District I 1625 N French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 R1o 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

Type of action:    Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method   Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method   Modification to an existing permit   Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method   Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request   Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the
environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: XTO Energy, Inc. OGRID#: 5380
Address: -382 Road 3100 Aztec, NM 87410
Facility or well name: KUTZ J FEDERAL #2E
API Number: 3004530755 OCD Permit Number: 10NV
U/L or Qtr/Qtr Section 06I Township 27N Range 10W County: San Juan
Center of Proposed Design: Latitude 36.60083 Longitude 107.93167 NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pit:       Subsection F or G of 19.15.17.11 NMAC         Temporary:       □ Drilling       □ Workover         □ Permanent       □ Emergency       □ Cavitation       □ P&A         □ Lined       □ Unlined Liner type:       Thickness       mil       □ LLDPE       □ PVC       □ Other       □         □ String-Reinforced       Liner Seams:       □ Welded       □ Factory       □ Other
Closed-loop System: Subsection H of 19.15.17.11 NMAC  Type of Operation:   P&A   Drilling a new well   Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)   Drying Pad   Above Ground Steel Tanks   Haul-off Bins   Other     Lined   Unlined Liner type: Thickness   mil   LLDPE   HDPE   PVC   Other     Liner Seams:   Welded   Factory   Other     4.   KBelow-grade tank: Subsection 1 of 19.15.17.11 NMAC
Welow-grade tank: Subsection I of 19.15.17.11 NMAC   Volume: 120
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

1 1	
6.  Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church)	hospital,
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet	
Alternate. Please specify	
7.	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
Screen Netting Other	
Monthly inspections (If netting or screening is not physically feasible)	
8.	, , , , , , , , , , , , , , , , , , , ,
Signs: Subsection C of 19.15.17.11 NMAC  12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
☐ 12 × 24 , 2 lettering, providing Operator's name, site location, and emergency telephone numbers  ☐ Signed in compliance with 19.15.3.103 NMAC	
M Signed in compnance with 17.13.3.103 MMAC	
9.  Administrative Approvals and Exceptions:  Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.  Please check a box if one or more of the following is requested, if not leave blank:  Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau	office for
consideration of approval.  Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
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.	priate district pproval.
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ⊠ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applies to permanent pits)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☑ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ⊠ No
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	☐ 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 19.15.17.12 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
Treviously Approved Design (attach copy of design) Art Number or Fermit 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)
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 Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Climatological Factors Assessme
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)
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.  ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

16. Waste Removal Closure For Closed-loop Systems That Utilize Above Ground	Steel Tanks or Haul-off Bins Only: (19.15.17.13.I	D NMAC)				
Instructions: Please indentify the facility or facilities for the disposal of liquids, facilities are required.	drilling fluids and drill cuttings. Use attachment if	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 and operations?  Yes (If yes, please provide the information below) No						
Required for impacted areas which will not be used for future service and operation  Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	e requirements of Subsection H of 19.15.17.13 NMA( n Lof 19.15.17.13 NMAC	C				
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may requi considered an exception which must be submitted to the Santa Fe Environmenta demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	re administrative approval from the appropriate dist Il Bureau office for consideration of approval. Justi	rict 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; Da	a 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; Da	ta 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; Da	ta obtained from nearby wells	<ul><li>☐ Yes ☐ No</li><li>☐ NA</li></ul>				
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other siglake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	gnificant watercourse or lakebed, sinkhole, or playa	Yes No				
Within 300 feet from a permanent residence, school, hospital, institution, or churci - Visual inspection (certification) of the proposed site; Aerial photo; Satellit		☐ Yes ☐ No				
Within 500 horizontal feet of a private, domestic fresh water well or spring that les watering purposes, or within 1000 horizontal feet of any other fresh water well or - NM Office of the State Engineer - iWATERS database; Visual inspection	spring, in existence at the time of initial application.	Yes No				
Within incorporated municipal boundaries or within a defined municipal fresh wat adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approx	·	Yes No				
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visu	al 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-Minin	g and Mineral Division	☐ Yes ☐ No				
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geolog Society; Topographic map	gy & Mineral Resources; USGS; NM Geological	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 by a check mark in the box, that the documents are attached.  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the a Construction/Design Plan of Temporary Pit (for in-place burial of a drying Protocols and Procedures - based upon the appropriate requirements of 19.1 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	quirements of 19.15.17.10 NMAC  f Subsection F of 19.15.17.13 NMAC  ppropriate requirements of 19.15.17.11 NMAC  pad) - based upon the appropriate requirements of 19.  5.17.13 NMAC  quirements of Subsection F of 19.15.17.13 NMAC  f Subsection F of 19.15.17.13 NMAC  drill cuttings or in case on-site closure standards cann  H of 19.15.17.13 NMAC	15.17.11 NMAC				

