

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or
12278 Proposed Alternative Method Permit or Closure Plan Application

Type of action: Below grade tank registration
45-25253 Permit of a pit or proposed alternative method
 Closure of a pit, below-grade tank, or proposed alternative method
 Modification to an existing permit/or registration
 Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

RCVD OCT 14 '14
OIL CONS. DIV.
DIST. 3

Instructions: Please submit one application (Form C-144) per individual pit, 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 Road 3100 Aztec, NM 87410
Facility or well name: State Gas COM BE #1E
API Number: 30-045-25253 OCD Permit Number: '3063'
U/L or Qtr/Qtr: O Section 16 Township: 30N Range: 13W County: San Juan
Center of Proposed Design: Latitude 36.80887 Longitude -108.20679 NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Pit: Subsection F, G or J of 19.15.17.11 NMAC
Temporary: Drilling Workover
 Permanent Emergency Cavitation P&A Multi-Well Fluid Management Low Chloride Drilling Fluid yes no
 Lined Unlined Liner type: Thickness _____ mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
 Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: Produced Water
Tank Construction material: Steel
 Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
 Visible sidewalls and liner Visible sidewalls only Other _____
Liner type: Thickness _____ mil HDPE PVC Other _____

4.
 Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
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 _____

6. **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)

7. **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 19.15.16.8 NMAC

8. **Variations 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:

Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

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

9. **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. Siting criteria does not apply to drying pads or above-grade tanks.

<u>General siting</u>	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - <input type="checkbox"/> NM Office of the State Engineer - iWATERS database search; <input type="checkbox"/> USGS; <input type="checkbox"/> Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
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. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. (Does not apply to below grade tanks) - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Below Grade Tanks</u>	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
<u>Temporary Pit using Low Chloride Drilling Fluid</u> (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a occupied 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 type="checkbox"/> No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No

<p>Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><u>Temporary Pit Non-low chloride drilling fluid</u></p>	
<p>Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>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</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><u>Permanent Pit or Multi-Well Fluid Management Pit</u></p>	
<p>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</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 1000 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</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

10.
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: _____

11.
Multi-Well Fluid Management Pit 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.

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
 A List of wells with approved application for permit to drill associated with the pit.
 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
 Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.

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

13.

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 Multi-well Fluid Management Pit
 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

14.

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 C 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 H of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.

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 require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

- | | |
|---|---|
| Ground water is less than 25 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 type="checkbox"/> No
<input type="checkbox"/> NA |
| Ground water is between 25-50 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 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 type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, 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 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 type="checkbox"/> No |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, 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 type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 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 type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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 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 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 type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

16. **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 E of 19.15.17.13 NMAC
 Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.13 NMAC
 Waste Material Sampling Plan - based upon the appropriate requirements 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 H of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17. **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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly Approval Date: 11/06/2014

Title: Compliance officer OCD Permit Number: _____

19. **Closure Report (required within 60 days of closure completion):** 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: April 6, 2009

20. **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.

21. **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.*

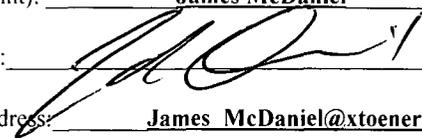
Proof of Closure Notice (surface owner and division)
 Proof of Deed Notice (required for on-site closure for private land only)
 Plot Plan (for on-site closures and temporary pits)
 Confirmation Sampling Analytical Results (if applicable)
 Waste Material Sampling Analytical Results (required for on-site 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

Operator Closure Certification:

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

Name (Print): James McDaniel Title: EHS Supervisor

Signature:  Date: 10/10/14

e-mail address: James McDaniel@xtoenergy.com Telephone: (505) 333-3701

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: XTO Energy Inc.	Contact: James McDaniel
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3701
Facility Name: State Gas COM BE #1E	Facility Type: Gas Well (Dakota)

Surface Owner: State	Mineral Owner	API No. 30-045-25253
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	16	30N	13W	980	FSL	1650	FEL	San Juan

