

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

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|--|---|
| Name of Company: XTO Energy Permian Division – SE New Mexico | Contact: Rick Wilson/Production Foreman |
| Address: P.O. Box 700, Eunice, New Mexico 88231 | Telephone No.: (575) 394-2089 |
| Facility Name: EMSU – Satellite No. 7 | Facility Type: Tank Battery – Nearest Well is EMSU #314 (API #30-025-04605) |

| | | |
|------------------------------------|---------------|-----------|
| Surface Owner: State of New Mexico | Mineral Owner | Lease No. |
|------------------------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter L | Section 11 | Township 21S | Range 36E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude: N 32° 29' 33.24" Longitude: W 103° 14' 37.56"

NATURE OF RELEASE

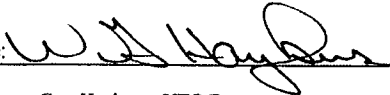
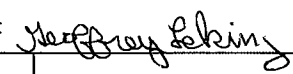
| | | |
|--|---|--|
| Type of Release: Crude Oil and Water | Volume of Release: Unknown | Volume Recovered: N/A |
| Source of Release: Below Grade Tank | Date and Hour of Occurrence: Unknown | Date and Hour of Discovery: Unknown |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully *

Describe Cause of Problem and Remedial Action Taken. * Below grade tank removed per OCD approved closure plan. Initial composite sample (5-spot) from bottom of tank excavation shows evidence of a release along with a discrete sample (South Wall). TPH was detected at 165 and 1600 ppm, respectively exceeding the reporting limit of 100 ppm. The result meets the Recommended Remediation Action Level (RRAL) of 5000 ppm for TPH. Propose to close with clean soil.

Describe Area Affected and Cleanup Action Taken. * No cleanup action was taken at this time; the TPH was below RRAL (5000 ppm). XTO request to close tank excavation per OCD approved closure plan.

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

| | | | |
|--|--|---|---------------------------|
| Signature:  | | OIL CONSERVATION DIVISION | |
| Printed Name: Guy Haykus – XTO Energy | | ENV. ENGINEER : Approved by District Supervisor:  | |
| Title: <u>Production Superintendent</u> | | Approval Date: <u>12/02/09</u> | Expiration Date: <u>-</u> |
| E-mail Address: William_haykus@xtoenergy.com | | Conditions of Approval: | |
| Date: 11/19/2009 Phone: (432) 682-8873 | | | |
| | | Attached <input type="checkbox"/> 1RP-09-11-2361 | |

* Attach Additional Sheets If Necessary

Below Grade Tank Removal and Excavation Closure Report

XTO Energy, Inc.

1RP-09-11-2361

**Eunice Monument South Unit – Satellite #7
Unit L (NW/4, SW/4), Section 11, T21S, R36E
Lea County, NM**

Project No. 8-0147

Prepared by:

**Larson and Associates, Inc.
507 North Marienfeld Street
Suite 200
Midland, Texas 79701
432.687.0901**

November 30, 2009

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1.0 Executive Summary

This report is submitted to the State of New Mexico Oil Conservation Division (OCD) on behalf of XTO Energy, Inc. (XTO) by Larson and Associates, Inc. (LAI), its consultant, and presents the results of remedial actions performed at the referenced below grade tank removal. The following report documents the removal of the below grade tank associated with the Eunice Monument South Unit (EMSU), Satellite #7 (Facility) located in Lea County, New Mexico. The legal description of the Facility is Unit L (NW/4, SW/4), Section 11, Township 21 South, Range 36 East (Figure 1).

Closure activities consisted of notifications to the New Mexico Oil Conservation Division (OCD) and the landowner of record (New Mexico State Land Office), removal of ancillary equipment and tank, removal of soil, collection of soil samples, OCD issuance of a remediation case number and the subsequent investigation. Activities were performed in conformance with New Mexico Administrative Code Rule 19.15.17 as amended June 16, 2008 and June 18, 2009.