, 4	
Operator Application Certification:  I hereby certify that the information submitted with this application i	is true, accurate and complete to the best of my knowledge and belief.
Name (Print):Kim Champlin	
Signature: him Champlin	Date:August 19, 2008
e-mail address:kim_champlin@xtoenergy.com	Telephone:(505) 333-3100
OCD Approval: Permit Application (including closure plan)	,
OCD Representative Signature: Branch Sell	Approval Date: 8-26-08
Title: Enuino/spec	OCD Permit Number:
	plan prior to implementing any closure activities and submitting the closure report.  60 days of the completion of the closure activities. Please do not complete this and the closure activities have been completed.
	Closure Completion Date:
22.  Closure Method:  Waste Excavation and Removal ☐ On-Site Closure Method  If different from approved plan, please explain.	☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
Instructions: Please indentify the facility or facilities for where the two facilities were utilized.  Disposal Facility Name:  Disposal Facility Name:	Disposal Facility Permit Number:
☐ Site Reclamation (Photo Documentation) ☐ Soil Backfilling and Cover Installation ☐ Re-vegetation Application Rates and Seeding Technique	,
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-s  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:
belief. I also certify that the closure complies with all applicable clos	this closure report is true, accurate and complete to the best of my knowledge and cure requirements and conditions specified in the approved closure plan.
Name (Print):	
Signature:	Date:
e-mail address:	Telephone:

DISTRICT-1 P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT B P.O. Drawer DO, Artesia, N.M. 88211-0719

DISTRICT IN 1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico rgy, Minerals & Natural Resources Departmen'

Revised February 21, 1994 RECD , SANJUAN Appropriate District Office State Lease — 4 Copies Fee Lease — 3 Copies

OIL CONSERVATION DIVISION APR P.O. Box 2088 Santa Fe, NM 87504-2088

6 2001

☐ AMENDED REPORT

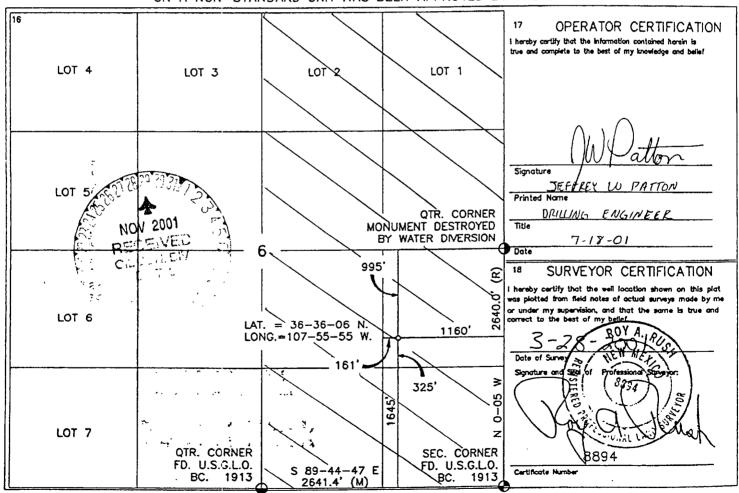
Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name			
30-045-50	5755	71599	BASIN DAKOTA			
*Property Code		<sup>3</sup> Pro	perty Name	Well Number		
22757	KUTZ FEDERAL "J" 2E					
OGRID No.		* Ope	rator Name	Elevation		
167067	CROSS TIMBERS OPERATING CO. 6009'					
		<sup>10</sup> Surf	ace Location			

East/West line UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the County Range **EAST** ı 27-N 1645' SOUTH 1160 SAN JUAN 10-W <sup>11</sup> Bottom Hole Location If Different From Surface North/South line Feet from the East/West line UL or lot no. Section Township Range Lot Idn Feet from the County 15 Order No. 2 Dedicated Acres 13 Joint or Infill H Consolidation Code 320.51

