District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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

| 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 Existing BGT 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 |
| lease 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 nvironment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances. |
| Operator: Address: 382 Road 3100 Aztec, NM 87410 |
| Facility or well name: SCHWERDTFEGER A #3M |
| API Number:OCD Permit Number: |
| U/L or Qtr/Qtr Section06 Township 27NRange 8W _County: San Juan |
| Center of Proposed Design: Latitude 36.60873 Longitude 107.72759 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: |
| |
| Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. |

| Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) | | | | | |
|--|-----------------|--|--|--|--|
| Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church) | | | | | |
| ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet | | | | | |
| Alternate. Please specify | | | | | |
| 7. | | | | | |
| Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other | | | | | |
| Monthly inspections (If netting or screening is not physically feasible) | | | | | |
| 8. | | | | | |
| Signs: Subsection C of 19.15.17.11 NMAC | | | | | |
| 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers | | | | | |
| Signed in compliance with 19.15 3.103 NMAC | | | | | |
| 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 accepmaterial are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro | | | | | |
| office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a | pproval. | | | | |
| Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system. | ing paus or | | | | |
| 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 | ☐ Yes ⊠ No | | | | |
| lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | | | | | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | ☐ Yes ☑ No ☐ NA | | | | |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | | | | | |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | Yes No | | | | |
| (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | | | | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock | ☐ Yes ☒ No | | | | |
| 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 | | | | | |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | ☐ Yes ☑ 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 | | | | | |
| Within 500 feet of a wetland. | □ Vas ☑ Na | | | | |
| - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | Yes No | | | | |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ⊠ No | | | | |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological | ☐ Yes ⊠ No | | | | |
| Society; Topographic map | | | | | |
| Within a 100-year floodplain FEMA map | ☐ Yes ☑ No | | | | |

| Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC | |
|--|---|
| Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC | |
| Previously Approved Design (attach copy of design) API Number: or Permit Number: | |
| Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. | _ |
| Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15 17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15 17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17.9 NMAC and 19.15.17.13 NMAC | |
| Previously Approved Design (attach copy of design) API Number: | |
| Previously Approved Operating and Maintenance Plan API Number: (Applies only to closed-loop system that use | |
| above ground steel tanks or haul-off bins and propose to implement waste removal for closure) | _ |
| Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17 9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Gil Field Waste Stream Characterization Monitoring and Inspection Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19 15 17.9 NMAC and 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 □ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17.13 NMAC | |

| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul- Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and dril facilities are required. | off Bins Only: (19.15.17.13.Ell cuttings. Use attachment if n | NMAC) nore than two | | | | |
|---|---|------------------------|--|--|--|--|
| | nit 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 operations. Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | | | |
| Siting Criteria (regarding on-site closure methods only): 19.15 17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance. | | | | | | |
| Ground water is less than 50 feet below the bottom of the buried waste NM Office of the State Engineer - IWATERS database search; USGS; Data obtained from nearby | / wells | ☐ Yes ☐ No ☐ NA | | | | |
| Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | | | | | | |
| 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 | | | | | | |
| 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 | | | | | | |
| 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 | | | | | | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | | | | | | |
| 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 | | | | | | |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | | | | | | |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | | | | | | |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources Society; Topographic map | s, 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 following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC | | | | | | |

Form C-144

| Operator Application Certification: | | | | |
|---|--|---|--|--|
| I hereby certify that the information submitted with this application is true, accur | rate and complete to t | he best of my knowledge and belief. | | |
| Name (Print): Kim Champlin | | Environmental Representative | | |
| Signature: Kim Champlin | Date: | 9-10-08 | | |
| e-mail address: kim_champlin@xtoenergy.com | Telephone: | (505) 333-3100 | | |
| 20. OCD Approval: Permit Application (including closure plan) Closure P | da (alu) [7] OCC | O conditions (see attack many) | | |
| OCD Representative Signature: B. 6-ell | | | | |
| - | | | | |
| Title: Enviro/spee | OCD Permit Num | lber: | | |
| Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior. The closure report is required to be submitted to the division within 60 days of a section of the form until an approved closure plan has been obtained and the cut | to implementing any the completion of the losure activities have | closure activities and submitting the closure report. | | |
| 22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternation of the Alternation of | ative Closure Method | ☐ Waste Removal (Closed-loop systems only) | | |
| 23. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems</u> <i>Instructions: Please indentify the facility or facilities for where the liquids, drivtwo facilities were utilized.</i> | lling fluids and drill | cuttings were disposed. Use attachment if more than | | |
| Disposal Facility Name: | | Permit Number: | | |
| Disposal Facility Name: | | Permit Number: | | |
| Were the closed-loop system operations and associated activities performed on or Yes (If yes, please demonstrate compliance to the items below) \(\subseteq \text{No} \) | r in areas that <i>will not</i> | to be used for future service and operations? | | |
| Required for impacted areas which will not be used for future service and operat Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique | ions: | | | |
| Closure Report Attachment Checklist: Instructions: Each of the following in mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) | | | | |
| | tude | 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): | | | | |
| Signature: | Date: | | | |
| e-mail address. | Telephone: | | | |

