

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date:

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf. Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-30130-00-00	OWENS	001A	XTO ENERGY, INC	G	A	San Juan	F	K	7	31	N	12	W

Conditions of Approval:

1. XTO Notify NMOCD verbally and by email 72hrs prior to soil sampling of in-situ remediation piles.
2. XTO will fence the excavation with 4' hogwire fence with 1 strand of barb wire on top.
3. XTO will build a temporary berm around the remediation piles to contain the contaminated material on site.

NMOCD Approved by Signature

6-26-14
Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMSF078243

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
OWENS 1A

2. Name of Operator
XTO ENERGY INC
Contact: SHERRY J MORROW
E-Mail: sherry_morrow@xtoenergy.com

9. API Well No.
30-045-30130-00-S1

3a. Address
382 ROAD 3100
AZTEC, NM 87410

3b. Phone No. (include area code)
Ph: 505-333-3630

10. Field and Pool, or Exploratory
BLANCO MESAVERDE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 7 T31N R12W NESW 1975FSL 1980FWL
36.912117 N Lat, 108.139221 W Lon

11. County or Parish, and State
SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
<i>CS</i>	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

XTO Energy Inc. has attached a Remediation Plan for the spill that occurred on this location on 6/23/14. This remediation plan will be executed immediately upon your approval.

If you have any questions or concerns please contact James McDaniel at 505-333-3100.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #250880 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington
Committed to AFMSS for processing by MARK KELLY on 06/26/2014 (14MXK0174SE)**

Name (Printed/Typed) SHERRY J MORROW

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 06/25/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By MARK KELLY

Title BRANCH CHIEF ENVIRONMENTAL PROTECTION Date 02/26/2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Owens #1A

API # 30-045-30130

Unit K, Section 7, Township 31N, Range 12W

San Juan County, New Mexico

Lat: 36.91211 Long: -108.139220

Remediation Plan

Submitted By:

James McDaniel

EH&S Supervisor

XTO Energy, Inc.

505-333-3701

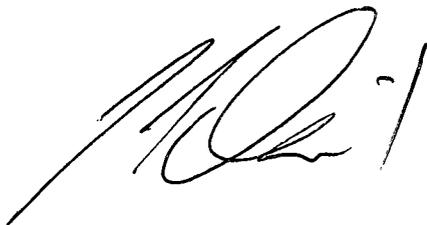
Introduction

On June 23, 2014, a loss of approximately 80 bbls of production fluids was discovered at the Owens #1A well site. Approximately 42 bbls of condensate, and 38 bbls of produced water was lost from the on-site production tank through a hole in the tank. All fluids were contained within the bermed area, and soaked into the ground beneath the tank berm. No fluids were recovered. The site was then ranked a zero pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases, setting the closure standards for this location to 5,000 ppm total petroleum hydrocarbons (TPH), 10 ppm Benzene, and 50 ppm total BTEX. The required 24 hour notice was made to Cory Smith with the NMOCD on June 24th, 2014. Samples were collected to determine the extent of the impacted soil from 2', 4' and 6' below ground surface. All three samples returned results above the 50 ppm BTEX standard, determining that excavation activities would need to be performed. The production tank has been cleaned and moved in preparation for excavation activities.

Proposed Remediation Activity

XTO proposes to excavate the impacted materials to extents of the NMOCD Standards of 5,000 ppm TPH, 10 ppm benzene and 50 ppm total BTEX, as determined by laboratory analysis. Estimated impacted soil is estimated at between 100-150 cubic yards at this time. Due to the relatively low levels of TPH compared to the BTEX constituents in the sample results, XTO proposes to remediate the impacted soil on-site in a bio-pile or landfarm in order to re-use the soils for backfill purposes. Based on the temperature and the volatile nature of the constituents, XTO believes that the light range hydrocarbons will flash off quickly, leaving behind only the heavier, less mobile hydrocarbons. XTO proposes to turn the bio-pile or landfarm 3-4 times, allowing the sun to remediate the soil, and resample for TPH, Benzene and BTEX. Should the impacted soils achieve results below the closure standards determined for this location of 5,000 ppm TPH, 10 ppm benzene and 50 ppm BTEX, the remediated soil would be used for backfill of the spill excavation area. If the closure levels cannot be achieved in a maximum time of two week, then the soil would be hauled off for disposal, with clean backfill being brought in. Preliminary sample results, a topographic map, and a facility diagram are attached with this plan for your reference.

