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

C1621	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 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 County Road 3100, Aztec, NM 87410
Facility or well name: Grassy Canyon #8
API Number: 30.045. 35000 OCD Permit Number:
U/L or Qtr/Qtr B Section 31 Township 32N Range 07W County: San Juan

Center of Proposed Design: Latitude 36.94329	Longitude	107.60833	NAD: □1927 🛛 1983
Surface Owner: X Federal State Private Tribal T			
2.			
☑ Pit: Subsection F or G of 19.15.17.11 NMAC			
Temporary: 🛛 Drilling 🔲 Workover			
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A			
☐ Lined ☐ Unlined Liner type: Thickness 20r	mil 🛛 LLDPE 🗌 HDPE	PVC Other	
X String-Reinforced			
Liner Seams:	Volume:	bbl Dimensions	s: L 175 x W 60 x D 8-12
3.			
X Closed-loop System: Subsection H of 19.15.17.11 NM			
Type of Operation: P&A Drilling a new well Wintent) To be used during completion operations	orkover or Drilling (Applies	to activities which require pri	ior approval of a permit or notice of
☐ Drying Pad ☑ Above Ground Steel Tanks ☐ Haul-o	off Bins Other		46 17 70
☐ Lined ☐ Unlined Liner type: Thickness	mil 🔲 LLDPE 🔲 HDI	PE PVC Other	A151017 18 79 20
Liner Seams:			100 A 15 16 17 18 19 20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
4.			BECEIVED R
Below-grade tank: Subsection I of 19.15.17.11 NMA	С		6 MAY 2010 E
Volume:bbl Type of fluid:			OIL CONS. DIV. DIST 3
Tank Construction material:			Vicas (1)
☐ Secondary containment with leak detection ☐ Visible	sidewalls, liner, 6-inch lift a	nd automatic overflow shut-o	Off CONS. DIV. DIST. 3
☐ Visible sidewalls and liner ☐ Visible sidewalls only	Other		TE DE O
Liner type: Thicknessmıl	PE PVC Other		

Alternative Method:

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

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospital,			
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)				
Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC				
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Fencing- Hogwire Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for			
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable sou material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate dis office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads above-grade tanks associated with a closed-loop system.				
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No			
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No			
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA			
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA			
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No			
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No			
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No			
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No			
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No			
Within a 100-year floodplain FEMA map	☐ Yes ☐ No			

11. 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:
12.
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 Certrfied Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Groun Instructions: Please indentify the facility or facilities for the disposal of liquids							
facilities are required.		-					
Disposal Facility Name: Envirotech	Disposar I acinty I cinint i vaimoci.	NM01-001 NM01-0010B					
Disposal Facility Name: IEI							
Will any of the proposed closed-loop system operations and associated activities ☐ Yes (If yes, please provide the information below) ☒ No	occur on or in areas that will not be used for	future service and operations?					
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC							
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; Database search; USG	ata 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 - 1WATERS database search; USGS; Database search;	ata 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 - 1WATERS database search; USGS; Database search; US	ata obtained from nearby wells						
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other s lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ignificant watercourse or lakebed, sinkhole,	or playa Yes No					
Within 300 feet from a permanent residence, school, hospital, institution, or churchy Visual inspection (certification) of the proposed site; Aerial photo; Satelli		on. Yes 🛛 No					
Within 500 horizontal feet of a private, domestic fresh water well or spring that le 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 app						
Within incorporated municipal boundaries or within a defined municipal fresh wa adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approx	•	inance Yes No					
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Vis	ual 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-Minim	ng and Mineral Division	☐ Yes 🏻 No					
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geolo Society; Topographic map	egy & Mineral Resources; USGS; NM Geolo	gical 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 Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 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 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							

19. Operator Application Certification:				
I hereby certify that the information submitted with this application is true, accurate an	-			
Name (Print): Malia Villers	Title: Permitting Tech.			
Signature: Malia VIIIera	Date: May 14, 2010			
e-mail address: malìa_villers@xtoenergy.com	Telephone: (505) 333-3100			
OCD Approval: Permit Application (including closure plan) Closure Plan (o	nly) OCD Conditions (see attachment)			
OCD Representative Signature: Brank Sell	Approval Date: 7/21/10			
	D Permit Number:			
Closure Report (required within 60 days of closure completion): Subsection K of Instructions: Operators are required to obtain an approved closure plan prior to imp The closure report is required to be submitted to the division within 60 days of the co section of the form until an approved closure plan has been obtained and the closure	plementing any closure activities and submitting the closure report. In the matter of the closure activities. Please do not complete this eactivities have been completed.			
	Closure Completion Date:			
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative of If different from approved plan, please explain.	Closure Method			
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Instructions: Please indentify the facility or facilities for where the liquids, drilling J two facilities were utilized.				
•	posal Facility Permit Number:			
	posal Facility Permit Number:			
Were the closed-loop system operations and associated activities performed on or in ar Yes (If yes, please demonstrate compliance to the items below) No	eas that will not be used for future service and operations?			
Required for impacted areas which will not be used for future service and operations: Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique				
Closure Report Attachment Checklist: Instructions: Each of the following items 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	nust be attached to the closure report. Please indicate, by a check			
☐ Re-vegetation Application Rates and Seeding Technique ☐ Site Reclamation (Photo Documentation)	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):	Title:			
Signature:	Date:			
e-mail address:	Telephone:			



Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy
Project:	Pit Permits
Revised:	5/12/2010
repared by:	Brooke Herb

F 970.385		Information Shee	t Prepared by:	Brooke Herb
API#:		NA	USPLSS:	T32N, R07W, S31B
Name:	Grassy Canyon #8		Lat/Long:	36.943290, -107.608330
Depth to groundwater:		>100 feet	Geologic formation:	San Jose Formation
Distance to closest continuously flowing watercourse:	2165 fe	eet west of Navajo Reservoir		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	1356 fee	et south of Grassy Canyon		
			Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300'		NO		
			Annual Precipitation:	8.21" - Farmington; 10.41" Otis; 8.71" Bloomfield
Domestic fresh water well or spring within 500'		NO	Precipitation Notes:	no significant precipitation events on record
Any other fresh water well or spring within 1000'		NO		
Within incorporated municipal boundaries		NO	Attached Documents:	Site Visit Survey Hydrogeologic Report Topographic Map
Within defined municipal fresh water well field		NO		Aerial Photo Mines, Mills and Quarries Map FEMA Flood Zone Map
Wetland within 500'		NO	Mining Activity:	None identified in the vicinity
Within unstable area		NO		
Within 100 year flood plain		NO		
Additional Notes:				

Page 1 of 1

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

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

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

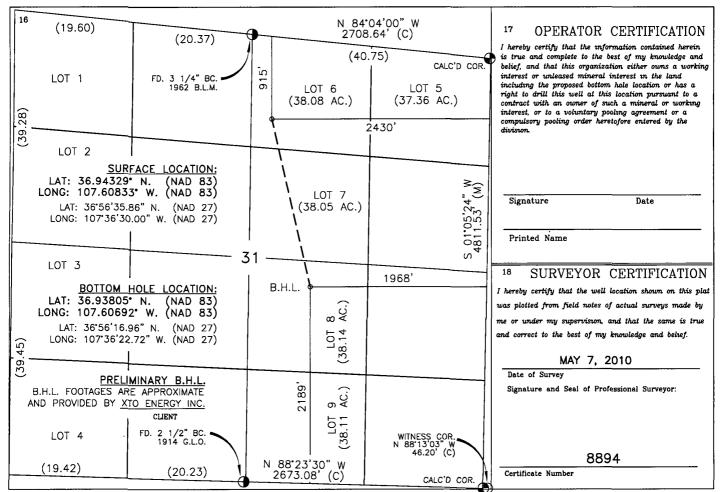
DISTRICT IV 1220 South St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API	Number		² Pool Code			⁹ Pool Name			
*Property Co	ode		⁶ Property Name				⁶ Property Name		
					GRASSY CA	NYON			8
OGRID No			^a Operator Name				llevation		
			XTO ENERGY INC. 6807'				807'		
					¹⁰ Surface	Location		<u> </u>	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	31	32-N	7-W		915	NORTH	2430	EAST	SAN JUAN
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	32-N	7-W		2189	SOUTH	1968	EAST	SAN JUAN
¹⁸ Dedicated Acre	S		13 Joint or	Infill	14 Consolidation C	Code	15 Order No.		

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



XTO ENERGY INC.

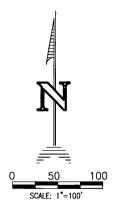
GRASSY CANYON No. 8, 915 FNL 2430 FEL SECTION 31, T-32-N, R-7-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6807', DATE: JULY 8, 2008

000 SEPARATOR (3) A' ③ C 0.3 R.A. C 0.8 WH-GRASSY CANYON No. R.A. WH-GRASSY CANYON No. 3 C' ② C 1.2 4 C 0.6 REAR ⑤ A F 3.2 ⊕ C.O.P. Reserve Pit Pit: 175'X60' B F 0.9 c ⑥ F 1.7

NAD 83 LAT. = 36.94329° N. LONG. = 107.60833° W. NAD 27 LAT. = 36°56'35.86" N. LONG. = 107°36'30.00" W.

