

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.

2008 DEC 12 PM 4 14

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
Existing BGT ☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
BGT1 ☐ 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.

1. Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Morton #2
API Number: 30-045-25766 OCD Permit Number: _____
U/L or Qtr/Qtr I Section 23 Township 30N Range 14W County: San Juan
Center of Proposed Design: Latitude 36.79739 Longitude 108.27324 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

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 _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3. ☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4. ☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 120 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

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

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☒ Other Expanded metal or solid vaulted top
- ☐ 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.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. 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. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

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)

15.

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

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and 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

17.

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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

18.

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 19.15.17.11 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

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Kim Champlin Title: Environmental Representative
 Signature: Kim Champlin Date: 12-10-08
 e-mail address: kim_champlin@xtoenergy.com Telephone: (505) 333-3100

20.

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jaclyn Burdine Approval Date: 08/17/2022

Title: Environmental Specialist-A OCD Permit Number: BGT1

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

22.

Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

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

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25.

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: _____

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator R. L. BAYLESS		Lease MORTON		Well No. 2X
Unit Letter I	Section 23	Township 30N	Range 11W	County San Juan
Actual Footage Location of Well: 1810 feet from the South line and 1100 feet from the East line				
Ground Level Elev. 5704	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage 5 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED
JUL 7 - 1983OIL CON. DIV.
DIST. 3

Sec.		23		1100'		1810'	

RECEIVED
MAY 23 1983
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

 Name
KEVIN H. McCORD
 Position
Petroleum Engineer
 Company
Robert L. Bayless
 Date
May 19, 1983

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

 Date Surveyed
May 17, 1983
 Registered Professional Engineer and Land Surveyor
Fred B. Kerr Jr.
 Certificate No. **3950**

Form 9-331
Dec. 1973Form Approved.
Budget Bureau No. 42-R1424UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ well gas ☒ well other ☐

2. NAME OF OPERATOR
Robert L. Bayless

3. ADDRESS OF OPERATOR
P.O. Box 1541, Farmington, NM 87499

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 1810' FSL & 1100' FEL
AT TOP PROD. INTERVAL: same
AT TOTAL DEPTH: same

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:

TEST WATER SHUT-OFF ☐

FRACTURE TREAT ☐

SHOOT OR ACIDIZE ☐

REPAIR WELL ☐

PULL OR ALTER CASING ☐

MULTIPLE COMPLETE ☐

CHANGE ZONES ☐

ABANDON* ☐

(other) Name Change

SUBSEQUENT REPORT OF

☐

☐

☐

☐

☐

☐

☐

☐

☐

☐

RECEIVED
JUL 08 1983
U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

5. LEASE
NM 26357

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Morton

9. WELL NO.
2

10. FIELD OR WILDCAT NAME
Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 23, T30N, R14W

12. COUNTY OR PARISH
San Juan

13. STATE
New Mexico

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
704' G.L.

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Original well name Morton #2E, new well name Morton #2.

RECEIVED
JUL 13 1983
OIL CON. DIV.
DIST. 3

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED Robert L. Bayless TITLE Operator DATE July 7, 1983

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD

*See Instructions on Reverse Side

JUL 14 1983

NMOCC

FARMINGTON DISTRICT

BY Smm



Lodestar Services, Inc.
PO Box 4465, Durango, CO 81302

Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy
Project:	Pit Permits
Revised:	10/26/2008
Prepared by:	Daniel Newman