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



Client: XTO Energy **Pit Permit** Lodestar Services, Inc. Project: Pit Permits **Siting Criteria** 14-Aug-08 Revised: PO Box 4465, Durango, CO 81302 Information Sheet Prepared by: Ashley Ager API#: **USPLSS:** 30-045-30755 27N 11W 6I Name: Lat/Long: 36.602313, -108.040492 Kutz J Federal 2E Geologic >100' Nacimiento Formation (Tn) Depth to groundwater: formation: Distance to closest 5.8 miles NNW to 'San Juan continuously flowing River' watercourse: Distance to closest 2360' NNW to Horn Canyon; 2.06 significant watercourse, miles NW to NIIP canal lakebed, playa lake, or sinkhole: Soil Type: **Entisols** Permanent residence. school, hospital, NO institution or church within 300 Annuai Farmington: 8.21", Bloomfield: 8.71", Otis, Precipitation: 10.41" Domestic fresh water Precipitation well or spring within Historical daily max: Bloomfield (4.19") NO Notes: 500' Any other fresh water well or spring within NO 1000' Within incorporated **Attached** NO municipal boundaries Documents: Within defined 30-045-30755\_gEarth-iWaters jpg, 30-045-30755\_topo-FM3500640725B 30 municipal fresh water NO PLS jpg, 30-045-30755\_topo-PLS\_overview jpg, 30-045-045-30755 jpg 30755 gEarth-PLS jpg well field NO **Mining Activity:** None Near Wetland within 500' NM\_NRD-MMD\_MinesMillQuarries\_30-045-30755 jpg Within unstable area NO

#### **Additional Notes:**

plain

Within 100 year flood

180' SE to edge of center-pivot irrigated cropland

NO-FEMA Zone 'X'

#### **Kutz J Federal #2E 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 located in the northernmost Bisti region of the San Juan Basin within an area dominated by irrigated fields of the Navajo Indian Irrigation Project. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River.

The prominent soil type at the proposed site are entisols and aridisols, which are defined as soils that exhibit little to no any 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.

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

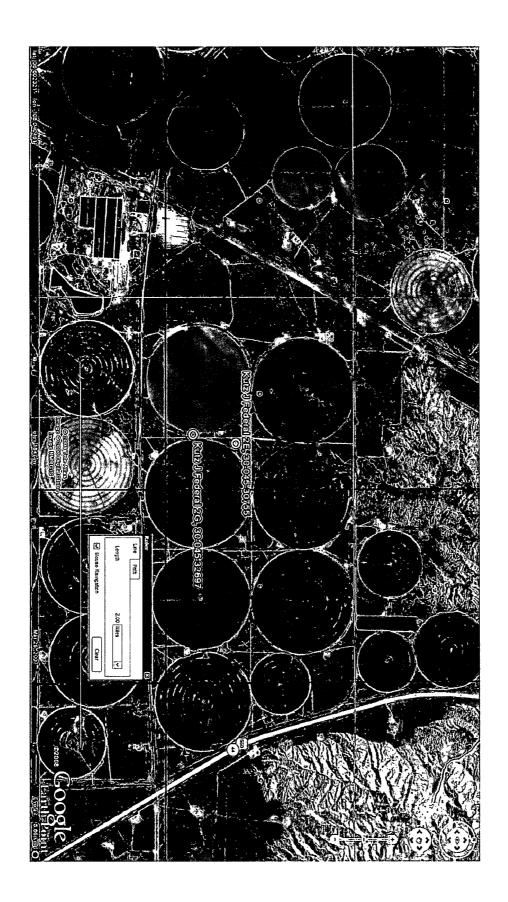
Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the Nacimiento Formation at depth s greater than 100 feet and thicknesses of the aquifer can be up to 3500 feet (USGS, Groundwater Atlas of the US).