2.0 Operator Information

Primary Contact: Mr. Rick Wilson
Address: XTO Energy Inc., Permian Division – SE New Mexico
PO Box 700
Eunice, New Mexico 88231
Office: 575.394.2089, ext. 2201

Secondary Contact: Mr. Guy Haykus
Address: XTO Energy Inc.
Midland Office
200 N. Loraine Street, Suite 800
Midland, Texas 79701
Office: 432.682.8873

3.0 Closure Actions

3.1 Location and Siting Description

The Site has a geodetic location of N32° 29' 33.24", W103° 14' 37.56", and is located in rural Lea County, New Mexico. The nearest producing well is the XTO EMSU Well #314, with API # 30-025-04605. The Site encompasses a 0.6-acre tract of land. The Facility consisted of a fiberglass, below-ground storage tank, with an approximate capacity of 90 barrels. The surface is covered with crushed caliche rock and is flat to very gently sloping (Figures 2 and 3).

The Facility's siting criteria presented the following findings:

- Groundwater is about 110 feet below ground surface based on records from the New Mexico State Engineer (NMSE).
- No continuously flowing watercourse is within 300 horizontal feet of the Facility.
- No surface water features, including lakes, rivers, ponds, arroyos, lakebed, sinkhole, or playa lake, are located within 200 horizontal feet of Facility.

- No permanent residence, school, hospital, institution, or church is within 300 horizontal feet of Facility.
- No private, domestic fresh-water well or spring are within 500 horizontal feet of Facility.
- No other fresh water wells or springs are within 1000 horizontal feet of the Facility.
- The Facility is not located within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance.
- The Facility is not within 500 feet an area designated as wetlands.
- The Facility is not within an area overlying a subsurface mine.
- The Facility is not within an unstable area.
- The Facility is not within a 100-year flood plain.

3.2 Closure Plan and Approval

On December 11, 2008, LAI, on behalf of XTO, submitted a below grade tank closure plan to the OCD in Santa Fe and Hobbs, New Mexico, in accordance with an Agreed Scheduling Order (ASO-008) between XTO and OCD. The Closure Plan was approved and signed by the OCD representative Mr. Brad Jones on July 17, 2009.

3.3 Landowner and OCD Notifications

In accordance with the approved closure plan and prior to commencing work, notification of closure was sent by XTO to the New Mexico State Land Office (the surface owner) and the OCD.

3.4 Tank Removal Closure Activities

On November 11, 2009, XTO removed ancillary equipment (i.e. metal barricade) for salvage or scrap metal. A Hydro-Vac truck was used to excavate soil around the tank. LAI personnel performed a site visit to collect a 5-part composite soil sample from the bottom (Satellite 7 Bottom) and a discrete sample (Satellite 7 South Wall).

The samples were analyzed for the following constituents: benzene, toluene, ethylbenzene, xylenes (BTEX) by method 8021B, total petroleum hydrocarbons (TPH) by method 418.1 and chloride by method 300.1. The samples, Satellite 5 Bottom and Satellite 7 South Wall, (165 and 1600 ppm, respectively) exceeded TPH OCD reporting level of 100 ppm.

An initial C-141 was submitted to the OCD District 1, Hobbs office on November 20, 2009. The OCD District 1 office issued remediation project number 1RP-09-11-2361.

The OCD soil remediation ranking criteria was applied:

| Ranking Criteria | | Ranking Score: |
|---------------------------------|-----------------------|-----------------------|
| Depth to Groundwater: | >100 feet | 0 |
| Wellhead Protection Area: | No | 0 |
| Distance to Surface Water Body: | >1000 horizontal feet | 0 |
| Total Score | | 0 |

Recommended Remediation Action Levels

| Constituent | Action Level (ppm) |
|--------------------|---------------------------|
| Benzene | 10 |
| BTEX | 10 |
| TPH | 5,000 |

The concentrations of benzene, total BTEX and TPH for the Satellite 7 Bottom composite sample and Satellite 7 South Wall were below the recommended remediation action levels of 10, 50 and 5,000 ppm, respectively.

Summary of analytical data is presented in Table 1. Analytical laboratory report is presented in Appendix A.

4.0 Conclusion and Recommendation

Based on the soil sample results, XTO requests approval from OCD District 1 to close the excavation according to the requirements of the closure plan approved by the OCD Santa Fe office. The initial and final C-141 forms are presented in Appendix B.