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">API#:</td> <td>3004525766</td> </tr> <tr> <td>Name:</td> <td>MORTON #2</td> </tr> <tr> <td>Depth to groundwater:</td> <td>between 50' and 100'</td> </tr> <tr> <td>Distance to closest continuously flowing watercourse:</td> <td>4.42 miles south to the San Juan River</td> </tr> <tr> <td>Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:</td> <td>0.5 miles to Cottonwood Arroyo</td> </tr> <tr> <td>Permanent residence, school, hospital, institution or church within 300'</td> <td>No</td> </tr> <tr> <td>Domestic fresh water well or spring within 500'</td> <td>No</td> </tr> <tr> <td>Any other fresh water well or spring within 1000'</td> <td>within Cottonwood Arroyo</td> </tr> <tr> <td>Within incorporated municipal boundaries</td> <td>No</td> </tr> <tr> <td>Within defined municipal fresh water well field</td> <td>No</td> </tr> <tr> <td>Wetland within 500'</td> <td>No</td> </tr> <tr> <td>Within unstable area</td> <td>No</td> </tr> <tr> <td>Within 100 year flood plain</td> <td>Zone X</td> </tr> </table>	API#:	3004525766	Name:	MORTON #2	Depth to groundwater:	between 50' and 100'	Distance to closest continuously flowing watercourse:	4.42 miles south to the San Juan River	Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	0.5 miles to Cottonwood Arroyo	Permanent residence, school, hospital, institution or church within 300'	No	Domestic fresh water well or spring within 500'	No	Any other fresh water well or spring within 1000'	within Cottonwood Arroyo	Within incorporated municipal boundaries	No	Within defined municipal fresh water well field	No	Wetland within 500'	No	Within unstable area	No	Within 100 year flood plain	Zone X	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">USPLSS:</td> <td>T30N,R14W,23I</td> </tr> <tr> <td>Lat/Long:</td> <td>36.79739 / -108.27324</td> </tr> <tr> <td>Geologic formation:</td> <td>Kirtland and Fruitland Formations</td> </tr> <tr> <td>Soil Type:</td> <td>Entisols</td> </tr> <tr> <td>Annual Precipitation:</td> <td>8.08 inches average</td> </tr> <tr> <td>Precipitation Notes:</td> <td>no significant precipitation events</td> </tr> <tr> <td>Attached Documents:</td> <td>Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map</td> </tr> <tr> <td>Mining Activity:</td> <td>No</td> </tr> </table>	USPLSS:	T30N,R14W,23I	Lat/Long:	36.79739 / -108.27324	Geologic formation:	Kirtland and Fruitland Formations	Soil Type:	Entisols	Annual Precipitation:	8.08 inches average	Precipitation Notes:	no significant precipitation events	Attached Documents:	Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map	Mining Activity:	No
API#:	3004525766																																										
Name:	MORTON #2																																										
Depth to groundwater:	between 50' and 100'																																										
Distance to closest continuously flowing watercourse:	4.42 miles south to the San Juan River																																										
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	0.5 miles to Cottonwood Arroyo																																										
Permanent residence, school, hospital, institution or church within 300'	No																																										
Domestic fresh water well or spring within 500'	No																																										
Any other fresh water well or spring within 1000'	within Cottonwood Arroyo																																										
Within incorporated municipal boundaries	No																																										
Within defined municipal fresh water well field	No																																										
Wetland within 500'	No																																										
Within unstable area	No																																										
Within 100 year flood plain	Zone X																																										
USPLSS:	T30N,R14W,23I																																										
Lat/Long:	36.79739 / -108.27324																																										
Geologic formation:	Kirtland and Fruitland Formations																																										
Soil Type:	Entisols																																										
Annual Precipitation:	8.08 inches average																																										
Precipitation Notes:	no significant precipitation events																																										
Attached Documents:	Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map																																										
Mining Activity:	No																																										
Additional Notes:																																											

MORTON #2 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 situated near Coolidge Mesa, northeast of Twin Mounds and the town of Kirtland.

The predominant geologic formation is the Fruitland Formation/Kirtland Shale of Late Cretaceous age, which underlies surface soils and is often exposed as broad shaley hills (Dane and Bachman, 1965). Deposits of Quaternary alluvial sands also occur prominently near the surface of the area, especially near streams and washes. The Fruitland Formation consists of interbedded sandy shale, carbonaceous shale, sandstone and coal units. The Kirtland Shale is divided into a lower shale member, a middle sandstone unit and an upper sandy shale member. The two formations are difficult to differentiate and are often treated together. The combined thickness of the Fruitland-Kirtland interval ranges from 100 to 2000 feet (Stone et al., 1983).

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). Aquifers within the Fruitland-Kirtland Formations are primarily limited to the Farmington Sandstone Member, which is the middle unit within the Kirtland Shale. Reported discharge from stock wells is about 10 gallons per minute (Stone et al., 1983). The aquifer supplies low yielding stock wells.

The prominent soil type at the proposed site is entisols, which are defined as soils that exhibit 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.

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).