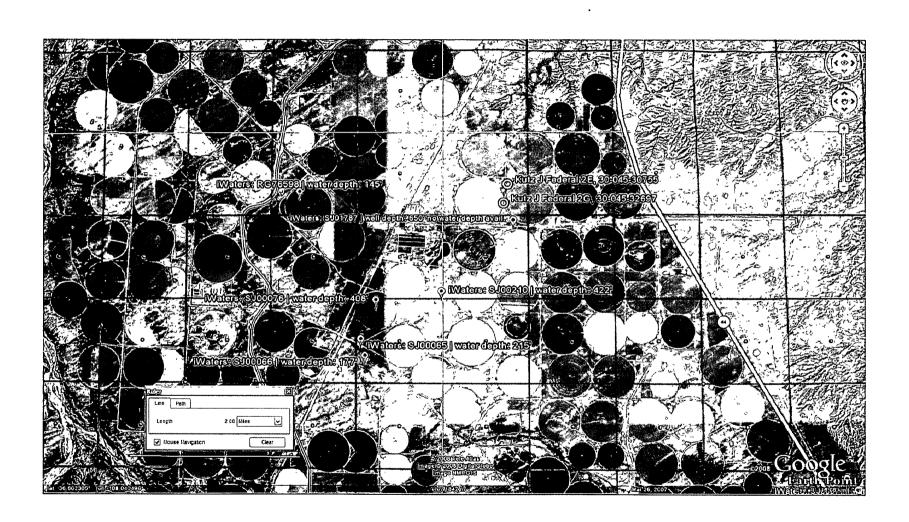
The site in question is located on the relatively flat mesa top at an elevation of approximately 5985 feet and approximately halfway between Gallegos Canyon and Kutz Canyon. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image. Horn Canyon is the closest drainage system.

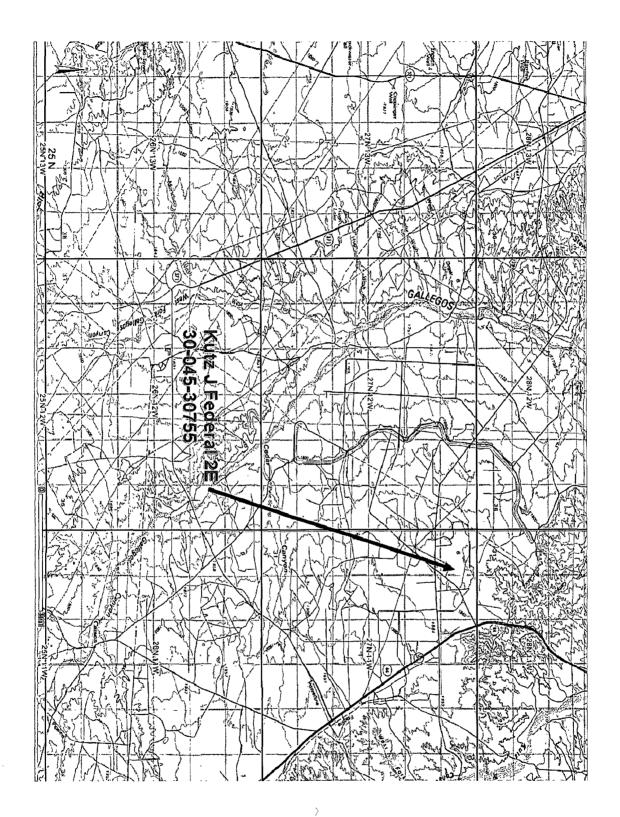
Lined channels associated with the Navajo Irrigation Project supply water for the fields surrounding the proposed site, which are characterized by center-pivot irrigation patterns. During spring and summer, irrigation practices often produces shallow perched aquifers that are not defined in published literature. These shallow zones of water are not continuous and are not saturated year round.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at similar elevations within the irrigated area contain groundwater greater than 100 feet deep. A map showing the location of wells in reference to the proposed pit location is attached.

