District I 7 1000 Roo 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

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	<u>on</u>

	oposed Alternative Method Permit or Closure Plan Application
Type of act	ion: 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
Existing BGT	☐ Modification to an existing permit ☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, e tank, or proposed alternative method
J	ubmit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
	this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the elieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator:	OGRID#:

Operator: XTO Energy, Inc.	OGRID #:	
Address: 382 Road 3100 Aztec, NM 87410	5380	
Facility or well name: WF STATE 16 #2		·
API Number: 3004529950		
U/L or Qtr/Qtr Section 16 Township		
Center of Proposed Design: Latitude 36.81884		
Surface Owner: Federal State Private Tribal Trust or India	n Allotment	
2.		26189107172
Pit: Subsection F or G of 19.15.17.11 NMAC	(A)	NAD: 1927 1983 RECEIVED 1983 OIL CONS. DIV. DIST. 3
Temporary: Drilling Workover		RECEIVED (S)
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A		SEP 2008 3
☐ Lincd ☐ Unlined Liner type: Thicknessmil ☐ LL	DPE 🗌 HDPE 🗌 PVC 🗌 Other	OIL CONS DIV DIET 2
☐ String-Reinforced	\&	1.0. DIV. DISI, 3
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LL ☐ String-Reinforced Liner Seams: ☐ Welded ☐ Factory ☐ Other	Volume:bbl Dimensions:	× WX D
3.		C3C4CC0
☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC		
Type of Operation: P&A Drilling a new well Workover or I intent)	Drilling (Applies to activities which require prior	approval of a permit or notice of
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐	Other	
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐	LLDPE HDPE PVC Other	
Liner Seams:		
4.		
■ Subsection I of 19.15.17.11 NMAC		
Volume: bbl Type of fluid: Produce	ed Water	
Tank Construction material: Steel	_	
☐ Secondary containment with leak detection ☐ Visible sidewalls, l		
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☑ Other ☑	/isible sidewalls wanted automatical	nigh lawal shut off
Liner type: Thicknessmil	Other	mgn level shut th
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.

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	rospital,			
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)				
Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC				
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau of consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for			
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.				
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 図 NA			
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No			
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ⊠ No			
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No			
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes 🛛 No			
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ⊠ No			
Within a 100-year floodplain FEMA map	☐ Yes ⊠ No			

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15 17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 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:
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 ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
15. 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 G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.1 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if facilities are required.) NMAC) nore than two					
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. 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	2					
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 sour provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate districtions considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justif demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	ict office or may be					
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA					
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA					
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ 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					
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 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						

19.		
Operator Application Certification:		
I hereby certify that the information submitted with this application is true, according to the control of the	surate and assessed to 4	so hast of my knowledge and halfaf
and the information submitted with this application is true, act	curate and complete to the	ne dest of my knowledge and belief.
	Title:	Environmental Representative
Signature: Kim Champler		0-808
Signature: Num Champler	Date:	9-8-08
e-mail address: kim_champlin@xtoenergy.com		
20. OCD Approval: Permit Application (including closure plan) [A] Closure	Dlan (anlu) 🔲 OCD	Condition (co. Markova)
		• • • • • • • • • • • • • • • • • • •
OCD Representative Signature:		Approval Date: <u> </u>
Title: Deputy Oil & Gas Inspector, () District #3	OCD Permit Num	ber:
21.		
Closure Report (required within 60 days of closure completion): Subsecti	on K of 19.15.17.13 NM	1AC
Instructions: Operators are required to obtain an approved closure plan price		
The closure report is required to be submitted to the division within 60 days of	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 Com	pletion Date:
22. Closure Method:		
☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alte	rnative Closure Method	Waste Removal (Closed-loop systems only)
If different from approved plan, please explain.		
23.		
Closure Report Regarding Waste Removal Closure For Closed-loop Syste	ms That Utilize Above	Ground Steel Tanks or Haul-off Bins Only:
Instructions: Please indentify the facility or facilities for where the liquids, or	Irilling fluids and drill o	cuttings were disposed. Use attachment if more than
two facilities were utilized.		
Disposal Facility Name:	_ Disposal Facility P	ermit Number:
Disposal Facility Name:	Disposal Facility P	ermit Number:
Were the closed-loop system operations and associated activities performed on		be used for future service and operations?
Yes (If yes, please demonstrate compliance to the items below) \(\square\$ No		·
Required for impacted areas which will not be used for future service and open	ations	
Site Reclamation (Photo Documentation)	unono	
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	d 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 closur	e)	
☐ Disposal Facility Name and Permit Number	•	
Soil Backfilling and Cover Installation		
Re-vegetation Application Rates and Seeding Technique		
Site Reclamation (Photo Documentation)	tad	NAD· □1927 □ 1983
On-site Closure Location: LatitudeLor	igitude	NAD [1927 1983
25.		
Operator Closure Certification:	to A	and an aloto to the book of any branched as and
I hereby certify that the information and attachments submitted with this closu belief. I also certify that the closure complies with all applicable closure requi	re report is true, accurate	e and complete to the best of my knowledge and
benefit also certify that the closure complies with an applicable closure requi	rements and continuous	specified in the approved closure plan.
Name (Print):	Title:	
Signature:	Date:	
e-mail address.	Telephone:	