Please consider this remediation plan the proposal for remediation activities at the Owens #1A well site. XTO is prepared to execute this remediation plan immediately upon approval.



James McDaniel, CHMM #15676
EH&S Supervisor
XTO Energy, Inc.
Western Division





Analytical Report

Report Summary

Client: XTO Energy Inc.

Chain Of Custody Number: 0069

Samples Received: 6/24/2014 1:50:00PM

Job Number: 98031-0528

Work Order: P406101

Project Name/Location: Owens 1A

Entire Report Reviewed By:

Draft

Date: 6/25/14

Tim Cain, Laboratory Manager

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens 1A Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
NE 12"	P406101-01A	Soil	06/24/14	06/24/14	Glass Jar, 4 oz.
W 2'	P406101-02A	Soil	06/24/14	06/24/14	Glass Jar, 4 oz.
W 6'	P406101-03A	Soil	06/24/14	06/24/14	Glass Jar, 4 oz.

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Three Springs - 65 Mercado Street, Suite 115, Durango, CO 81301

Ph (970) 259-0615 Fr (800) 362-1879

envirotech-inc.com
laboratory@envirotech-inc.com



XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens 1A Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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DRAFT: NE 12"
P406101-01 (Solid)

Analyte	Result	Reporting			Batch	Prepared	Analyzed	Method	Notes
		Limit	Units	Dilution					
DRAFT: Volatile Organics by EPA 8021									
Benzene	2.08	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Toluene	55.6	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Ethylbenzene	26.1	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
p,m-Xylene	244	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
o-Xylene	62.7	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
<i>Surrogate: Bromochlorobenzene</i>		139 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02
<i>Surrogate: 1,3-Dichlorobenzene</i>		629 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02
DRAFT: Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	1380	4.99	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8015D	
Diesel Range Organics (C10-C28)	109	30.0	mg/kg	1	1426010	06/24/14	06/24/14	EPA 8015D	

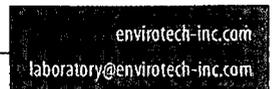
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XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens IA Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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DRAFT: W 2'
P406101-02 (Solid)

Analyte	Result	Reporting			Batch	Prepared	Analyzed	Method	Notes
		Limit	Units	Dilution					
DRAFT: Volatile Organics by EPA 8021									
Benzene	6.48	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Toluene	126	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Ethylbenzene	39.1	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
p,m-Xylene	350	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
o-Xylene	88.3	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B	
<i>Surrogate: Bromochlorobenzene</i>		132 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02
<i>Surrogate: 1,3-Dichlorobenzene</i>		621 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02
DRAFT: Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	2020	4.99	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8015D	
Diesel Range Organics (C10-C28)	1270	30.0	mg/kg	1	1426010	06/24/14	06/24/14	EPA 8015D	

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XTO Energy Inc.
382 CR 3100
Aztec NM, 87410

Project Name: Owens 1A
Project Number: 98031-0528
Project Manager: Logan Hixon

Reported:
25-Jun-14 09:49

DRAFT: W 6'
P406101-03 (Solid)