CENTER OF PIT

NAD 83 LAT. = 36.94312° N. LONG. = 107.60823° W. NAD 27 LAT. = 36'56'35.24" N. LONG. = 107'36'29.61" W.



REVISION DATE: REVISED BY:

CHANGE FORMAT PER ONSITE 09/16/09 B.K.



Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 • Farmington, NM 87499 Phone (505) 326–1772 • Fox (505) 326–6019 NEW MEXICO L.S. 8894

DRAWN BY B.K.	CADFILE: CR1053_PL8
ROW#: CR1053	DATE. 11/11/08

NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. UTILITY NOTIFICATION CENTER OF NEW MEXICO TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

NOTE:

CONTRACTOR SHOULD CALL ONE—CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING PRIOR TO CONSTRUCTION.

RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE) BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

XTO ENERGY INC.

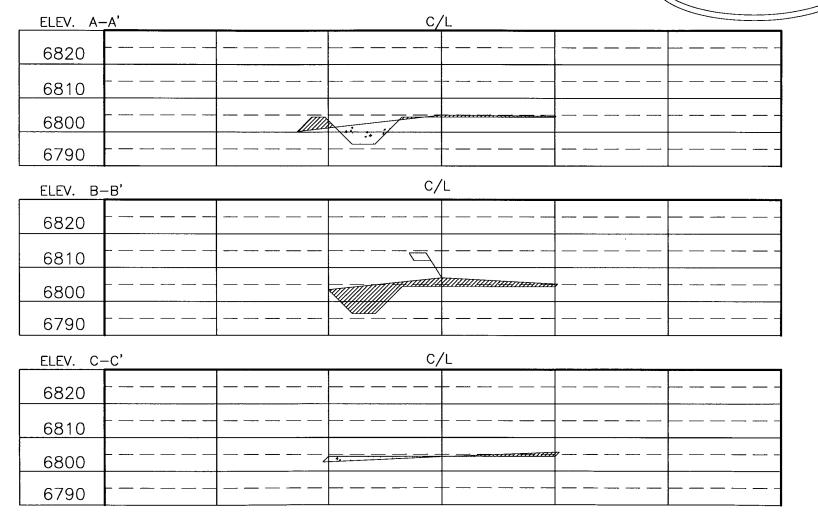
GRASSY CANYON No. 8, 915 FNL 2430 FEL. SECTION 31, T-32-N, R-7-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6807', DATE: JULY 8, 2008

NAD 83 LAT. = 36.94329° N.

LONG. = 107.60833° W.

NAD 27

LAT. = 36*56'35.86" N. LONG. = 107*36'30.00" W.



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DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. UTILITY NOTIFICATION CENTER OF NEW MEXICO TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.





Daggett Enterprises, Inc.
Surveying and Oil Field Services
P O. Box 510 • Farmington, NM 87499
Phone (505) 326–1772 • Fox (505) 326–6019
NEW MEXICO L.S. 8894

 DRAWN BY: B.K.
 CADFILE. CR1053_CF8

 ROW∯: CR1053
 DATE. 11/11/08

Grassy Canyon #8 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 north-central San Juan Basin near Navajo Lake. 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 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 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 across the region of interest (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 regionally to the southwest, toward the San Juan River. More locally, groundwater flow is controlled by Navajo Lake. Little specific hydrogeologic data is available for the San Jose Formation system, but "numerous wells and springs used for stock and domestic supplies" draw their water from the San Jose Formation (Stone et al, 1983).

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

Regional weather further prohibits active recharge. The climate is arid, averaging almost 13 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from July through September. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. September through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. The most active recharge occurs during the winter 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