District I IV) Box 1980, Hobbs, NM 88241-1980 District II IV) Drawer DI), Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

State of New Mexico Energy, Minerals & Natural Resources Department

ek P

Form C-102 Product Substitute 21 (100)

Instructions on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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| | | | Client: XTO Energy | | | |
|---|-----------------------|--|------------------------------------|--|--|--|
| Lodestar Service | s. Inc. | Pit Permit | Project: | tank permitting | | |
| PO Box 4465, Durango | | Siting Criteria | Revised: | 25-Aug-08 | | |
| / 10 B02 1100, Durango | ,0001002 | Information Sheet | Prepared by: | Trevor Ycas | | |
| v | <u></u> | | | | | |
| API#: | | 30-045-11605 | USPLSS: | 27N 08W 6 D | | |
| Name: S | CHWERD | TFEGER A No. 003M | Lat/Long: | 36.608730, -107.727590 | | |
| Depth to groundwater: | | 50-100' | Geologic formation: | Quaternary Alluvium / San Jose Formation (Tsi) | | |
| Distance to closest continuously flowing watercourse: | 9.1 miles | NW to 'San Juan River' | site elevation: 1812m/5944' | | | |
| Distance to closest significant watercourse, lakebed, playa lake, or sinkhole: | 1630' W | NW to 'Blanco Canyon' wash | | | | |
| | | | Soil Type: | Rockland | | |
| Permanent residence, school, hospital, institution or church within 300' | | NO | | 1 | | |
| | | | Annual | Navajo Dam: 12.95", Governador: 11.98", | | |
| · _ | | | Precipitation: | Capulin Rgr Stn.: 14.98", Otis: 10.41" | | |
| Domestic fresh water well or spring within 500' | | NO | Precipitation Notes: | Historical Daily Max. precip.: 4.19" (Bloomfield) | | |
| Any other fresh water well or spring within 1000' | | NO | . . | | | |
| Within incorporated municipal boundaries | | NO | Attached Documents: | 26N06W_iWaters.pdf, 26N07W_iWaters.pdf, 26N08W_iWaters.pdf, 27N07W_iWaters.pdf, 27N08W_iwaters.pdf, 27N09W_iwaters.pdf, 28N07W_iWaters.pdf, 28N08W_iWaters.pdf, 28N09W_iWaters.pdf | | |
| Within defined municipal fresh water well field | nunicipal fresh water | | FM3500640750B-30- 045-11605 jpg | 30-045-11605_gEarth-iWaters jpg, 30-045-11605_gEarth- PLS jpg, 30-045-11605_topo-PLS.jpg | | |
| Wetland within 500' | | NO | Mining Activity: | None Near | | |
| Within unstable area | - | NO | | | | |
| Within 100 year flood plain | NC |) -FEMA Zone 'X' | | • | | |
| Additional Notes: | ·· - | | | | | |
| Drains to 'Blanco Canyon' Wash | | in a confined canyon, om a stream channel | | located near base of cliffs (100' N) | | |

Schwerdtfeger A #3M Below Grade 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 central Blanco Canyon region of the San Juan Basin southwest of Hollis pass in Blanco Wash. The predominant geologic formation is the San Jose 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. This site is located atop Quaternary alluvium.

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 San Jose Formation lies at the surface and overlies the Nacimiento Formation. Thickness of the San Jose ranges from 200 to 2700 feet, thickening from west to east (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the San Jose Formation are between 0 and 2700' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River. Little specific Hydrogeologic data is available for the San Jose Formation system, but "numerous well and springs used for stock and domestic supplies" draw their water from the San Jose Formation (Stone et al, 1983).

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 sudden influx of water from storm events easily erodes the soils that cover the area and prohibits effective recharge to the underlying aquifers.