Analyte	Result	Reporting		Dilution	Batch	Prepared	Analyzed	Method	Notes	
		Limit	Units							
DRAFT: Volatile Organics by EPA 8021										
Benzene	10.4	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
Toluene	194	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
Ethylbenzene	57.4	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
p,m-Xylene	470	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
o-Xylene	133	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
Total Xylenes	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
Total BTEX	ND	0.05	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8021B		
<i>Surrogate: 1,3-Dichlorobenzene</i>		992 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02	
<i>Surrogate: Bromochlorobenzene</i>		445 %		80-120	1426009	06/24/14	06/24/14	EPA 8021B	S-02	
DRAFT: Nonhalogenated Organics by 8015										
Gasoline Range Organics (C6-C10)	2710	5.00	mg/kg	1	1426009	06/24/14	06/24/14	EPA 8015D		
Diesel Range Organics (C10-C28)	2320	29.9	mg/kg	1	1426010	06/24/14	06/24/14	EPA 8015D		

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XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens 1A Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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DRAFT: Volatile Organics by EPA 8021 - Quality Control
Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1426009 - Purge and Trap EPA 5030A

Blank (1426009-BLK1)			Prepared & Analyzed: 24-Jun-14							
Benzene	ND	0.001	mg/kg							
Toluene	ND	0.001	"							
Ethylbenzene	ND	0.001	"							
p,m-Xylene	ND	0.001	"							
o-Xylene	ND	0.001	"							
Total Xylenes	ND	0.001	"							
Total BTEX	ND	0.001	"							
<i>Surrogate: 1,3-Dichlorobenzene</i>	55.1		ug/L	50.0		110	80-120			
<i>Surrogate: Bromochlorobenzene</i>	56.3		"	50.0		113	80-120			

Duplicate (1426009-DUP1)			Source: P406093-01		Prepared & Analyzed: 24-Jun-14					
Benzene	ND	0.05	mg/kg		ND					30
Toluene	ND	0.05	"		ND					30
Ethylbenzene	ND	0.05	"		ND					30
p,m-Xylene	ND	0.05	"		ND					30
o-Xylene	ND	0.05	"		ND					30
<i>Surrogate: 1,3-Dichlorobenzene</i>	59.2		ug/L	50.0		118	80-120			
<i>Surrogate: Bromochlorobenzene</i>	62.2		"	50.0		124	80-120			S-02

Matrix Spike (1426009-MS1)			Source: P406093-01		Prepared & Analyzed: 24-Jun-14					
Benzene	52.7		ug/L	50.0	ND	105	39-150			
Toluene	53.2		"	50.0	ND	106	46-148			
Ethylbenzene	51.9		"	50.0	ND	104	32-160			
p,m-Xylene	106		"	100	ND	106	46-148			
o-Xylene	53.2		"	50.0	ND	106	46-148			
<i>Surrogate: 1,3-Dichlorobenzene</i>	57.6		"	50.0		115	80-120			
<i>Surrogate: Bromochlorobenzene</i>	60.2		"	50.0		120	80-120			

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XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens IA Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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DRAFT: Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1426009 - Purge and Trap EPA 5030A

Blank (1426009-BLK1)	Prepared & Analyzed: 24-Jun-14									
Gasoline Range Organics (C6-C10)	ND	0.10	mg/kg							
Duplicate (1426009-DUP1)	Source: P406093-01 Prepared & Analyzed: 24-Jun-14									
Gasoline Range Organics (C6-C10)	7.59	4.99	mg/kg		ND				30	
Matrix Spike (1426009-MS1)	Source: P406093-01 Prepared & Analyzed: 24-Jun-14									
Gasoline Range Organics (C6-C10)	0.46		mg/L	0.450	ND	102	75-125			

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XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens 1A Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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DRAFT: Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1426010 - DRO Extraction EPA 3550C