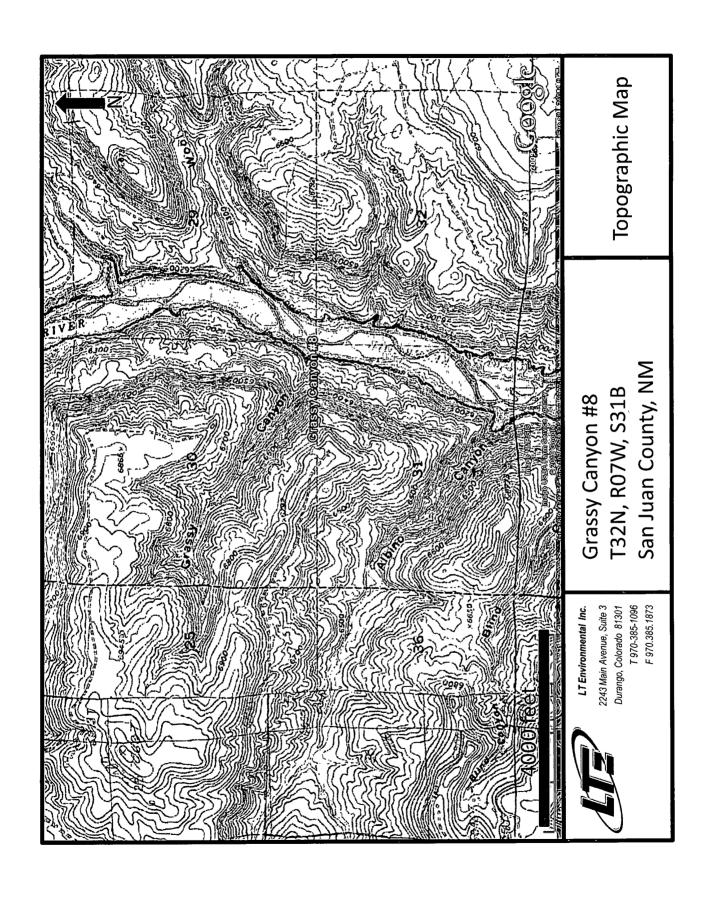
Depth to groundwater at the site is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography, proximity to adjacent channels and springs and observations made during a site visit are also taken into consideration.

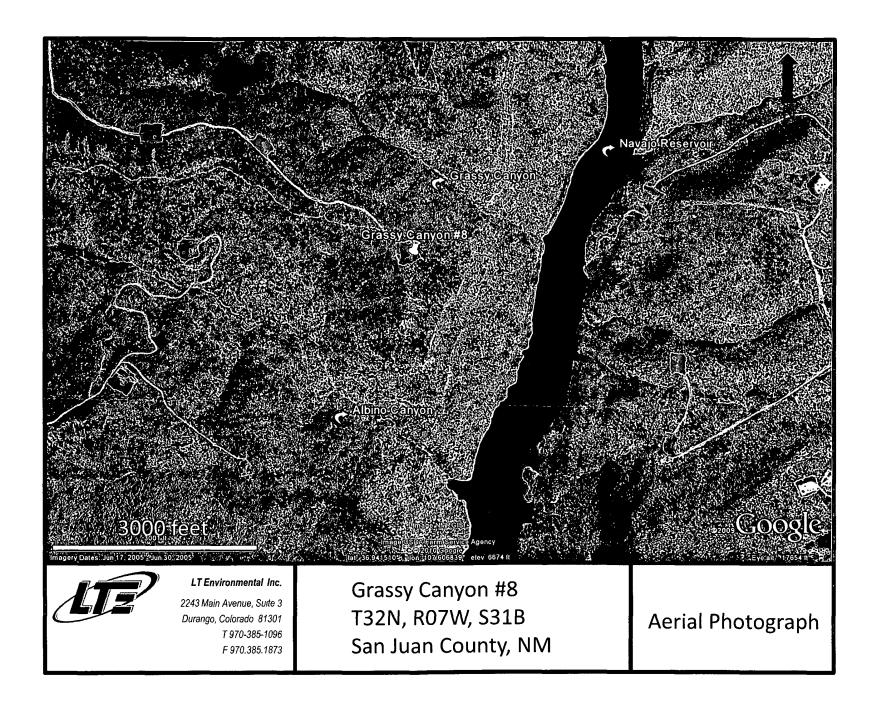
The region is dominated by Navajo Lake and its associated canyons and gullies as evidenced on the attached topographic map and aerial photo. Relatively large, flat-topped mesas composed of thick sandstone sequences surround the perimeter of the lake and are often over 200 feet higher in elevation than the lake. Canyons and gullies erode into the sandstone and are filled with alluvium. This particular site is located on a mesa top only 2165 feet west of Navajo Lake, but over 700 feet higher in elevation than the surface of the lake water. To the north lies Grassy Canyon, a first order tributary to the lake.