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

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

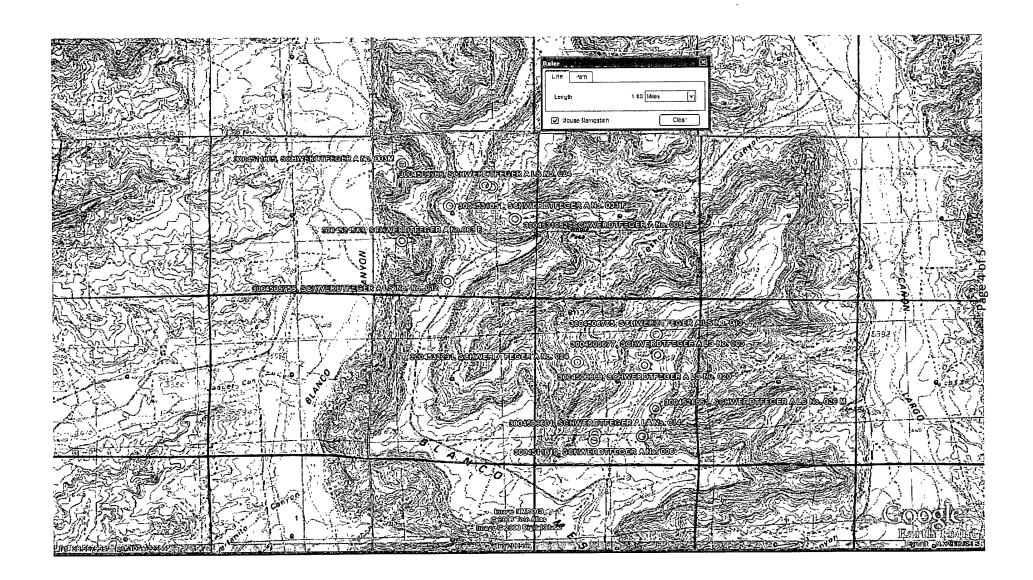
Site Specific Hydrogeology

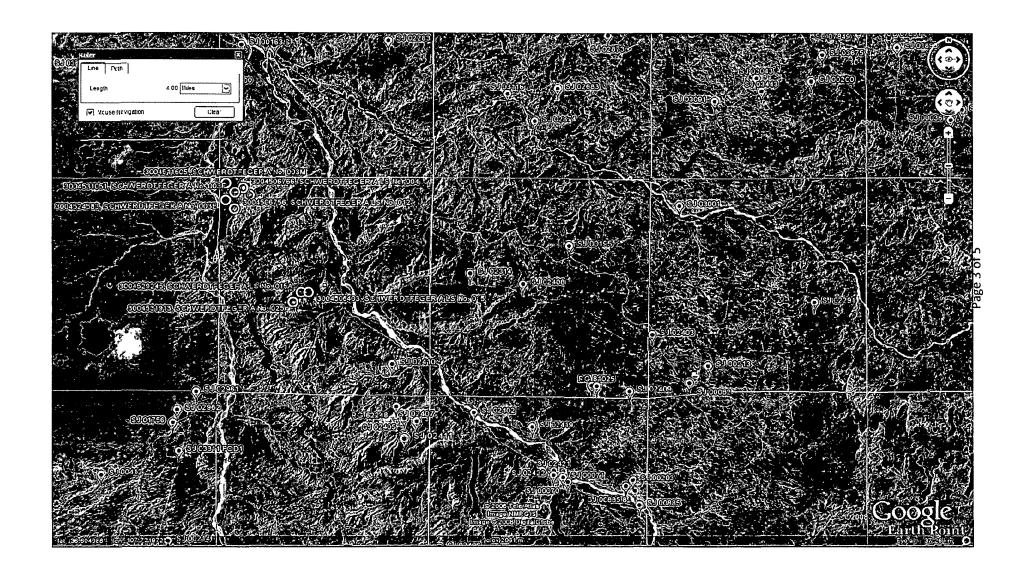
Depth to groundwater is estimated to be between 50 and 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

Beds of water-yielding sandstone are present in the San Jose Formation, which are fluvial in origin and are interbedded with mudstone, siltstone, shale. "Extensive intertonguing" of different members of this formation is reported. (Stone et al., 1983). Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the San Jose Formation at depths greater than 100 feet and thicknesses of the aquifer can be up to several hundred feet (USGS, Groundwater Atlas of the US) (Stone et al., 1983).

The site in question is located at the base of Blanco Mesa, in Blanco Wash, approximately 450 feet from the main Wash channel. Additionally, the site sits in a enclosed canyon near steep canyon-sides (100-150 feet away) The site is at an elevation of approximately 5945 feet. This region is deeply incised by canyons, washes, gullies and arroyos, with large, flat-topped mesas the other dominant topographic feature. The mesas are composed of cliff-forming sandstone, and systems of dry washes and their tributaries are evident on the attached aerial image. Groundwater is expected to be shallow within Blanco Canyon and within major tributary systems. However, an elevation change of approximately 90 feet between the base of Blanco Wash and the proposed site suggests groundwater is greater than 50 feet at the proposed location.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Groundwater data is extremely limited in this region; the nearest iWaters data point lies 4 miles north in the mouth of Largo Canyon (SJ00163 S). Other 'nearby' iWaters wells are located 6.5 miles southeast (SJ02410), 6.8 miles east-south-east (SJ02314), and 6 miles northeast (SJ02283). A map showing the location of wells in reference to the proposed pit location is attached.