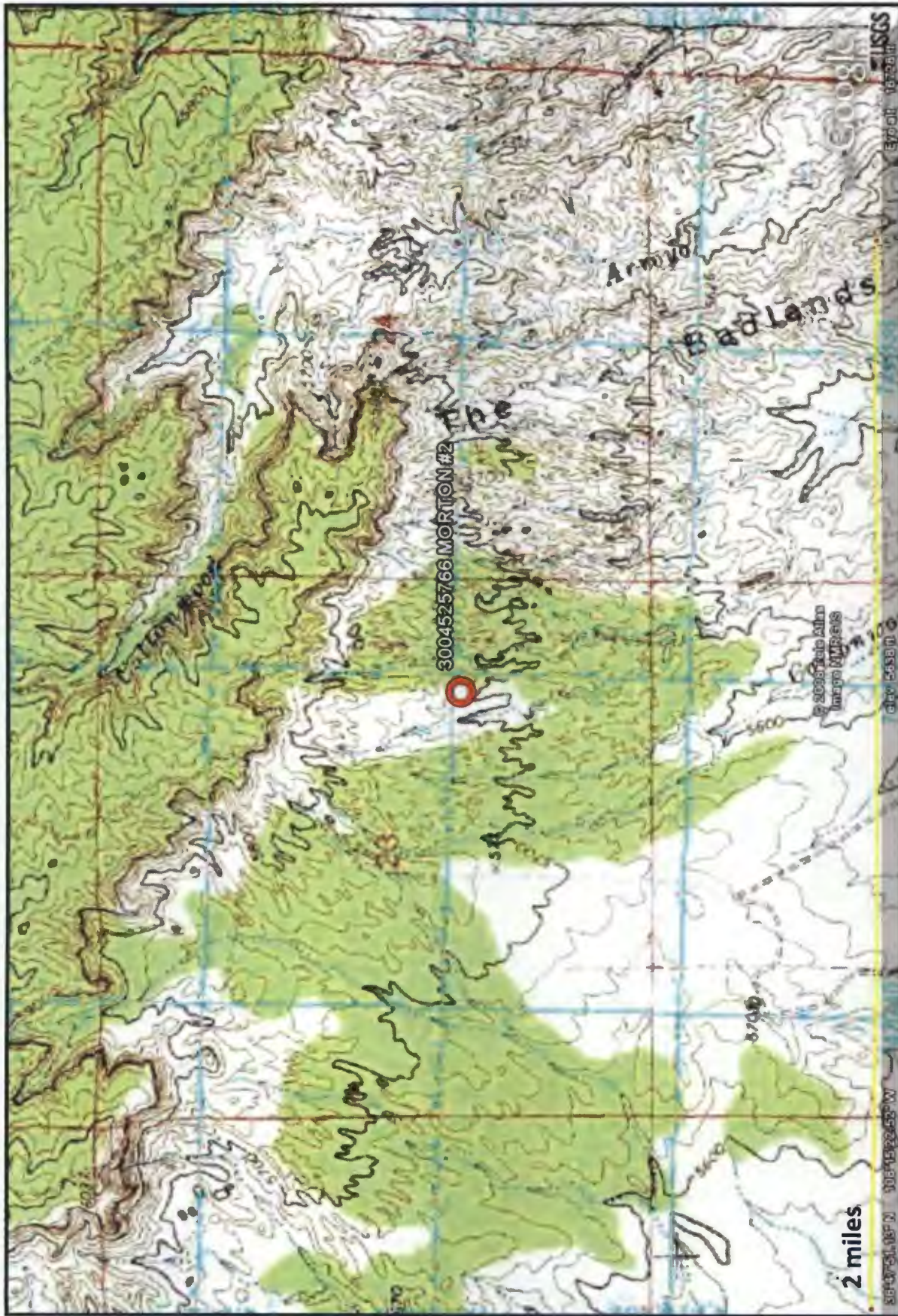
Site Specific Hydrogeology

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 primarily confined to the Farmington Sandstone Member of the Fruitland Formation, which is 20-480 feet thick (Stone et al., 1983). The site is located in a shaley unit of the Fruitland Formation, as evidenced by the relatively flat topography that is easily eroded by arroyos. The eroded surfaces of the arroyos do not expose thick sequences of sandstone outcrops, the presence of which might indicate a water-bearing unit within the immediate subsurface.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at similar elevations and distances from the San Juan River contain groundwater at depths ranging from 6 to 90 feet. The site in question is located on the southern flank of Coolidge Mesa at an elevation of approximately 5752 feet. The closest well to the proposed site sits at an elevation of approximately 5410 feet, at a distance of approximately 1.7 miles to the southeast. This site puts groundwater at a distance of 45 feet below the ground surface.