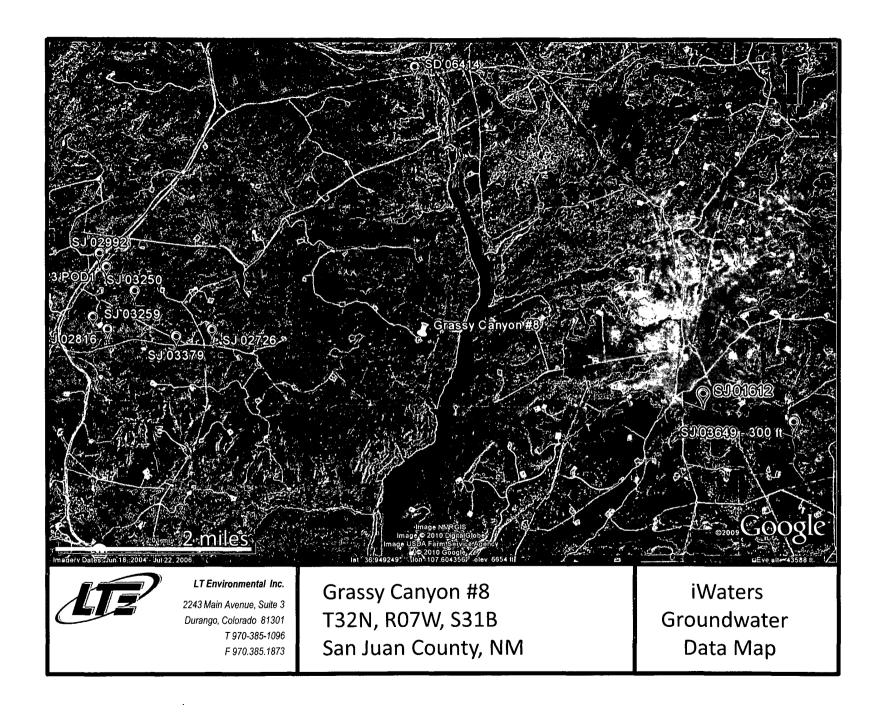
The massive sandstone outcrops, upon which the site in question is situated, $\bar{\text{are}}$ part of the San Jose Formation. Beds of water-yielding sandstone are present in the San Jose Formation, which are fluvial in origin and are interbedded with mudstone, siltstone & shale. Porous sandstones form the principal aquifers in the area, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). "Extensive intertonguing" of different members of this formation is reported (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).

Depth to groundwater data is extremely limited in this region. Groundwater data available from the NM State Engineer's iWaters Database for wells near the below grade tank are attached and are plotted on the iWaters Groundwater Data Map. The nearest permitted well lies 2.08 miles east (SJ 02726). The water is used for livestock watering, as are many others in the surrounding area. Depth to groundwater in the permitted water well is recorded as 300 feet. Other wells located near Navajo Lake at similar elevations to the site in question contain groundwater at depths in excess of 400 feet.

The elevation difference of over 700 feet between the site and Navajo Lake, the lack of other surface water features and groundwater depths greater than 400 feet deep in nearby permitted water wells is enough to suggest that groundwater at the site is greater than 100 feet.









New Mexico Office of the State Engineer

Wells with Well Log Information

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8J03v17 P0D1		DOL	SJ	Shallow	222	407	32N 07W	268539	4007977	03/30/2000	04/04/2009 04/14/2909	150	120
\$J03820 POD1		WUL	SJ	Shallow	224	07	32N 07W	265651	4007448	C4/06/2008	04/08/2009 05/20/2009	150	100
8J 03907 POD1		DOL	SJ	Shagaw	224	07	32N 07W	265806	4097353	17/19/2009	11/20/2009 11/25/2009	22	5

Record Count: 4

Basin/County Searon:

Basin: San Juan

County: San Juan

Fil.88 Search:

Township: 32N

Range: 07W

Usage Filter:

Uge: All Usages

"UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, unability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer

Wells with Well Log Information

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8J 02726		8AN	SJ	Shellow	2 -	4 1	35	32N	OSAV	264385	40918111	07/27/1999	07/29/5999	08/04/1999	300	300
8.1 02992		DOM	SJ	Shallow	1 :	2 3	27	32N	OSW	262631	4003063*	05/25/2000	05/01/2000	06/08/2000	330	230
8303250		DOM	; SJ	Shafarw	4 :	3 4	27	32N	OSW	263222	40024541	08/28/2002	09/05/2002	09/19/2902	400	375
8J-03379		DOM	. SJ	Shallow	1 3	3 1	35	32N	65W	263399	409/0901	06/30/2004	05/30/2004	07/08/2009	710	510
8J03823 POD1		DOL	SJ	Shadkow	3 :	2 3	27	32N	65AV	282557	4092975	C4/10/2008	04/23/2009	05/09/2908	380	290
8J03 8 97 POD1		STK	LB	Shallow	4 -	4 2	34	32N	09W	293618	4097724	00/25/2000	09/30/2009	10/06/2009	750	490

Record Count: 6

Bacin/County Searon:

Basin: 82n Juan

County: San Juan

Pilas Searon:

Township: 32N

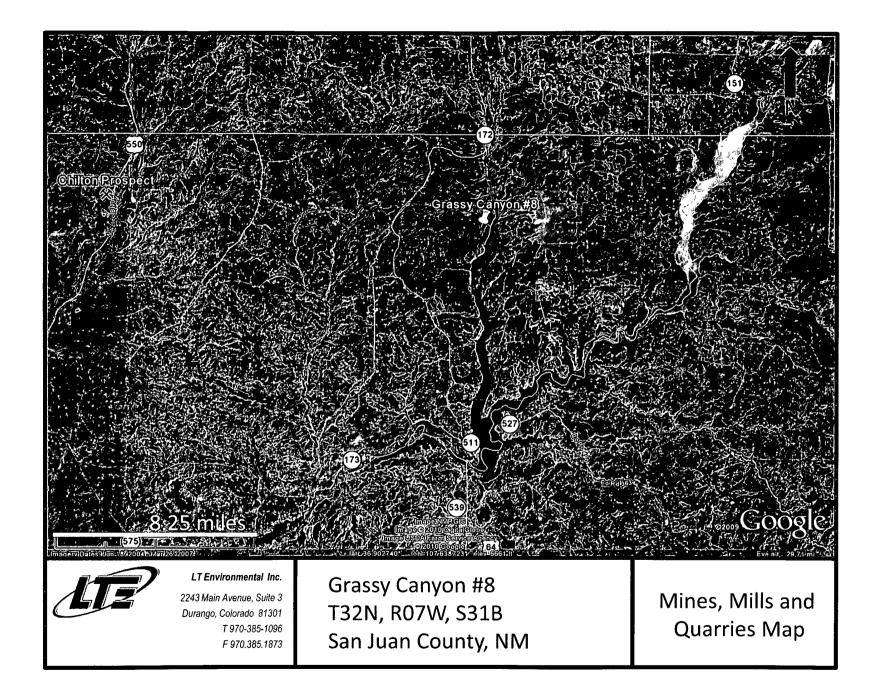
Range: 09W

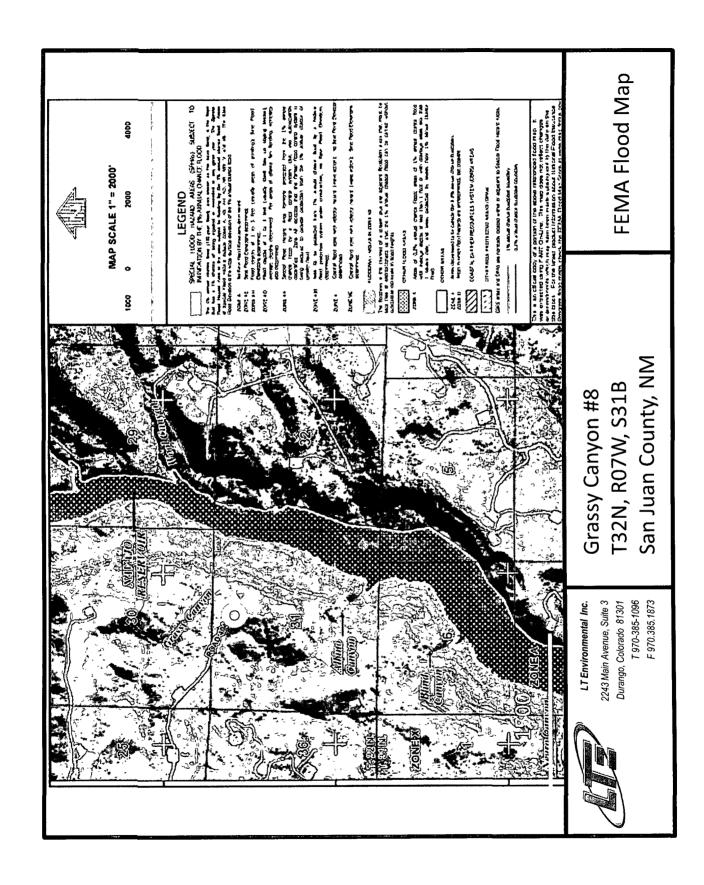
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Usa: All Usages

The data is furnished by the NMOSERSC and is accepted by the recipient with the expressed understanding that the OSERSC make no warranties, expressed or implied, concerning the securacy, completeness, reliability, to suitability for any particular purpose of the data.

^{*}UTM location was derived from PLSS - see Help







To mark.kelly@blm.gov

CC

bcc

Subject Notice - Grassy Canyon #8 Well Site

Dear Mr. Kelly,

This submittal is pursuant to Rule 19.15.17.13 requiring operators to notify surface owners of on site burial of temporary pits. XTO Energy Inc. (XTO) is hereby providing written documentation of our intention to close the temporary pit associated with the aforementioned locatoin by means of in place burial.