Blank (1426010-BLK1)		Prepared & Analyzed: 24-Jun-14								
Diesel Range Organics (C10-C28)	ND	30.0	mg/kg							
Duplicate (1426010-DUP1)		Source: P406093-01		Prepared & Analyzed: 24-Jun-14						
Diesel Range Organics (C10-C28)	ND	30.0	mg/kg		ND				30	
Matrix Spike (1426010-MS1)		Source: P406093-01		Prepared & Analyzed: 24-Jun-14						
Diesel Range Organics (C10-C28)	279		mg/L	250	6.00	109	75-125			

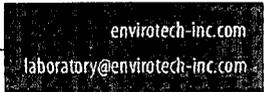
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XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: Owens 1A Project Number: 98031-0528 Project Manager: Logan Hixon	Reported: 25-Jun-14 09:49
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Notes and Definitions

- S-02 The surrogate recovery for this sample cannot be accurately quantified due to interference from coeluting organic compounds present in the sample extract.
- DET Analyte DETECTED
- ND Analyte NOT DETECTED at or above the reporting limit
- NR Not Reported
- dry Sample results reported on a dry weight basis
- RPD Relative Percent Difference

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Quote Number
 XTO Contact: Logan Hixon
 XTO Contact Phone #: 505 386-8618
 Page 1 of 1
 Email Results to: Logan, James, Kurt
 Well Site/Location: Owens 1A
 API Number: 30-045-30130
 Test Reason: Release
 Samples on Ice: (B/N)
 Turnaround: Standard
 Company: XTO
 QA/QC Requested: Std
 Signature: [Signature]
 Date Needed: [Blank]

Analysis

805 (Prod Gro)
802 (BTEX)
[Crossed out]

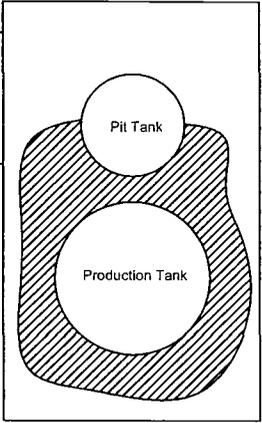
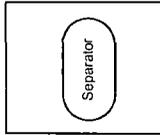
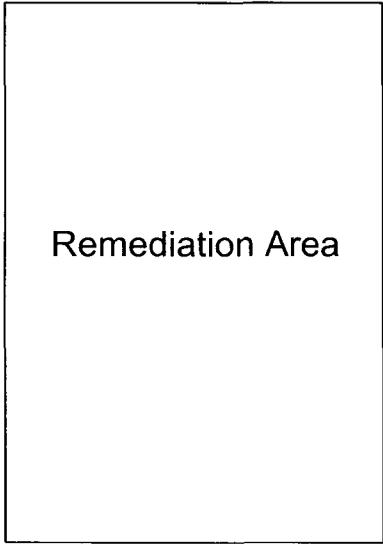
Lab Information
 98031-0528
 EnviroTech
 Office Abbreviations
 Farmington = FAR
 Durango = DUR
 Bakken = BAK
 Raton = RAT
 Piceance = PC
 Roosevelt = RSV
 La Barge = LB
 Orangeville = OV