Latitude: N 36.80887 Longitude: W -108.20679

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: Unknown	Volume Recovered: None
Source of Release: BGT	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 3/13/2009
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

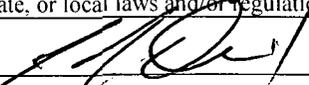
Describe Cause of Problem and Remedial Action Taken.*

The below grade tank was taken out of service at the State Gas COM BE #1E well site due to upgrades at this well site. A composite sample was collected beneath the location of the on-site BGT, and submitted for laboratory analysis for TPH via USEPA Method 418.1, Benzene and BTEX via USEPA Method 8021, and for total chlorides. The sample returned results below the 'Pit Rule' spill confirmation standards for, Benzene, Total BTEX and total chlorides, but above the 100 ppm TPH standard, confirming that a release has occurred at this location.

Describe Area Affected and Cleanup Action Taken.*

A release has been confirmed for this location.

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

Signature: 	OIL CONSERVATION DIVISION		
Printed Name: James McDaniel	Approved by Environmental Specialist:		
Title: EHS Supervisor	Approval Date:	Expiration Date:	
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 10/10/14	Phone: 505-333-3701		

* Attach Additional Sheets If Necessary

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

Lease Name: State Gas COM BE #1E

API No.: 30-045-25253

Description: Unit O, Section 16, Township 30N, Range 13W, San Juan County

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

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
Closure Date is April 6, 2009
2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
Closure Date is April 6, 2009
3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
Required C-144 Form is attached to this document.
4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B
 - Soil contaminated by exempt petroleum hydrocarbons
 - Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes
 - Basin Disposal Permit No. NM01-005
 - Produced water**All liquids and sludge were removed from the tank prior to closure activities.**
5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.
XTO has removed the below grade tank, and will dispose of it at a division approved facility, or recycle, reclaim or reuse it in a manner that is approved by the division.

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

Equipment will remain on-site for the continued production of oil and gas

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

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

Components	Test Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	< 0.05 mg/kg
BTEX	EPA SW-846 8021B or 8260B	50	< 0.25 mg/kg
TPH	EPA SW-846 418.1	100	140 mg/kg
Chlorides	EPA 300.1	250 or background	2.8 mg/kg

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

Due to a TPH result of 140 ppm, a release has been confirmed for this location. A C-141 Release Notification and Corrective Action Form will be submitted outlining any remediation activities.

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

The pit cellar was backfilled using compacted, non-waste containing earthen material, with a division prescribed soil cover.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.

The notification will include the following:

- i. Operator's name
- ii. Well Name and API Number
- iii. Location by Unit Letter, Section, Township, and Range

Due to a misunderstanding regarding the 'pit rule' in 2008-2009, the proper notifications were not made prior to the beginning of closure activities. This misunderstanding has been corrected, and proper notifications are made currently.

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.

Due to a misunderstanding regarding the ‘pit rule’ in 2008-2009, the proper notifications were not made prior to the beginning of closure activities. This misunderstanding has been corrected, and proper notifications are made currently.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
The location will be recontoured to match the above specifications.
12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
The site has been backfilled to match these specifications.
13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.
The site will be reclaimed pursuant to the BLM MOU.
14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - i. Proof of closure notice to division and surface owner; **Not made**
 - ii. Details on capping and covering, where applicable; **per OCD Specifications**
 - iii. Inspection reports; **attached**
 - iv. Confirmation sampling analytical results; **attached**
 - v. Disposal facility name(s) and permit number(s); **see above**
 - vi. Soil backfilling and cover installation; **per OCD Specifications**
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable); **NA.**
 - viii. Photo documentation of the site reclamation. **attached**
15. **This closure report is being submitted after the 60 day deadline required by the ‘Pit Rule’ due to a misunderstanding of the ‘Pit Rule’ in 2008-2009**

COVER LETTER

Monday, October 27, 2008

Martin Nee
XTO Energy
382 County Road 3100
Aztec, NM 87410

TEL: (505) 333-3100

FAX (505) 333-3280

RE: Below Grade Tank Samples

Order No.: 0810242

Dear Martin Nee:

Hall Environmental Analysis Laboratory, Inc. received 2 sample(s) on 10/10/2008 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent.