Should you have any questions or require additional information please feel free to contatc me at your earliest convenience (505) 333-3100.

Malia Villers
Permitting Tech.
XTO Energy Inc.
505-333-3100

Direct: 505-333-3698

malia villers@xtoenergy.com

XTO Energy Inc. San Juan Basin Pit Design and Construction Plan

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

General Plan

- 1. XTO will design and construct a temporary pit 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 temporary pit. 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 a single strand of barbed wire on top. T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Temporary pits will be fenced at all times excluding drilling or workover operations, when the front side of the fence will be temporarily removed for operational purposes.
- 5. XTO shall construct the temporary pit so that the foundation and interior slopes are firm and free of rocks, debris, sharp edges or irregularities to prevent liner failure.
- 6. XTO shall construct the pit so that the slopes are no steeper than two horizontal feet to one vertical foot.
- 7. Pit walls will be walked down by a crawler type tractor following construction.
- 8. All temporary pits will be lined with a 20-mil, string reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements.
- Geotextile will be installed beneath the liner when rocks, debris, sharp edges or irregularities cannot be avoided.
- All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep.
- 11. XTO will minimize liner seams and orient them up and down, not across a slope. Factory seams will be used when possible. XTO will ensure all field seams are welded by qualified personnel. Field seams will be overlapped four to six inches and will be oriented parallel to the line of maximum slope. XTO will minimize the number of field seams in corners and irregularly shaped areas.
- 12. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
- 13. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some areas.
- 14. The volume of the pit shall not exceed 10 acre-feet, including freeboard.

XTO Energy Inc. San Juan Basin Maintenance and Operating Plan

In accordance with Rule 19.15.17.12 NMAC the following information describes the operation and maintenance of temporary pits on XTO Energy Inc. locations. This is XTO's standard procedure for all temporary pits. A separate plan will be submitted for any temporary pit which does not conform to this plan.

General Plan

- 1. XTO will operate and maintain a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- 2. XTO will conserve drilling fluids by transmitting liquids to pits ahead of the rigs whenever possible. All drilling fluids will be disposed at Basin Disposal Inc, Permit # NM-01-005.
- 3. XTO will not discharge or store any hazardous waste in any temporary pit.
- 4. If any pit liner integrity is compromised, or if any penetration of the liner occurs above the liquid surface, then XTO shall notify the Aztec Division office by phone or email within 48 hours of the discovery and repair the damage or replace the liner.
- 5. If a leak develops below the liquid level, XTO shall remove all liquids above the damaged liner within 48 hours and repair the damage or replace the liner. XTO shall notify the Aztec Division office by phone or email within 48 hours of the discovery for leaks less than 25 barrels. XTO shall notify the Aztec Division office as required pursuant to Subsection B of 19.15.3.116 NMAC within twenty-four (24) hours of discovery of leaks greater than 25 barrels. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), and Subparagraph (d) of 19 15 3 116 NMAC shall be reported to the division's Environmental Bureau Chief.
- 6. The liner shall be protected from any fluid force or mechanical damage through the use of mud pits slides, or a manifold system.
- 7. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some cases.
- 8. XTO shall immediately remove any visible layer of oil from the surface of the temporary pit after cessation of a drilling or workover operation. Oil absorbent booms will be utilized to contain and remove oil from pits surface. An oil absorbent boom will be stored on-site until closure of pit.
- 9. Only fluids generated during the drilling or workover process will be discharged into a temporary pit.
- 10. XTO will maintain the temporary pit free of miscellaneous solid waste or debris.
- 11. During drilling or workover operations, XTO will inspect the temporary pit at least once daily to ensure compliance with this plan. Inspections will be logged and logs maintained for review. XTO will file this log with the Aztec Division office upon closure of the pit.
- 12. After drilling or workover operations, XTO will inspect the temporary pit weekly so long as liquids remain in the temporary pit. A log of the inspections will be stored at XTO's office electronically and will be filed with the Aztec Division office upon closure of the pit.
- 13. XTO shall maintain at least two feet of freeboard for a temporary pit.
- 14. XTO shall remove all free liquids from a temporary pit within 30 days from the date the operator releases the drilling or workover rig.