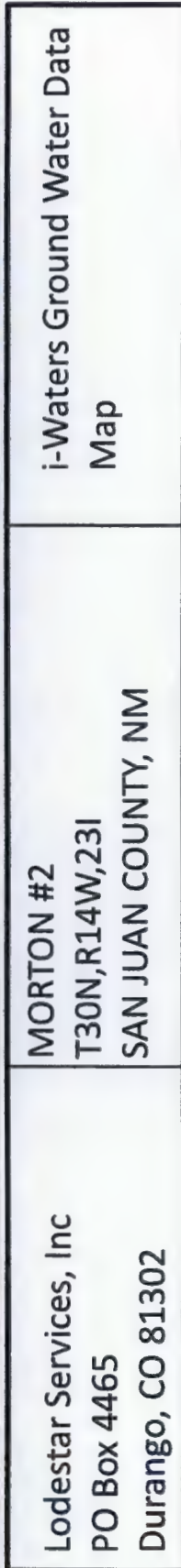
Exposures of shale at the surface and within channel cuts of arroyos suggest groundwater is restricted to deeper sandstone units. However, proximity of the site to the San Juan River should also be considered. Groundwater data recorded from wells drilled at similar distances from the San Juan River and within comparable topographic settings is greater than 50 feet. Therefore, depth to groundwater is estimated to be between 50 and 100 feet.



TOPOGRAPHIC MAP

MORTON #2
T30N,R14W,23I
SAN JUAN COUNTY, NM

Lodestar Services, Inc
PO Box 4465
Durango, CO 81302



**New Mexico Office of the State Engineer
New Mexico Office of the State Engineer
POD Reports and Downloads**

AVERAGE DEPTH OF WATER REPORT 10/21/2008										
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RG	29N	13W	19				1	30	30	30
RG	29N	13W	29	C			1	6	6	6
SJ	29N	13W	01				4	18	40	28
SJ	29N	13W	02				7	17	90	34
SJ	29N	13W	04				2	10	16	13
SJ	29N	13W	05				4	10	20	16
SJ	29N	13W	06				1	12	12	12
SJ	29N	13W	08				2	4	30	17
SJ	29N	13W	09				13	9	50	17
SJ	29N	13W	10				15	9	38	20
SJ	29N	13W	11				9	10	39	19
SJ	29N	13W	14				33	4	30	6
SJ	29N	13W	15				2	4	25	15
SJ	29N	13W	16				3	21	35	27
SJ	29N	13W	17				2	8	20	14
SJ	29N	13W	18				1	11	11	11
SJ	29N	13W	21				3	6	20	11
SJ	29N	13W	21		261218	2079099	1	5	5	5
SJ	29N	13W	22				28	7	35	16
SJ	29N	13W	22		261533	2080965	1	15	15	15
SJ	29N	13W	23				7	6	30	15
SJ	29N	13W	24				1	32	32	32
SJ	29N	13W	25				1	75	75	75

**New Mexico Office of the State Engineer
POD Reports and Downloads**

AVERAGE DEPTH OF WATER REPORT 10/21/2008										
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
SJ	29N	14W	05				1	90	90	90
SJ	29N	14W	06				2	30	52	41
SJ	29N	14W	07				6	6	50	24
SJ	29N	14W	08				3	50	275	132
SJ	29N	14W	12		259584	2086850	1	20	20	20
SJ	29N	14W	13				2	4	10	7
SJ	29N	14W	13		259540	2085641	1	6	6	6
SJ	29N	14W	17				7	3	28	13
SJ	29N	14W	18				6	7	25	17

**New Mexico Office of the State Engineer
POD Reports and Downloads**

AVERAGE DEPTH OF WATER REPORT 10/21/2008					(Depth Water in Feet)					
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Min	Max	Avg
SJ	29N	15W	04				1	22	22	22
SJ	29N	15W	06				1	14	14	14
SJ	29N	15W	11				6	4	45	15
SJ	29N	15W	11	W	336000	2092200	1	25	25	25
SJ	29N	15W	12				6	6	110	38
SJ	29N	15W	13				2	12	20	16

**New Mexico Office of the State Engineer
POD Reports and Downloads**

AVERAGE DEPTH OF WATER REPORT 10/20/2008										
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RG	30N	13W	30				1	45	45	45
SJ	30N	13W	01				1	27	27	27
SJ	30N	13W	05				2	8	46	27
SJ	30N	13W	08				18	8	56	27
SJ	30N	13W	09				3	32	140	91
SJ	30N	13W	11				1	58	58	58
SJ	30N	13W	17				3	9	45	25
SJ	30N	13W	26				8	230	350	286
SJ	30N	13W	27				1	250	250	250
SJ	30N	13W	28				2	306	306	306
SJ	30N	13W	29				10	15	65	31
SJ	30N	13W	30				1	21	21	21
SJ	30N	13W	32				4	10	18	14
SJ	30N	13W	35				1	200	200	200