Reporting limits are determined by EPA methodology. No determination of compounds below these (denoted by the ND or < sign) has been made.

Please don't hesitate to contact HEAL for any additional information or clarifications.

Sincerely,


Andy Freeman, Business Manager
Nancy McDuffie, Laboratory Manager

NM Lab # NM9425
AZ license # AZ0682
ORELAP Lab # NM100001
Texas Lab# T104704424-08-TX



Hall Environmental Analysis Laboratory, Inc.

Date: 27-Oct-08

CLIENT: XTO Energy	Client Sample ID: State GC BE #1E Pit Tank Cellar
Lab Order: 0810242	Collection Date: 10/7/2008 12:00:00 PM
Project: Below Grade Tank Samples	Date Received: 10/10/2008
Lab ID: 0810242-02	Matrix: SOIL

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8021B: VOLATILES						Analyst: DAM
Benzene	ND	0.050		mg/Kg	1	10/17/2008 12:10:53 PM
Toluene	ND	0.050		mg/Kg	1	10/17/2008 12:10:53 PM
Ethylbenzene	ND	0.050		mg/Kg	1	10/17/2008 12:10:53 PM
Xylenes, Total	ND	0.10		mg/Kg	1	10/17/2008 12:10:53 PM
Surr: 4-Bromofluorobenzene	95.9	66.8-139		%REC	1	10/17/2008 12:10:53 PM
EPA METHOD 300.0: ANIONS						Analyst: SLB
Chloride	2.8	1.5		mg/Kg	5	10/22/2008 10:03:35 PM
EPA METHOD 418.1: TPH						Analyst: LRW
Petroleum Hydrocarbons, TR	140	20		mg/Kg	1	10/13/2008

Qualifiers:	* Value exceeds Maximum Contaminant Level	B Analyte detected in the associated Method Blank
	E Estimated value	H Holding times for preparation or analysis exceeded
	J Analyte detected below quantitation limits	MCL Maximum Contaminant Level
	ND Not Detected at the Reporting Limit	RL Reporting Limit
	S Spike recovery outside accepted recovery limits	

QA/QC SUMMARY REPORT

Client: XTO Energy
 Project: Below Grade Tank Samples

Work Order: 0810242

Analyte	Result	Units	PQL	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
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Method: EPA Method 300.0: Anions

Sample ID: MB-17377		MBLK							
Batch ID:	17377						Analysis Date:	10/21/2008 10:50:51 PM	
Chloride	ND	mg/Kg	0.30						
Sample ID: LCS-17377		LCS							
Batch ID:	17377						Analysis Date:	10/21/2008 11:08:16 PM	
Chloride	14.37	mg/Kg	0.30	95.8	90	110			

Method: EPA Method 418.1: TPH

Sample ID: MB-17347		MBLK							
Batch ID:	17347						Analysis Date:	10/13/2008	
Petroleum Hydrocarbons, TR	ND	mg/Kg	20						
Sample ID: LCS-17347		LCS							
Batch ID:	17347						Analysis Date:	10/13/2008	
Petroleum Hydrocarbons, TR	84.36	mg/Kg	20	84.4	82	114			
Sample ID: LCSD-17347		LCSD							
Batch ID:	17347						Analysis Date:	10/13/2008	
Petroleum Hydrocarbons, TR	87.78	mg/Kg	20	87.8	82	114	3.97	20	

Method: EPA Method 8021B: Volatiles

Sample ID: MB-17333		MBLK							
Batch ID:	17333						Analysis Date:	10/17/2008 2:42:21 AM	
Benzene	ND	mg/Kg	0.050						
Toluene	ND	mg/Kg	0.050						
Ethylbenzene	ND	mg/Kg	0.050						
Xylenes, Total	ND	mg/Kg	0.10						
Sample ID: LCS-17333		LCS							
Batch ID:	17333						Analysis Date:	10/17/2008 3:12:42 AM	
Benzene	0.3173	mg/Kg	0.050	113	78.8	132			
Toluene	2.200	mg/Kg	0.050	110	78.9	112			
Ethylbenzene	0.4437	mg/Kg	0.050	111	69.3	125			
Xylenes, Total	2.639	mg/Kg	0.10	115	73	128			