Dietrict I 1625 N. French Dr., Hobbs, NM 88240' District II 811 South First, Artesia, NM 88216

State of New Mexico Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

Form C-102 Revised March 17, 1994

Submit to Appropriate District Office

District III 1000 Rio Brasso R District IV	d, Aztre, N	M 87410		2040 South Pacheco State Lease - 4 Copie Santa Fe, NM 87505 Fee Lease - 3 Copie							
2040 South Pache	m, Santa Fe,	, NM 87565						,	(ENDED REPOR
		V	VELL LO	CAT	ION AND	ACR	EAGE DEDIC	CATION	PLAT		
3004	APL Number	3995	D 71	² Pool (629	Code		Basin Frui		Pool Name Coal		
Property 339	Code 32			³ Property Name WF State						4 Well Number 16-2	
*OGRID 01921:9	.Ya.			* Operator Name						* Elevation	
019219				RICI			ATING COMPAN Location	ΙΥ			5710'
UL or lot no.	Section	Township	Range	Lot Ide			North/South line	Feet from	the East/We	est line	County
В	16	30 N	14 W		900		North	1745		East	San Juan
			11 Bo	ttom	Hole Locat	ion I	f Different Fro	m Surfa	ce		
UL or lot no.	Section	Township	Range	Lot 1d	n Feet from	the	North/South line	Feet from	the East/\Ve	est line	County
¹² Dedicated Acr	rs 13 Joint	or Infill 14	Consolidatio	n Code	¹⁵ Order No.		<u>.</u>		1		
NO ALLOW	ABLE W						UNTIL ALL INT			CONSC	OLIDATED OR A
16	\[\frac{12}{2}\]		VED		, 006		÷	17 (I here	OPERATO	informatio	RTIFICATION in contained herein is tri whedge and belief
		UL - 6		1			1745'	7		16.	
		CON	DIV	7.				Print		mpson	
	7							Title 7- Date	2-99		
								[here plotte under	eby certify that the ed from field notes r my supervision, o e best of my belief.	well location of actual s and that the WEX oressional 684	A Shucid ON T

Client: XTO Energy Pit Permit Lodestar Services, Inc. Project: Pit Permits **Siting Criteria** Revised: 9/4/2008 PO Box 4465, Durango, CO 81302 Information Sheet Prepared by: Brooke Herb API#: USPLSS: 30-045-30076 T30N, R14W,S16C Name: WF State 16-2 Lat/Long: 36.818844, -108.311527 Geologic Depth to groundwater: 50-100' Kirtland and Fruitland Formations formation: Distance to closest continuously flowing 4.9 Miles to La Plata River watercourse: Distance to closest significant 4.6 miles east of Youngs Lake, watercourse, lakebed, 6 miles west of Jackson lake playa lake, or sinkhole: Soil Type: Entisols Permanent residence, school, hospital, No institution or church within 300' Annual 8.62 Avg Annual Precipitation Precipitation: Domestic fresh water Precipitation well or spring within No No significant precip event Notes: Any other fresh water well or spring within No 1000 Within incorporated **Attached** No Groundwater Report; Groundwater Data municipal boundaries **Documents:** Within defined municipal fresh water No Mines, Mills, and Quarries Location well field FEMA Flood Index Map Wetland within 500' No **Mining Activity:** .58 Miles to Coal Permit boundary 4.6 Miles to Hilltop Pit Within unstable area No Within 100 year flood No plain

Additional Notes:

WF State 16 #2 Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be situated near west of Pinon Mesa, just north of the town of Kirtland, New Mexico.