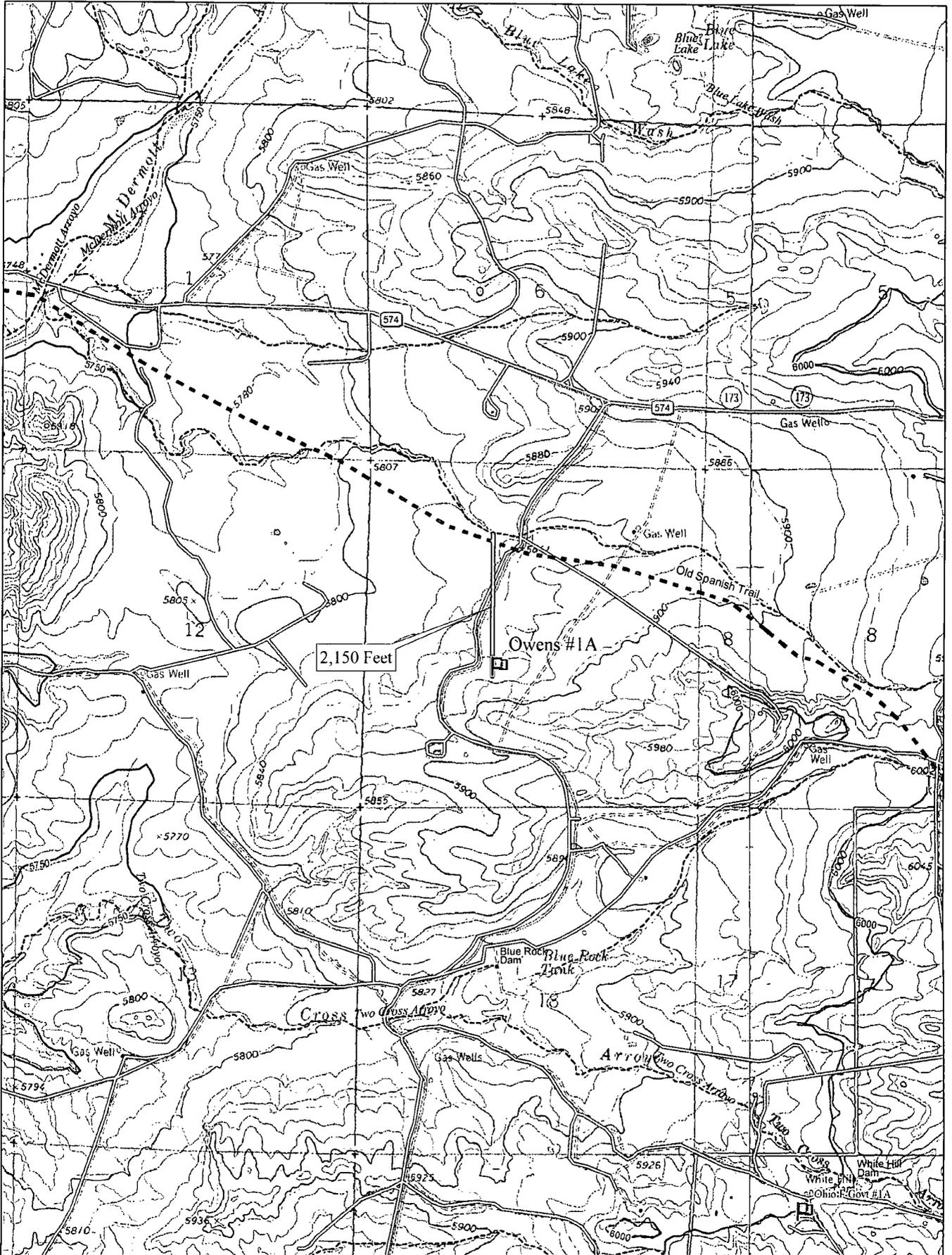
Sample ID	Sample Name	Media	Date	Time	Preservative	No. of Conts.					Sample Number
FARLH-062414-0930	NE 12"	S	6-24	0930	cool	1-402	X	X			P4010101
FARLH-062414-0940	WS 2'	L	6-24	0940	I	1-402					P4010102
FARLH-062414-1012	W 6'	L	6-24	1012	I	1					P4010103

Media: Filter = F SpH = S Wastewater = WW Groundwater = GW Drinking Water = DW Sludge = SG Surface Water = SW Air = A Drill Mud = DM Other = OT

Relinquished By: (Signature)	Date: 6/24/14	Time: 1315	Received By: (Signature)	Number of Bottles:	Sample Condition:
Relinquished By: (Signature)	Date:	Time:	Received By: (Signature)	Temperature:	cool
Relinquished By: (Signature)	Date:	Time:	Received for Lab by: (Signature)	Date: 6/24/14	Time: 1350

Comments: RUSH





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