Qualifiers:

- E Estimated value
- J Analyte detected below quantitation limits
- R RPD outside accepted recovery limits
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- S Spike recovery outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name XTO ENERGY

Date Received:

10/10/2008

Work Order Number 0810242

Received by: ARS

Checklist completed by:

Signature

[Handwritten Signature]

Date

10/10/08

Sample ID labels checked by:

Initials

ARS

Matrix:

Carrier name FedEx

- Shipping container/cooler in good condition? Yes No Not Present
- Custody seals intact on shipping container/cooler? Yes No Not Present Not Shipped
- Custody seals intact on sample bottles? Yes No N/A
- Chain of custody present? Yes No
- Chain of custody signed when relinquished and received? Yes No
- Chain of custody agrees with sample labels? Yes No
- Samples in proper container/bottle? Yes No
- Sample containers intact? Yes No
- Sufficient sample volume for indicated test? Yes No
- All samples received within holding time? Yes No
- Water - VOA vials have zero headspace? No VOA vials submitted Yes No
- Water - Preservation labels on bottle and cap match? Yes No N/A
- Water - pH acceptable upon receipt? Yes No N/A

Container/Temp Blank temperature?

3°

<6° C Acceptable
If given sufficient time to cool.

COMMENTS:

Client contacted _____ Date contacted: _____ Person contacted _____

Contacted by: _____ Regarding: _____

Comments: _____

Corrective Action _____



Well Below Tank Inspection Report

RouteName	StopName	Pumper	Foreman	WellName	APIWellNumber	Section	Range	Township			
DEN NM Run 60	STATE GAS COM BE 0C	Johnson, Scott	Morrow, Pete	STATE GC BE 001E	3004525253	16	13W	30N			
InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak Overflow	Collection OfSurfaceRun	Visible LayerOil	Visible Leak	Freeboard EstFT	PitLocation	PitType	Notes
David Sanders	07/30/2008	1120:00	No	No	No	Yes	No	3			
Shane Durham	08/13/2008	13:12	No	No	No	Yes	No	3			
Joseph Maestas	09/11/2008	15:00		No	No	Yes	No	3			
Joseph Maestas	10/12/2008	14:00	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	
Joseph Maestas	11/02/2008	14:12	No	No	No	Yes	No	3	Compressor Water Pit	Above Ground	
Joseph Maestas	12/17/2008	09:05	No	No	No	Yes	No	3	Compressor Water Pit	Above Ground	
Joseph Maestas	01/27/2009	12:23	No	No	No	Yes	No	2	Compressor Water Pit	Above Ground	
Joseph Maestas	02/24/2009	14:18	No	No	No	Yes	No	3	Compressor Water Pit	Above Ground	
Joseph Maestas	04/17/2009	14:22	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	
Joseph Maestas	05/30/2009	09:10	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	
Joseph Maestas	06/30/2009	09:22	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	
Joseph Maestas	07/28/2009	14:42	No	No	No	Yes	No	2	Compressor Water Pit	Above Ground	
Joseph Maestas	08/13/2009	14:37	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	
Joseph Maestas	09/10/2009	12:10	No	No	No	Yes	No	3	Compressor Water Pit	Above Ground	
Joseph Maestas	10/28/2009	13:00	No	No	No	Yes	No	2	Compressor Water Pit	Above Ground	
alonso .m	11/20/2009	10:00	No	No	No	Yes	No	4	Compressor Water Pit	Above Ground	

XTO Energy Inc.
State Gas COM BE #1E (30-045-25253)
Section 16 (O), Township 30N, Range 13W
Closure Date: April 6, 2009