The predominant geologic formation is the Fruitland Formation/Kirtland Shale of Late Cretaceous age, which underlies surface soils and is often exposed as broad shalely hills (Dane and Bachman, 1965). Deposits of Quaternary alluvial sands also occur prominently near the surface of the area, especially near streams and washes. The Fruitland Formation consists of interbedded sandy shale, carbonaceous shale, sandstone and coal units. The Kirtland Shale is divided into a lower shale member, a middle sandstone unit and an upper sandy shale member. The two formations are difficult to differentiate and are often treated together. The combined thickness of the Fruitland-Kirtland interval ranges from 100 to 2000 feet (Stone et al., 1983).

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). Aquifers within the Fruitland-Kirtland Formations are primarily limited to the Farmington Sandstone Member, which is the middle unit within the Kirtland Shale. Reported discharge from stock wells is about 10 gallons per minute (Stone et al., 1983). The aquifer supplies low yielding stock wells.

The prominent soil type at the proposed site is enitsols, which are defined as soils that exhibit little to no profile development (www.emnrd.state.nm.us). Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the San Juan River. These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes the soils that cover the area and prohibits effective recharge to the underlying aquifers.

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

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

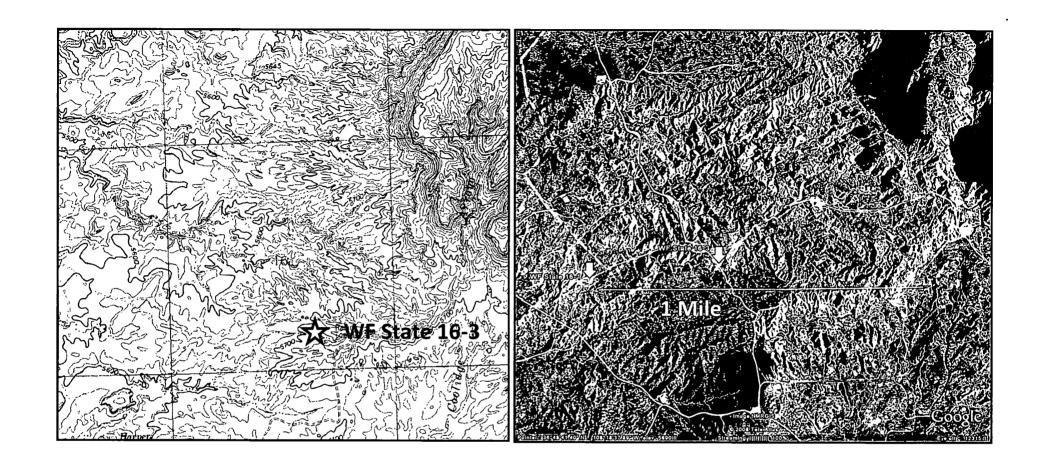
Site Specific Hydrogeology

Depth to groundwater is estimated to be between 50 and 100 feet. This estimation is based on data from Stone and others (1983), 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.

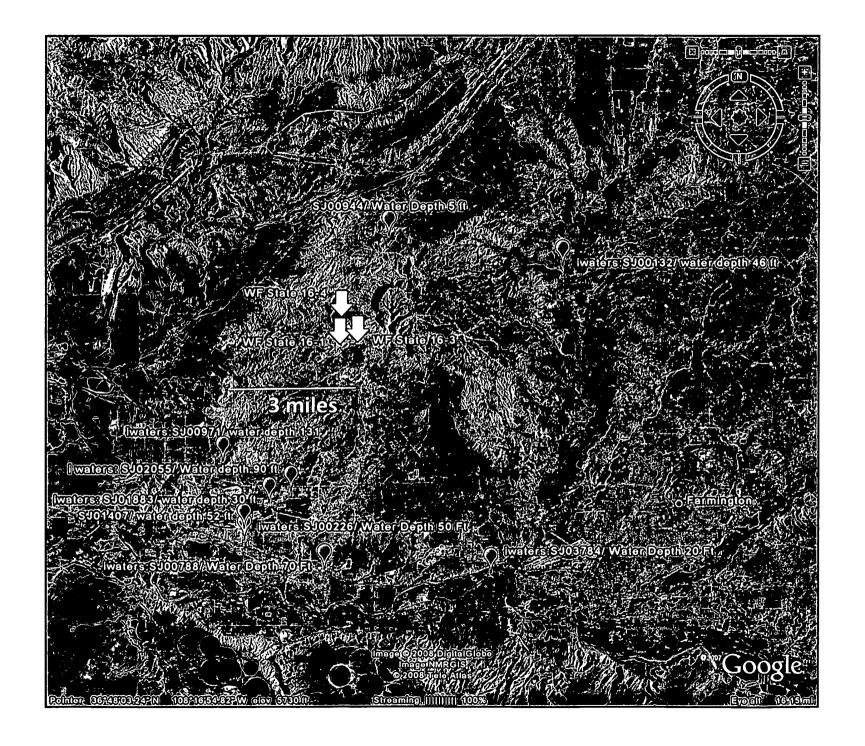
Beds of water-yielding sandstone are primarily confined to the Farmington Sandstone Member of the Fruitland Formation, which is 20-480 feet thick (Stone et al., 1983). The site is located in a shalely unit of the Fruitland Formation, as evidenced by the relatively flat topography that is easily eroded by arroyos. The eroded surfaces of the arroyos do not expose thick sequences of sandstone outcrops, the presence of which might indicate a water-bearing unit within the immediate subsurface.