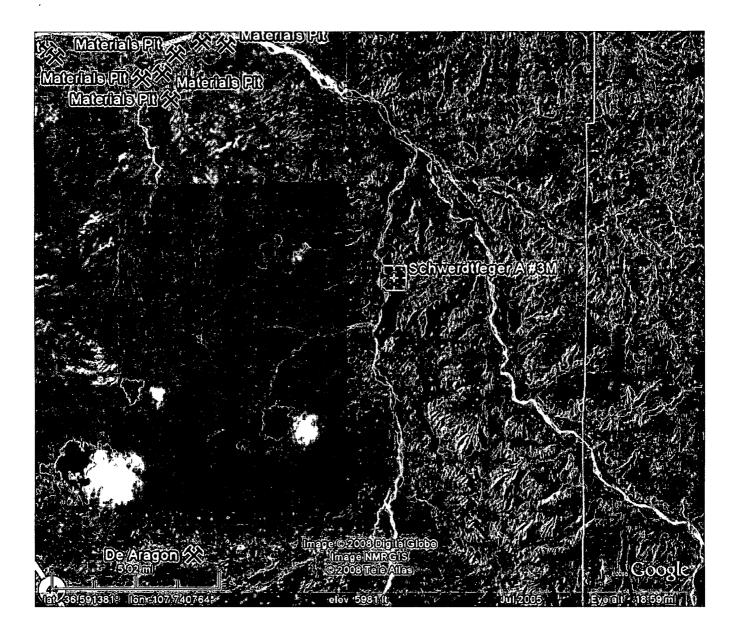


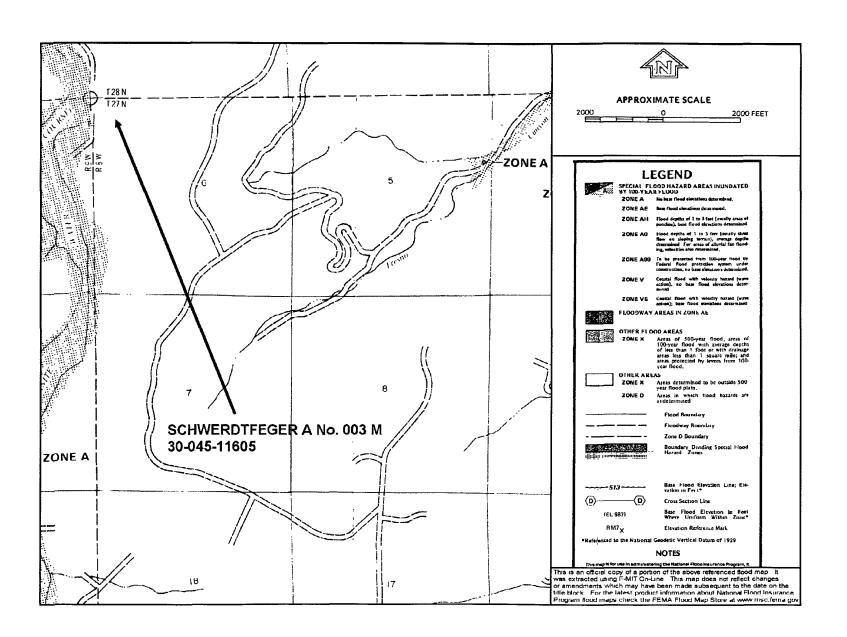


New Mexico Office of the State Engineer POD Reports and Downloads

| | 1 OD Reports and Downloads |
|------------|---|
| | Township: 27N Range: 08W Sections: |
| | NAD27 X: Y: Zone: Search Radius: |
| ··· | County: Basin: Number: Suffix: |
| | Owner Name: (First) (Last) Onn-Domestic Odomestic Odomestic OAll |
| | POD / Surface Data Report |
| | Clear Form iWATERS Menu Help |
| , | WATER COLUMN REPORT 08/04/2008 |
| | (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 02410 | 27N 08W 36 1 3 2 2200 |

Record Count: 1





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

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

General Plan

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

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

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

General Plan

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

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

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

General Plan

- XTO will close a BGT within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- 2. XTO will close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- 3. XTO will close a permitted BGT within 60 days of cessation of the BGT's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
- 4. XTO will remove liquids and sludge from a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility.
- 5. XTO will remove the BGT and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves.
- 6. XTO will remove any on-site equipment associated with a BGT unless the equipment is required for some other purpose.
- 7. XTO will test the solids beneath the BGT to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.
- 8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
- 9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
- 10. Notice of Closure will be given to the Aztec Division District III office between 72 hours and one week of closure via email or verbally. The notification will include the following:
 - i. Operator's name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API 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.