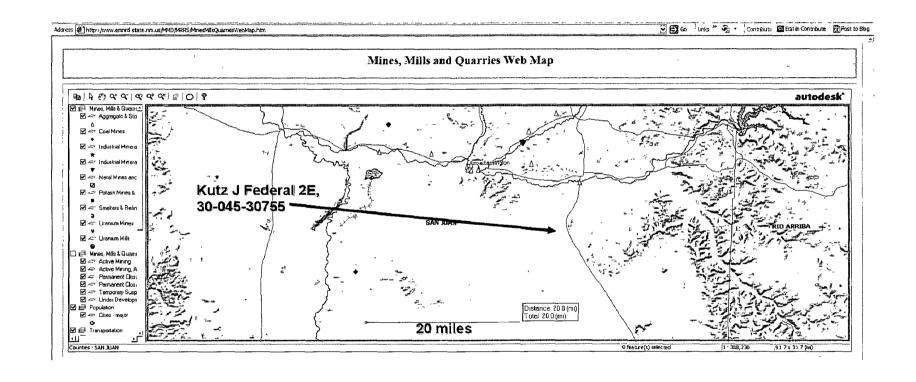


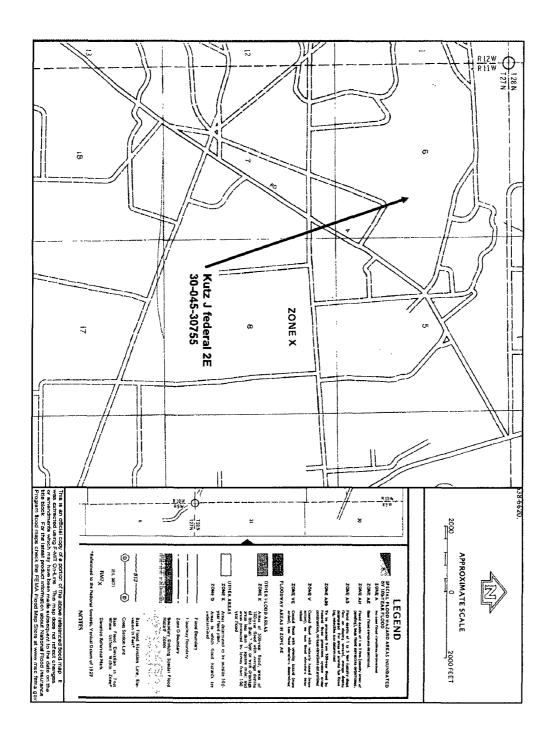
Page 2 of 7





Page 4 of 7





	1 OD Reports and Downloads
	Township: 28N Range: 13W Sections:
	NAD27 X: Y: Zone: Search Radius:
(	County:   Basin:   Number:   Suffix:
O	wner Name: (First) (Last) ONon-Domestic ODomestic @All
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/12/2008
	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)

Well Water

Column

No Records found, try again

Tws Rng Sec qqq

Zone

POD Number

	-
	Township: 28N Range: 12W Sections:
	NAD27 X: Y: Zone: Search Radius:
	County:   Basin:   Number:   Suffix:
C	Owner Name: (First) (Last) ONon-Domestic ODomestic OAll
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/12/2008
POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)  Tws Rng Sec q q q Zone X Y Well Water Column

No Records found, try again

,	Fownship: 28N F	Range: 11W	Sections:	·····	
NAI	D27 X:	Y:	Zone:	Search I	Radius:
County:	Basin:			Number:	Suffix:
Owner Name:	(First)	(Last)		ONon-Dor	mestic ODomestic @All
-	POD / Surface Data	Report Avg De	epth to Water Re	eport Water C	Column Report
		Clear Form i	WATERS Menu	Help	

#### WATER COLUMN REPORT 08/06/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

	(quarter	s are b	igge	st to	smalles	t)		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Se	c q	p p	Zone	x	Y	Well	Water	Column	
SJ 03193	28N	11W 07	3 -	4 3				80	35	45	
SJ 02916	28N	11W 07	3 -	4 4				98	70	28	

	TOD Reports and Downsoads
	Township: 27N Range: 14W Sections:
	NAD27 X: Zone: Search Radius:
	County:   Basin:   Number:   Suffix:
	Owner Name: (First) (Last) Onn-Domestic Odomestic Odomes
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/12/2008
POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Water (in feet) Tws Rng Sec q q q Zone X Y Well Water Column
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No Records found, try again

	•
	Township: 27N Range: 13W Sections:
	NAD27 X: Y: Zone: Search Radius:
	County:   Basin:   Number:   Suffix:
	Owner Name: (First) (Last) Onn-Domestic Odomestic Odomes
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/12/2008
	(quarters are 1=NW 2=NE 3=SW 4=SE)
POD Number	(quarters are biggest to smallest) Depth Depth Water (in feet) Tws Rng Sec q q q Zone X Y Well Water Column
RG 44629	27N 13W 33 366 310 56

	Township: 27N	Range: 12W	Sections:		
NA	D27 X:	Y:	Zone:	Search	Radius:
County:	Basin	:		Number:	Suffix:
Owner Name:	(First)	(Last)		ONon-Do	omestic ODomestic OAll
	POD / Surface Data	Report Avg	Depth to Water F	Report Water	Column Report
		Clear Form	iWATERS Men	u Help	

#### WATER COLUMN REPORT 08/12/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest)

		(quarte	rs ar	e bi	gge	est	: to	smallest)			Depth	Depth	Water	(in	feet)
POI	Number	Tws	Rng	Sec	P	q	q	Zone	X	Y	Well	Water	Column		
RG	76598	27N	12W	02	3	4	1				225	145	80		
SJ	00076	27N	12W	13	1	3	2				641	408	233		
SJ	00210	27N	12W	13	2	2	2				717	422	295		
SJ	00065	27N	12W	13	3	1	1				671	215	456		
SJ	00066	27N	12W	13	3	3	1				750	177	573		