This rural site location does not contain an abundant amount of groundwater elevation data. Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at lower elevations and closer to the San Juan River contain groundwater at depths ranging from 30 to 90 feet. A single data point located north of the site identifies groundwater depth at 5 feet; however, closer inspection of the well log indicates groundwater at 5 feet depth after completion of the well. During well installation, groundwater was not reached until 49 feet below ground surface. The site in question is located within a shaley area slightly west of Pinon Mesa, near the head of Coolidge Arroyo. It is approximately 5686 feet in elevation. Elevations within the closest arroyo are 65 feet lower, and the San Juan River is 500 feet lower in elevation.

Since representative groundwater data are lacking, local topographic features and geologic formations must be used to estimate depth to groundwater at the proposed site. Exposures of shale at the surface and within channel cuts of arroyos suggest groundwater is restricted to deeper sandstone units, as do well logs completed during groundwater well installations nearby. However, proximity of the site to the San Juan River should also be considered. Therefore, depth to groundwater is estimated to be between 50 and 100 feet.



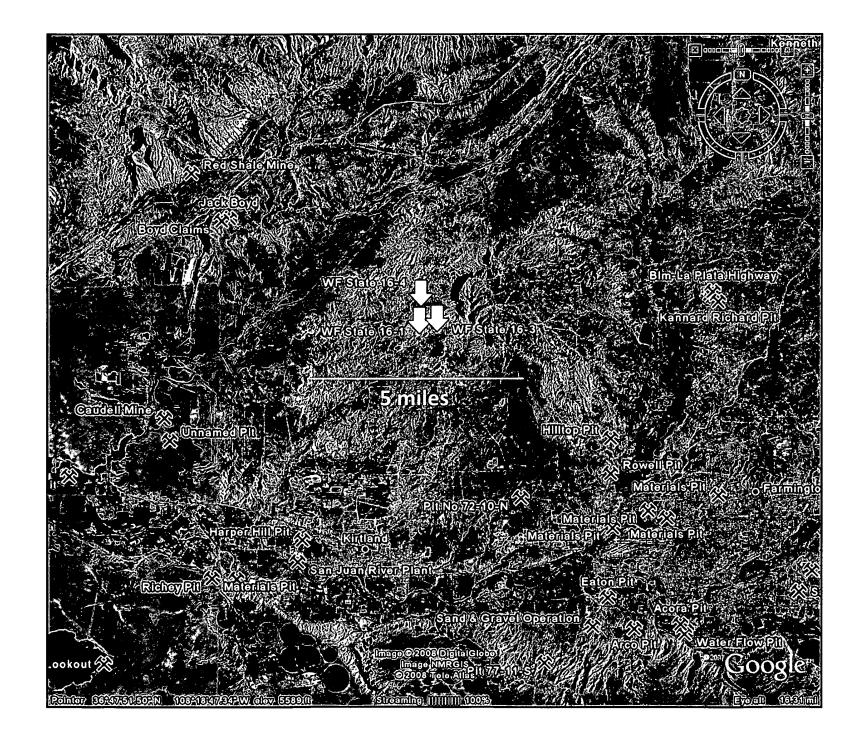
Lodestar Services, Inc PO Box 4465 Durango, CO 81302 WF State 16-3 T30N, R14W, S16O San Juan County, NM Topographic Map and Aerial Photograph