New Mexico Office of the State Engineer
POD Reports and Downloads

AVERAGE DEPTH OF WATER REPORT 10/21/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	Depth Water in Feet)		
								Min	Max	Avg
SJ	30N	15W	29		254738	2105417	1	12	12	12
SJ	30N	15W	36	W	342253	2100399	2	102	131	117

Record Count: 3



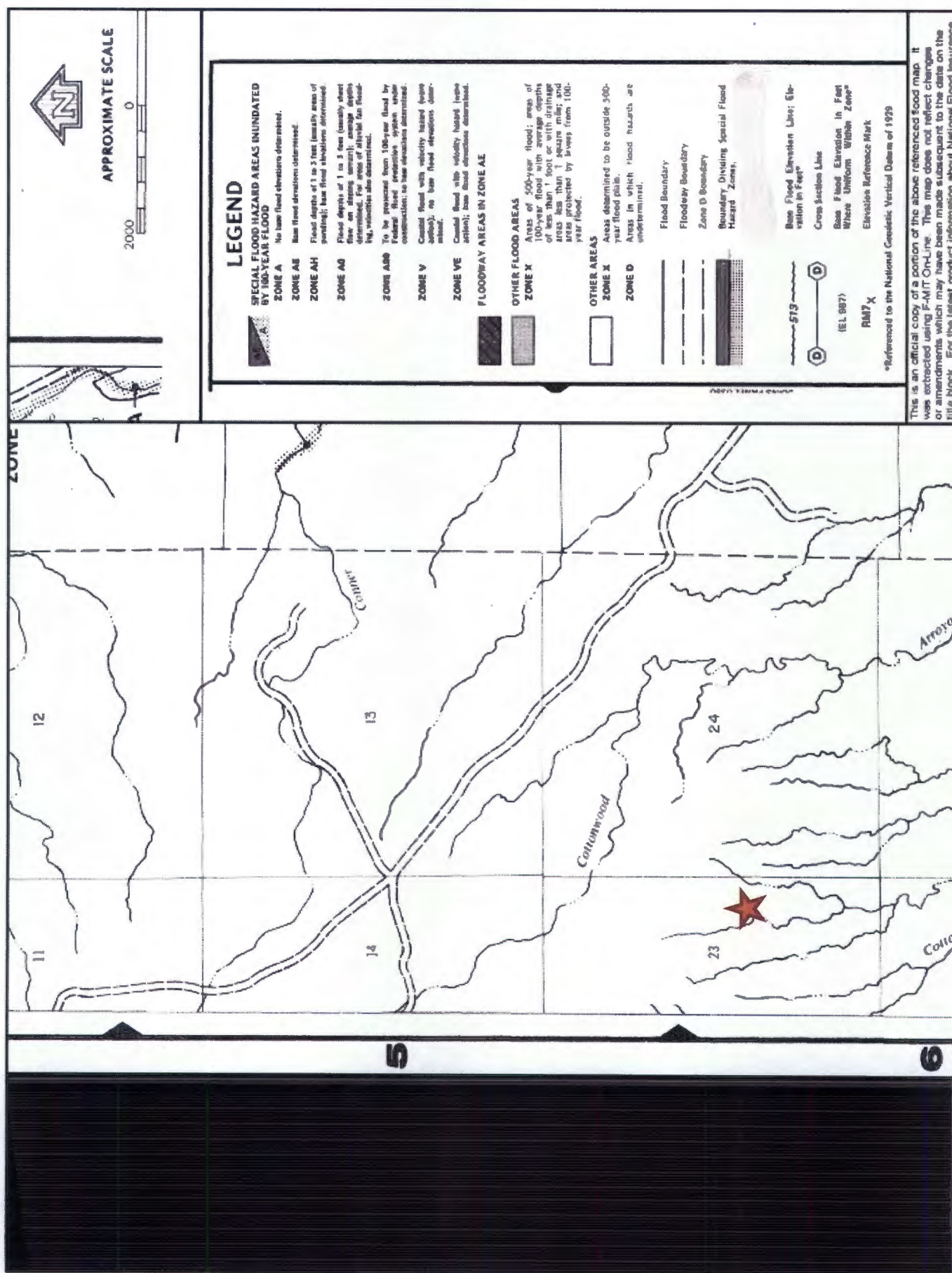
AERIAL PHOTOGRAPH

MORTON #2
T30N,R14W,23I
SAN JUAN COUNTY, NM

Lodestar Services, Inc
PO Box 4465
Durango, CO 81302



<p>Lodestar Services, Inc PO Box 4465 Durango, CO 81302</p>	<p>MORTON #2 T30N,R14W,23I SAN JUAN COUNTY, NM</p>	<p>Mines and Quarries Map</p>
---	--	-------------------------------



XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Design and Construction Plan
For Below-Grade Tanks

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 which does not conform to this plan.