NAD27 X: Y: Zone: Search Radius:  County: Number: Suffix:  Owner Name: (First) (Last) Onon-Domestic Odomestic (Part of the County of the Count	
Owner Name: (First) (Last) Onn-Domestic Opomestic ©	_
()	All
POD / Surface Data Report	
Clear Form iWATERS Menu Help	

#### WATER COLUMN REPORT 08/06/2008

(quarters are higgest to smallest)

	(quarter	s are	bigge	st to	smalles	t)		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng S	ec q	qq	Zone	x	Y	Well	Water	Column	
SJ 01787	27N	11W 0	7 2	2				650			
SJ 00077	27N	11W 2	6 2	1 3				1102	550	552	

Township: 27N Range: 10W Sections:
NAD27 X: Y: Zone: Search Radius:
County:   Basin:   Number:   Suffix:
Owner Name: (First) (Last) ONon-Domestic ODomestic OAll
POD / Surface Data Report
Clear Form iWATERS Menu Help

#### WATER COLUMN REPORT 08/06/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)

			biggest t		•		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng S	ec q q q	Zone	x	Y	Well	Water	Column	
SJ 00032	27N	10W 0	8 2 2 3				235	60	175	
SJ 00033	27N	10W 0	8 2 2 3				204			
SJ 00034	27N	10W 0	8 2 2 3				235	170	65	

To	ownship: 26N Range: 12	W Sections:
NAD2	27 X: Y:	Zone: Search Radius:
County:	Basin:	Number: Suffix:
Owner Name: (	First) (L	Last) ONon-Domestic ODomestic @All
<u>_</u> F	POD / Surface Data Report	Avg Depth to Water Report   Water Column Report
	Clear For	rm iWATERS Menu Help

#### WATER COLUMN REPORT 08/12/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)

	(daar cor	- u-c -		J-511 1-6	<i>,</i>					
	(quarter	s are b	iggest to	smalles	st)		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Se	cqqq	Zone	x	Y	Well	Water	Column	
RG 50222	26N	12W 04					258	180	78	
RG 30567	26N	12W 25	2				102	45	57	
SJ 01058	26N	12W 03	14				254	220	34	

Township: 26N Range: 11W Sections:
NAD27 X: Zone: Search Radius:
County:
Owner Name: (First) (Last) ONon-Domestic ODomestic @All
POD / Surface Data Report
Clear Form iWATERS Menu Help
WATER COLUMN REPORT 08/11/2008

	• •			smallest)			Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Sec	qqq	Zone	X	Y	Well	Water	Column	
SJ 01626	26N	11W 16	4 3				255	200	55	_
SJ 02734	26N	11W 35	4 3 2				275	165	110	

NAD	27 X: Y:	Zone:	Search Radius:	
County:	Basin:		Number: Suffix:	
Owner Name:	(First)	(Last)	─ ○Non-Domestic ○Domestic	@All
1	POD / Surface Data Report	Avg Depth to Water F	Report   Water Column Report	
	Clear	Form iWATERS Men	u Help	

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)

	(quarter	s are	e bi	gge	st to	smalles	st)		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng	Sec	q (	P F	Zone	x	Ÿ	Well	Water	Column	
SJ 00193	26N	10W	13	4 2	2				2287	500	1787	
SJ 00194	26N	10W	25	4	1				2105	500	1605	

	Tob Reports and Downloads
	Township: 25N Range: 11W Sections:
	NAD27 X: Zone: Search Radius:
	County:
	Owner Name: (First) (Last) Onn-Domestic Odomestic Odomes
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/11/2008
	(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 00221	25N 11W.04 2 198 135 63

	2.02.2000.00.000.0000.00000
	Township: 28N Range: 14W Sections:
	NAD27 X: Y: Zone: Search Radius:
	County:   Basin:   Number: Suffix:
	Owner Name: (First) (Last) ONon-Domestic ODomestic OAll
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/12/2008
POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)  Tws Rng Sec q q q Zone X Y Well Water Column

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## 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**

- 1. 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**

- 1. 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
  - Location by Unit Letter, Section, Township, and Range. Well name and API number.

- 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.