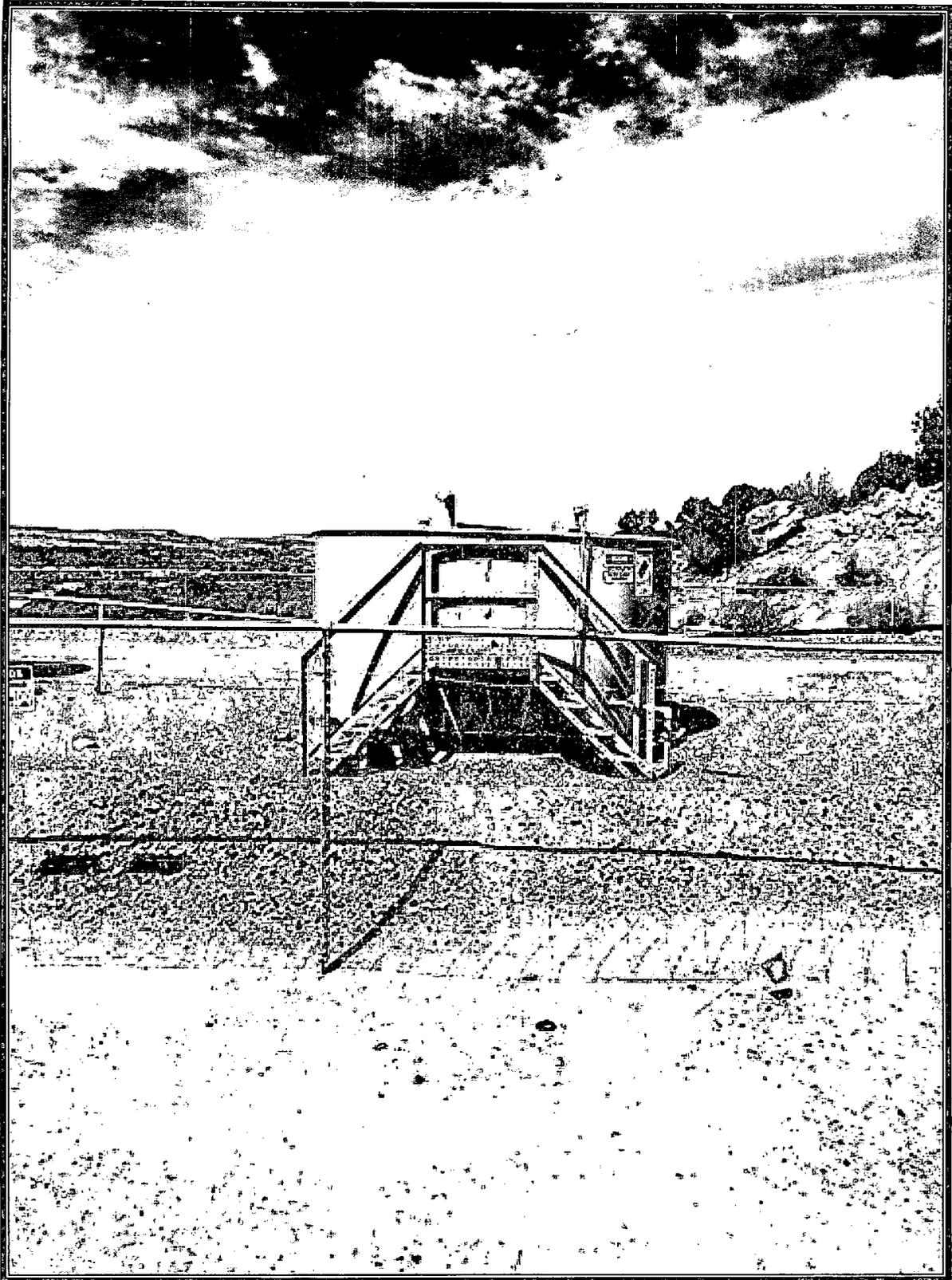


Photo 1: State Gas COM BE #1E After Upgrade