Table 1
Soil Analytical Data Summary
EMSU - Satellite #7
XTO Energy, Inc.
Lea County, New Mexico
Project No.: 8-0147

| Sample ID | Date | Benzene | Ethyl benzene | Toluene | Total Xylenes | Total BTEX | TRPH | Chlorides |
|------------------------|------------|---------|---------------|---------|---------------|------------|--------------|-----------|
| Reporting Limit | | 0.2 | | | | 50 | 100 | 250 |
| RRAL: | | 10 | | | | 50 | 5,000 | 250 |
| Satellite 7 Bottom | 11/12/2009 | <0.0011 | <0.0011 | <0.0021 | <0.0011 | <0.0011 | 165 | 89.9 |
| Satellite 7 South Wall | 11/12/2009 | <0.0014 | <0.0014 | <0.0027 | <0.0014 | <0.0014 | 1,600 | 17.3 |

Notes

RRAL - Recommended Remediation Action Level

Total Petroleum Hydrocarbons analyzed via Method 418.1.

Chlorides analyzed via EPA Method 300.

All values reported in Milligrams per Kilogram - dry (mg/kg, parts per million).

Bold and blue indicates the value exceeds NMOCD requirements.

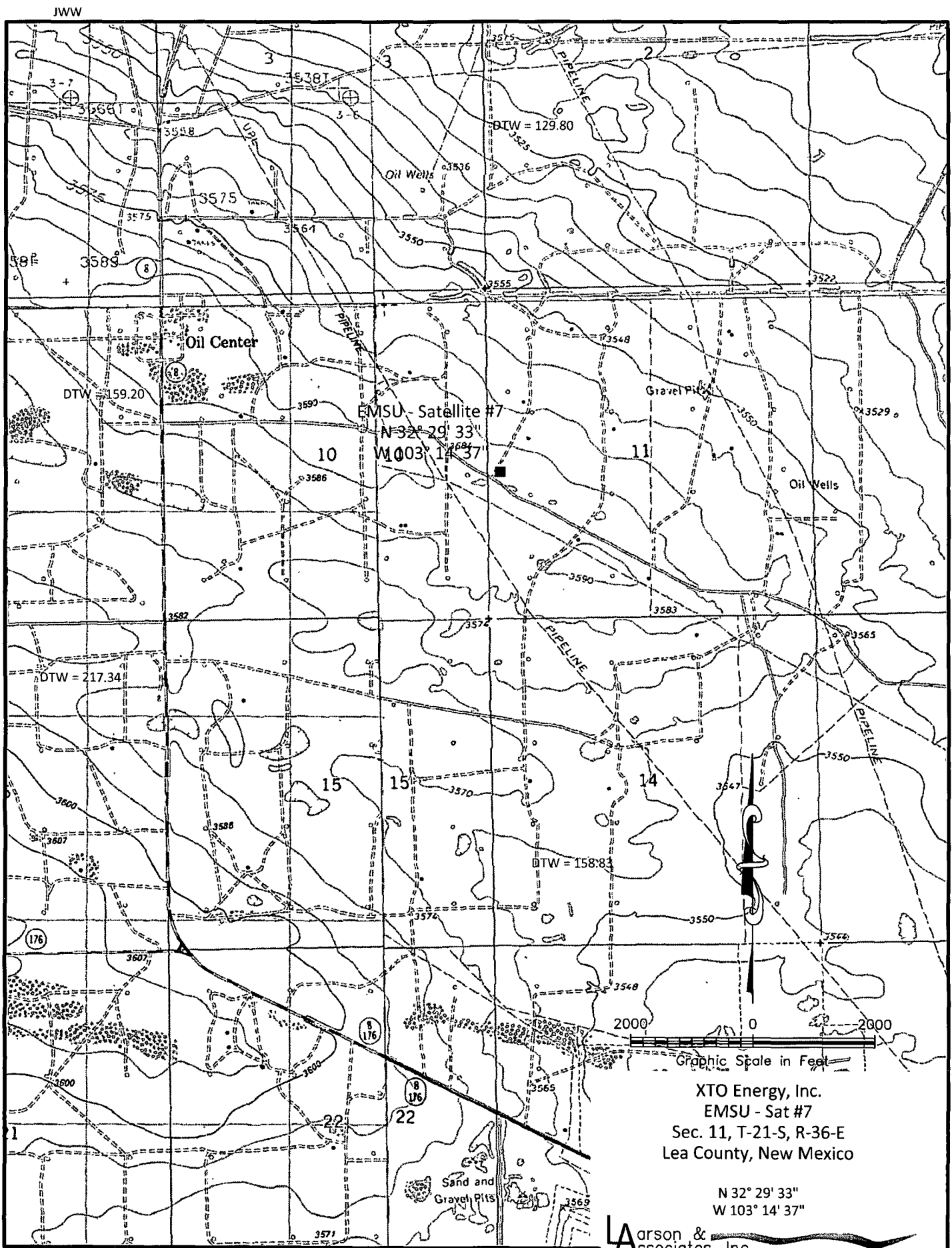


Figure 1 - Topographic Map

JWW

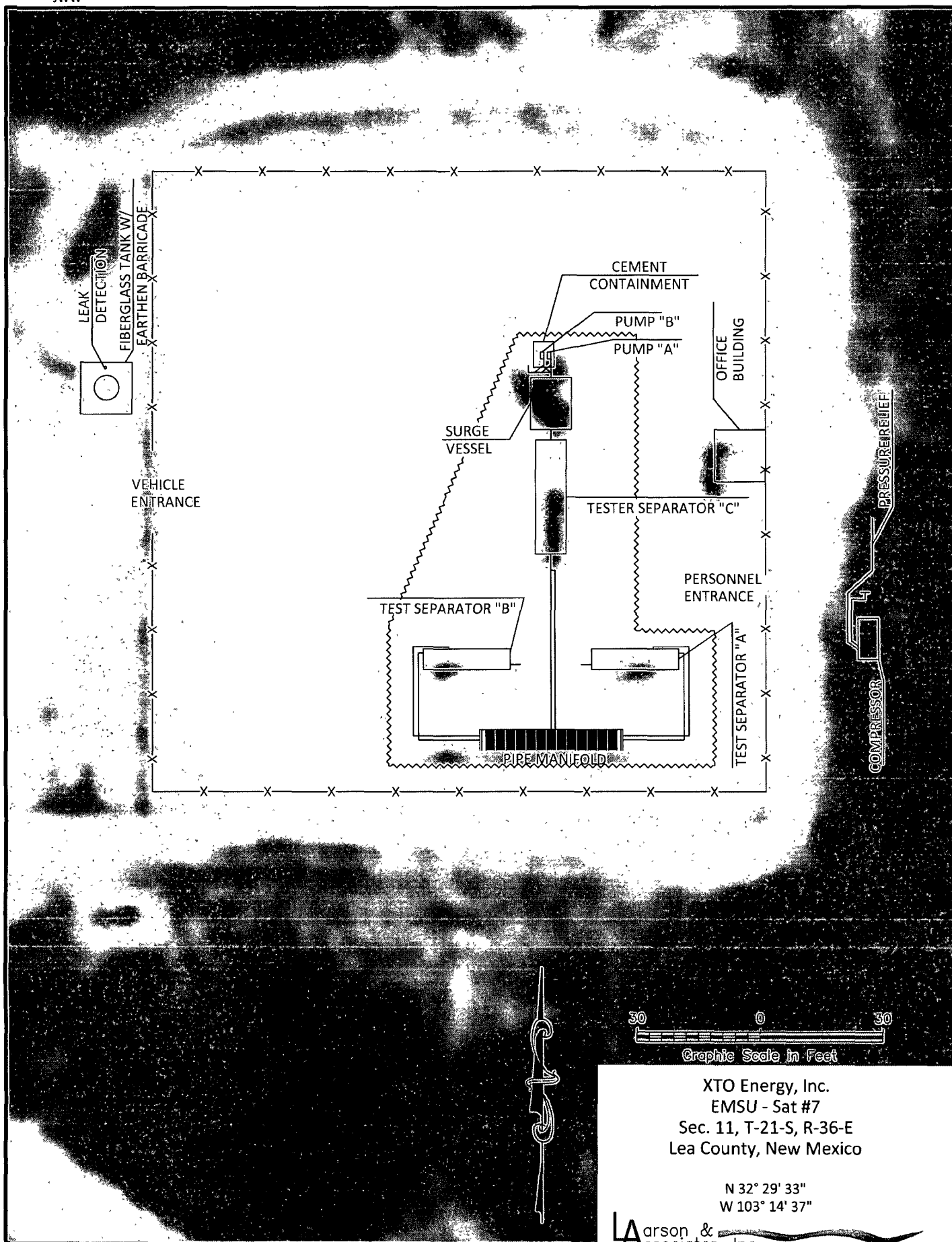
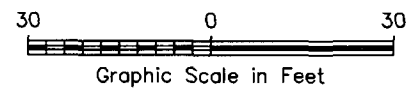
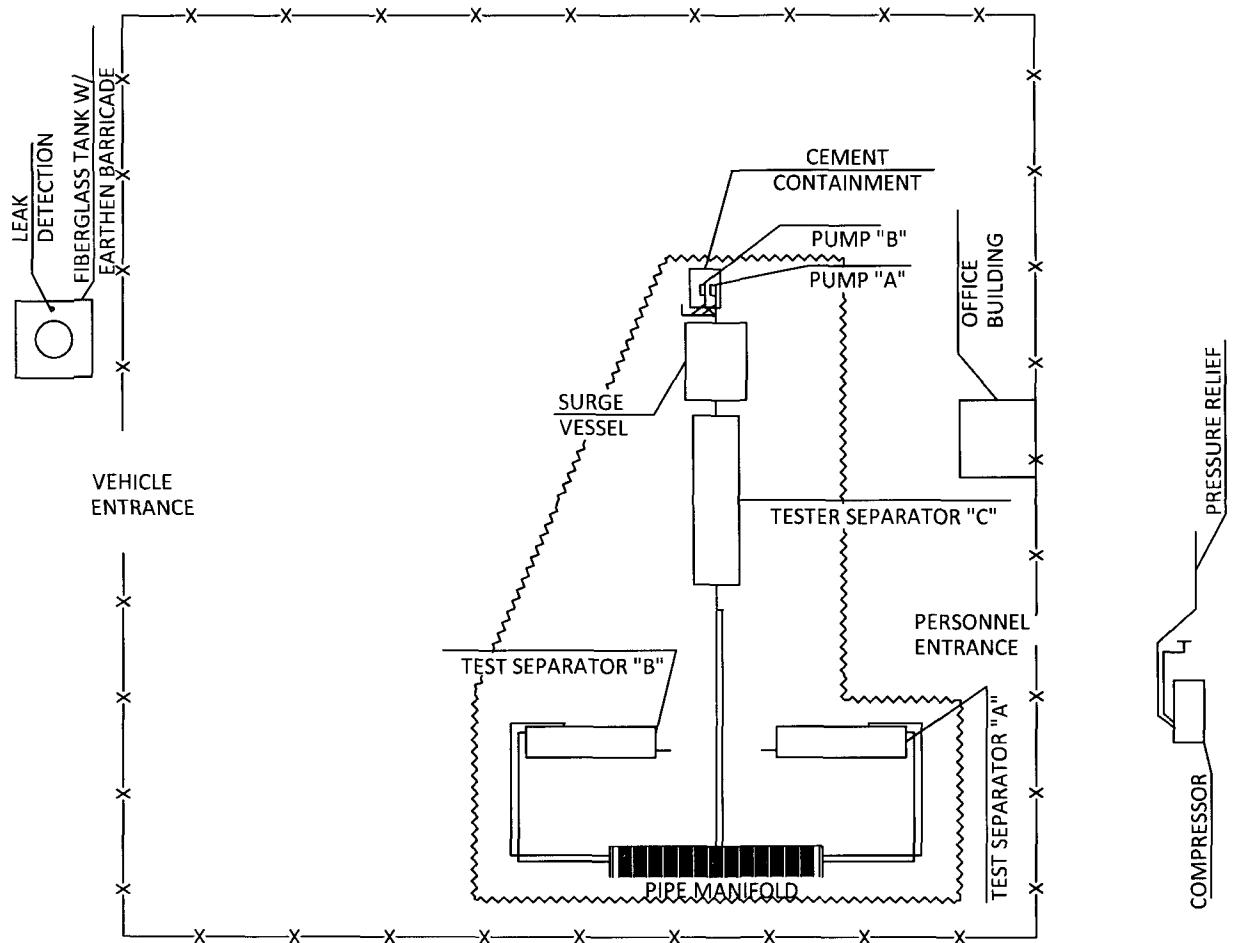