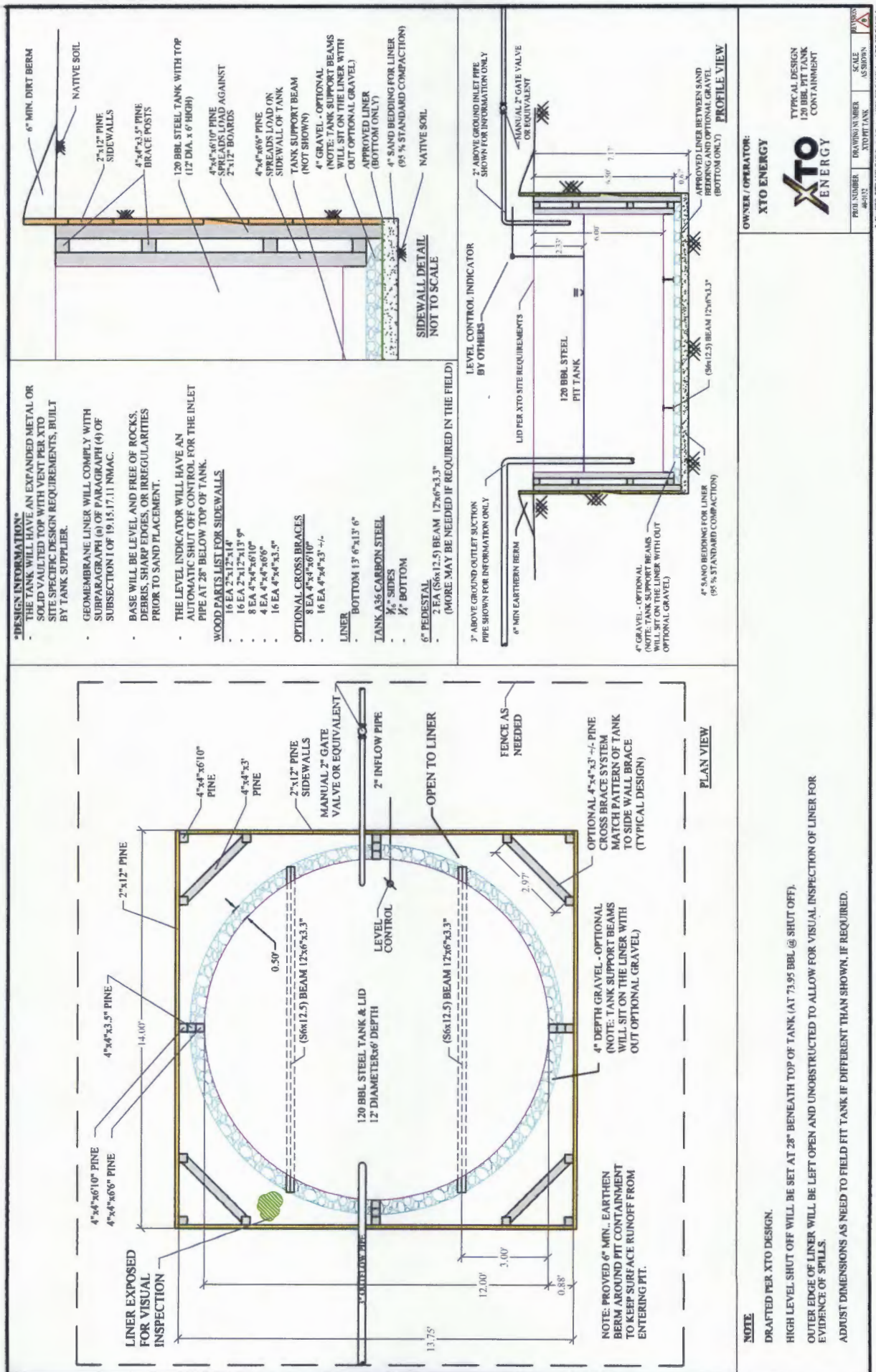
General Plan

1. XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
2. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the existing well site operated by XTO where the existing below-grade tank is located. 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.
3. XTO is requesting approval of an alternative fencing to be used on below-grade tank locations. Below-grade tank locations will be fenced utilizing 48" steel mesh field-fence (hogwire) with pipe railing along the top. A 6' chain link fence will be utilized around the well pad if the well site is within a city limits or ¼ mile of a permanent residence, school, hospital, institution or church. Below-grade tanks located within 1000' of a permanent residence, school, hospital, institution or church will be fenced by 6' chain link fence with at least two strands of barbed wire at the top. All gates associated with below-grade tanks will remain closed and locked when responsible individuals are not on site.
4. XTO shall construct below-grade tanks with an expanded metal covering or solid vaulted top on the top of the below-grade tank.
5. XTO will ensure that below-grade tanks are constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight. Tanks will be constructed of A36 carbon steel with 3/16" sides and ¼" bottom. (See attached drawing).
6. The below-grade tank 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. Sand bedding (4") will be placed on top of a level foundation to ensure prevention of punctures, cracks or indentations of the liner or tank bottom.
7. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on. Below-grade tanks will be equipped with automatic high level shut-off devices as well as manually operated shut-off valves. (See attached drawing).
8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Design and Construction Plan
For Below-Grade Tanks
Page 2

bottom will be elevated a minimum of 6" above the underlying ground surface and the below-grade tank will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected. (See attached drawing).

9. XTO will equip below-grade tanks designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows. (See attached drawing).
10. XTO will demonstrate to the OCD that the geomembrane liner complies with the specifications of Subparagraph (a) of Paragraph (4) of Subsection I of 19.15.17.11 NMAC and obtain approval from OCD prior to the installation of the design. The geomembrane liner shall have a hydraulic conductivity no greater than 1×10^{-9} cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidics and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A. (See attached drawing).
11. The general specifications for design and construction are attached.



XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Maintenance and Operating Plan
For Below-Grade Tanks

In accordance with Rule 19.15.17.12 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 which does not conform to this plan.

General Plan

1. XTO will operate and maintain below-grade tanks to contain liquids and solids, maintain the integrity of the liner and secondary containment system, prevent contamination of fresh water and protect public health and the environment. Fluid levels will be monitored weekly and high levels will be removed as necessary. Monthly inspections will be conducted to monitor integrity of below-grade tank systems and below-grade tanks will be equipped with automatic high-level shut-off devices.