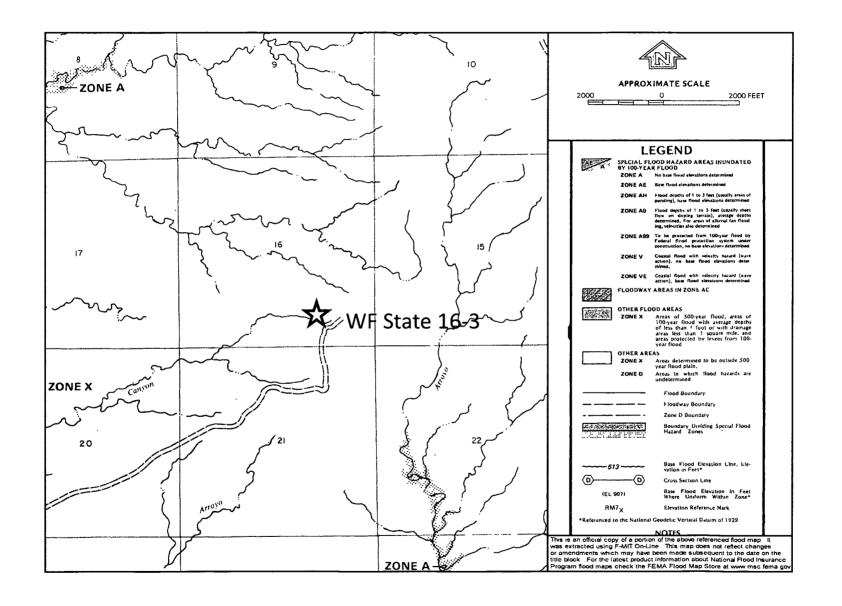


New Mexico Office of the State Engineer POD Reports and Downloads

VADOR V 7 7 7 8 1 8 1 8 1									
NAD27 X: Y: Zone: Search Radius:									
County: Basin: Number: Suffix:									
Owner Name: (First) (Last) Non-Domestic Domestic All									
POD / Surface Data ReportAvg Depth to Water ReportWater Column Report									
WATER COLUMN REPORT 08/20/2008 (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Water (in feet) POD Number Tws Rng Sec q q q Zone X Y Well Water Column SJ 00944 30N 14W 03 1 3 61 5 56									

Record Count: 1





XTO Energy Inc. San Juan Basin Below Grade Tank Design and Construction Plan

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

General Plan

- XTO will design and construct a BGT to contain liquids and solids and prevent contamination of fresh water and protect public heath 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 BGT. 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 two strands of barbed wire on top, or with a pipe top rail. A 6' chain link fence topped with three stands of barbed wire will be used if the well location is within 1000' of a permanent residence, school, hospital, institution or church.
- 5. XTO shall construct an expanded metal covering on top of the BGT.
- 6. XTO will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight.
- 7. The BGT system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
- 8. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on.
- 9. XTO will construct and use BGT that does not have double walls. The BGT sidewalls will be open for visual inspection for leaks, the BGT bottom will be elevated a minimum of 6" above the underlying ground surface and the BGT will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
- 10. XTO will equip BGT's designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows.
- 11. The geomembrane liner shall consist of 30-mil flexible PVC or 60-mil HDPE liner, or an equivalent liner material that the appropriate division district office approves. The geomembrane liner shall have a hydraulic conductivity greater that 1 x 10-9 cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A.
- 12. The general specifications for design and construction are attached.

XTO Energy Inc. San Juan Basin Below Grade Tank Maintenance and Operating Plan

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

General Plan

- 1. XTO will operate and maintain a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health and the environment.
- 2. XTO will not allow a BGT to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the BGT.
- 3. XTO will continuously remove any visible or measurable layer of oil from the fluid surface of a BGT in order to prevent significant accumulation of oil.
- 4. XTO will inspect the BGT monthly and maintain written records for five years.
- 5. XTO will maintain adequate freeboard to prevent over topping of the BGT.

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

In accordance with Rule 19.15.17.11 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 (BGT) which does not conform to this plan.

General Plan

- XTO will close a BGT 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 an existing BGT 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 BGT within 60 days of cessation of the BGT'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 a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility.
- 5. XTO will remove the BGT 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.
- 6. XTO will remove any on-site equipment associated with a BGT unless the equipment is required for some other purpose.
- 7. XTO will test the solids beneath the BGT 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 will be given to the Aztec Division District III office between 72 hours and one week of closure via email or verbally. The notification will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API

- 11. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the BGT. Closure report will be filed on form C-144 and incorporate the following:
 - i. Details on capping and covering, where applicable
 - ii. Inspection reports
 - iii. Sampling results
- 12. 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.
- 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. A minimum of 4' of cover shall be achieved and the cover shall include 1' of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 15. 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.