XTO Energy Inc. San Juan Basin Closure Plan

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

All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of pit closure. Closure report will be filed on C-144 and incorporate the following:

- Details on Capping and Covering, where applicable.
- Plot Plan (Pit Diagram)
- Inspection Reports
- Sampling Results
- C-105
- Copy of Deed Notice will be filed with County Clerk

General Plan:

- 1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division-approved facility or recycled, reused, or reclaimed in a manner that the Aztec Division office approves.
- 2. The preferred method of closure for all temporary pits will be on-site, in-place burial, assuming that all criteria listed in sub-section (B) of 19.15.17.13 are met.
- 3. The surface owner shall be notified of XTO proposed closure plan using a means that provides proof of notice i.e., Certified mail, return receipt requested.
- 4. Within 6 months of the Rig Off status occurring XTO will ensure that temporary pits are closed, re-contoured, and reseeded.
- 5. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
 - i. Operators Name
 - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.
- 6. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liver will be disposed of at a licensed disposal facility.
- 7. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed a safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.
- 8. A five point composite sample will be taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e., Dig and haul. Disposal facility to be utilized should this method be required will be Envirotech, Permit No. NM01-0011 or IEI, Permit No. NM01-0010B.

Components	Test Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300.1	500 or background

- 9. Upon completion of solidification and testing, the pit area will be backfield with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
- 10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, ponding prevention, and erosion prevention. 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.
- 11. Notification will be sent to OCD when the reclaimed area is seeded.
- 12. XTO shall 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 of 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.
- 13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time all wells on the pad are abandoned. The operator's information will include the following: Operators Name, Lease Name, Well Name and Number, Unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location.

XTO Energy Inc. San Juan Basin Closed-Loop System Design and Construction Plan

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

General Plan

Our closed-loop system will not entail a drying pad, temporary pit, below grade tank or sump. It will entail an above ground tank suitable for holding the cuttings and fluids for rig operations. The tank will be of sufficient volume to maintain a safe free board between disposal of the liquids and solids from rig operations.

- 1. Fencing is not required for an above ground closed-loop system.
- 2. It will be signed in compliance with 19.15.3.103 NMAC.

XTO Energy Inc. San Juan Basin Closed-Loop Systems Maintenance and Operating Plan

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

General Plan

The closed-loop tank will be operated and maintained; to contain liquids and solids, to aid in the prevention of contamination of fresh water sources, in order to protect public health and the environment. To attain the goal the following steps will be followed:

- 1. The liquids will be vacuumed out and disposed of at the Basin Disposal, Inc. facility (Permit Number NM01-005). An alternative if available for liquids disposal, will be to move the liquids forward to a XTO temporary pit constructed in accordance with all specifications in NMAC Rule 19.15.17 for a well yet to be drilled. All specifications, limitations, and rules within the New Mexico Administrative Code regulating this transfer of liquids will be strictly adhered to. As a third alternative, if Basin Disposal turns away the fluids because of capacity reasons, and the second transfer option is not available, XTO may elect to haul fluids to IEI (Permit Number NM01-0010B) for final disposition.
- Solids in the closed-loop tank will be vacuumed out and disposed of at Envirotech (Permit Number NM01-0011) or IEI (Permit Number NM01-0010B) on a periodic basis to prevent over topping.
- 3. No hazardous waste, miscellaneous solids, waste, or debris will be discharged into, or stored in the tank. Only fluids or cutting used or generated by rig operations will be placed or stored in the tank.
- 4. The division district office will be notified within 48 hours of the discovery of compromised integrity of the closed-loop tank. Upon discovery of the compromised tank, repairs will be enacted immediately.
- 5. All of the above operations will inspected and a log will be signed and dated daily during rig operations.

XTO Energy Inc. San Juan Basin Closed-Loop System Closure Plan

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

General Plan

XTO will close a drying pad used for a closed-loop system within six months from the date that XTO released the drilling or workover rig. XTO will not the date of the drilling or workover rig's release on form C-105 or C-103, riled with the division, upon the well's or workover's completion.

The closed-loop tank will be closed in accordance with 19.15.17.13 NMAC. This will be done by transporting cuttings and all remaining sludges to Envirotech (Permit Number NM01-0011) or IEI (Permit Number NM01-0010B) immediately following rig operations.

All remaining liquids will be transported and disposed of at the Basin Disposal, Inc facility (Permit Number NM 01-005). As an alternative (in the event Basin Disposal refused liquids because of capacity considerations, and if proper inventory space is available for liquids transfer while meeting free board requirements), the liquids will be moved forward to a XTO temporary pit constructed in accordance with all specifications in NMAC Rule 19.15.17 for a well yet to be drilled. All specifications, limitations, and rules within the New Mexico Administrative Codes regulating this transfer of liquids will be strictly adhered to. As a third alternative, if Basin Disposal turns away the fluids because of capacity reasons, and the second transfer option is not available, XTO may elect to haul the fluids to IEI (Permit Number 01-0010B) for final disposition.

The tanks will be removed from the location as part of the rig move. At the time of well abandonment the site will be reclaimed and re-vegetated to pre-existing conditions when possible.