2. XTO will not allow below-grade tanks to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the below-grade tank. Below-grade tanks will be equipped with automatic high-level shut-off control devices as well as manually operated shut-off valves. See attached drawing for vault design and placement of diversion berms and shut-off devices.
3. XTO will continuously remove any visible or measurable layer of oil from the fluid surface of below-grade tanks in order to prevent significant accumulation of oil.
4. XTO will inspect the below-grade tank monthly and maintain written records for five years. Monthly inspections will consist of documenting the following: (see attached template),
 - Well Name
 - API #
 - Sec., Twn., Rng.
 - XTO Inspector's name
 - Inspection date and time
 - Visible tears in liner
 - Visible signs of tank overflow
 - Collection of surface run on
 - Visible layer of oil
 - Visible signs of tank leak
 - Estimated freeboard
5. XTO will maintain adequate freeboard to prevent over topping of the below-grade tank. High level shut-off devices control the freeboard at an average of 28" beneath the top of the tank.
6. XTO will not discharge into or store any hazardous waste in any below-grade tank.
7. If a below-grade tank develops a leak, or if any penetration of a below-grade tank occurs below the liquids surface, XTO will remove all liquids above the damage or leak line within 48 hours,

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Maintenance and Operating Plan
For Below-Grade Tanks
Page 2

notify the appropriate division district office within 48 hours of the discovery and repair the damage or replace the below-grade tank. If an existing below-grade tank does not meet current requirements of Paragraphs 1-4 of Subsection I of 19.15.17.11 NMAC the tank will be modified or retrofitted to comply. If compliance can not be achieved XTO will implement the approved closure plan.

Well Name: _____ API No.: _____

API No.:

Legals Sec: Township: Range:

[illegible]

Notes: Provide Detailed Description:

Misc:

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Closure Plan
For Below-Grade Tanks

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

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
 - Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B
 - Soil contaminated by exempt petroleum hydrocarbons
 - Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes
 - Basin Disposal Permit No. NM01-005
 - Produced water
5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per 19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.
6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Closure Plan
For Below-Grade Tanks
Page 2

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 operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.
The notification will include the following:
 - i. Operator's name
 - ii. Well Name and API Number
 - iii. Location by Unit Letter, Section, Township, and Range

The surface owner shall also be notified prior to the implementation of any closure operations of below-grade tanks as per the approved closure plan using certified mail, return receipt requested.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. Soil cover will be constructed to the site's existing grade and ponding of water and erosion of the cover material will be prevented with drainage control, natural drainages and silt traps where needed.
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.

XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Closure Plan
For Below-Grade Tanks
Page 3

14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - i. Proof of closure notice to division and surface owner;
 - ii. Details on capping and covering, where applicable;
 - iii. Inspection reports;
 - iv. Confirmation sampling analytical results;
 - v. Disposal facility name(s) and permit number(s);
 - vi. Soil backfilling and cover installation;
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
 - viii. Photo documentation of the site reclamation.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 129728

QUESTIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 129728
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Facility and Ground Water	
<i>Please answer as many of these questions as possible in this group. More information will help us identify the appropriate associations in the system.</i>	
Facility or Site Name	Morton 2
Facility ID (##), if known	Not answered.
Facility Type	Below Grade Tank - (BGT)
Well Name, include well number	Morton 2
Well API, if associated with a well	30-045-25766
Pit / Tank Type	Not answered.
Pit / Tank Name or Identifier	Not answered.
Pit / Tank Opened Date, if known	Not answered.
Pit / Tank Dimensions, Length (ft)	Not answered.
Pit / Tank Dimensions, Width or Diameter (ft)	Not answered.
Pit / Tank Dimensions, Depth (ft)	Not answered.
Ground Water Depth (ft)	Not answered.
Ground Water Impact	Not answered.
Ground Water Quality (TDS)	Not answered.

Below-Grade Tank*Subsection I of 19.15.17.11 NMAC*

Volume / Capacity (bbls)	120
Type of Fluid	Produced Water
Pit / Tank Construction Material	Steel
Secondary containment with leak detection	Not answered.
Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	Not answered.
Visible sidewalls and liner	Not answered.
Visible sidewalls only	True
Tank installed prior to June 18, 2008	True
Other, Visible Notation. Please specify	Not answered.
Liner Thickness (mil)	Not answered.
HDPE (Liner Type)	Not answered.
PVC (Liner Type)	Not answered.
Other, Liner Type. Please specify (Variance Required)	Not answered.

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS, Page 2

Action 129728

QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:	372171
	Action Number:	129728
	Action Type:	[C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Fencing	
<i>Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)</i>	
Chain link, six feet in height, two strands of barbed wire at top <i>(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)</i>	Not answered.
Four foot height, four strands of barbed wire evenly spaced between one and four feet	Not answered.
Alternate, Fencing. Please specify (Variance Required)	4' hogwire

Netting	
<i>Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)</i>	
Screen	Not answered.
Netting	Not answered.
Other, Netting. Please specify (Variance May Be Needed)	expanded metal or solid vaulted top

Signs	
<i>Subsection C of 19.15.17.11 NMAC (If there are multiple operators at a site, each operator must have their own sign in compliance with Subsection C of 19.15.17.11 NMAC.)</i>	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	Not answered.
Signed in compliance with 19.15.16.8 NMAC	True

Variances and Exceptions	
<i>Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.</i>	
Please check a box if one or more of the following is requested, if not leave blank:	
Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.	Not answered.
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval	Not answered.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS, Page 3

Action 129728

QUESTIONS (continued)

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID:	372171
	Action Number:	129728
	Action Type:	[C-144] Legacy Below Grade Tank Plan (C-144LB)

QUESTIONS

Siting Criteria (regarding permitting)
19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

Siting Criteria, General Siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank	No
NM Office of the State Engineer - iWATERS database search	True
USGS	Not answered.
Data obtained from nearby wells	Not answered.

Siting Criteria, Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark)	No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption	No

Proposed Closure Method	
Below-grade Tank	Below Grade Tank - (BGT)
Waste Excavation and Removal	True
Alternate Closure Method. Please specify (Variance Required)	Not answered.

Operator Application Certification	
Registered / Signature Date	12/10/2008

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

ACKNOWLEDGMENTS

Action 129728

ACKNOWLEDGMENTS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 129728
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I have received prior approval from the OCD to submit documentation of a legacy below-grade tank on behalf of my operator.
<input checked="" type="checkbox"/>	I hereby certify that the information submitted with this documentation is true, accurate and complete to the best of my knowledge and belief.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 129728

CONDITIONS

Operator: HILCORP ENERGY COMPANY 1111 Travis Street Houston, TX 77002	OGRID: 372171
	Action Number: 129728
	Action Type: [C-144] Legacy Below Grade Tank Plan (C-144LB)

CONDITIONS

Created By	Condition	Condition Date
jburdine	None	8/17/2022