loop System Closure Plan

In accordance with Rule 19.15.17.11 NMAC the following information describes the closure requirements of closed-loop systems on XTO Energy Inc (XTO) locations. This is XTO's standard procedure for all closed-loop systems. A separate plan will be submitted for any closed-loop system which does not conform to this plan.

General Plan

XTO will close a drying pad used for a closed-loop system within six months from the date that XTO released the drilling or workover rig. XTO will not the date of the drilling or workover rig's release on form C-105 or C-103, filed with the division, upon the well's or workover's completion.

The closed-loop tank will be closed in accordance with 19.15.17.13 NMAC. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM01-0011) or IEI (Permit Number NM01-0010B) immediately following rig operations.

All remaining liquids will be transported and disposed of at the Basin Disposal, Inc facility (Permit Number NM 01-005). As an alternative (in the event Basin Disposal refused liquids because of capacity considerations, and if proper inventory space is available for liquids transfer while meeting free board requirements), the liquids will be moved forward to a XTO temporary pit constructed in accordance with all specifications in NMAC Rule 19.15.17 for a well yet to be drilled. All specifications, limitations, and rules within the New Mexico Administrative Codes regulating this transfer of liquids will be strictly adhered to. As a third alternative, if Basin Disposal turns away the fluids because of capacity reasons, and the second transfer option is not available, XTO may elect to haul the fluids to IEI (Permit Number 01-0010B) for final disposition.

The tanks will be removed from the location as part of the rig move. At the time of well abandonment the site will be reclaimed and re-vegetated to pre-existing conditions when possible.