Figure 2 Aerial

JWW



XTO Energy, Inc.
EMSU - Sat #7
Sec. 11, T-21-S, R-36-E
Lea County, New Mexico

N 32° 29' 33"
W 103° 14' 37"

Larson & Associates, Inc.
Environmental Consultants

Figure 3 - Site Drawing

Analytical Report 352036

for

Larson & Associates

Project Manager: Michelle Green

XTO-Satellite - 7

8-0147

18-NOV-09



12600 West I-20 East Odessa, Texas 79765

Xenco-Houston (EPA Lab code: TX00122):

Texas (T104704215-08-TX), Arizona (AZ0738), Arkansas (08-039-0), Connecticut (PH-0102), Florida (E871002)
Illinois (002082), Indiana (C-TX-02), Iowa (392), Kansas (E-10380), Kentucky (45), Louisiana (03054)
New Hampshire (297408), New Jersey (TX007), New York (11763), Oklahoma (9218), Pennsylvania (68-03610)
Rhode Island (LAO00308), USDA (S-44102)

Xenco-Atlanta (EPA Lab Code: GA00046):

Florida (E87428), North Carolina (483), South Carolina (98015), Utah (AAL11), West Virginia (362), Kentucky (85)
Louisiana (04176), USDA (P330-07-00105)

Xenco-Miami (EPA Lab code: FL01152): Florida (E86678), Maryland (330)

Xenco-Tampa Mobile (EPA Lab code: FL01212): Florida (E84900)

Xenco-Odessa (EPA Lab code: TX00158): Texas (T104704400-08-TX)

Xenco-Dallas (EPA Lab code: TX01468): Texas (T104704295-08-TX)

Xenco-Corpus Christi (EPA Lab code: TX02613): Texas (T104704370-08-TX)

Xenco-Boca Raton (EPA Lab Code: FL00449): Florida(E86240),

South Carolina(96031001), Louisiana(04154), Georgia(917)



18-NOV-09

Project Manager: **Michelle Green**
Larson & Associates
P.O. Box 50685
Midland, TX 79710

Reference: XENCO Report No: **352036**
XTO-Satellite - 7
Project Address:

Michelle Green:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 352036. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 352036 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

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Sample Cross Reference 352036



Larson & Associates, Midland, TX

XTO-Satellite - 7

| Sample Id | Matrix | Date Collected | Sample Depth | Lab Sample Id |
|------------------------|--------|-----------------|--------------|---------------|
| South Wall | S | Nov-12-09 09:40 | | 352036-001 |
| Satellite 7 Pit Bottom | S | Nov-12-09 09:40 | | 352036-002 |



CASE NARRATIVE

Client Name: Larson & Associates

Project Name: XTO-Satellite - 7

Project ID: 8-0147
Work Order Number: 352036

Report Date: 18-NOV-09
Date Received: 11/12/2009

Sample receipt non conformances and Comments:

None

Sample receipt Non Conformances and Comments per Sample:

None

Analytical Non Conformances and Comments:

Batch: LBA-781516 Percent Moisture
AD2216A

Batch 781516, Percent Moisture RPD is outside the QC limit. This is most likely due to sample non-homogeneity.

Samples affected are: 352036-001, -002.

Batch: LBA-781731 Inorganic Anions by EPA 300
None

Batch: LBA-781905 BTEX by EPA 8021B
SW8021BM

Batch 781905, Benzene, Ethylbenzene, Toluene, m,p-Xylenes, o-Xylene recovered below QC limits in the Matrix Spike and Matrix Spike Duplicate.

Samples affected are: 352036-001, -002.

The Laboratory Control Sample for Toluene, m,p-Xylenes, Benzene, Ethylbenzene, o-Xylene is within laboratory Control Limits

SW8021BM

Batch 781905, Benzene, Ethylbenzene, Toluene, m,p-Xylenes, o-Xylene RPD was outside QC limits.

Samples affected are: 352036-001, -002

Batch: LBA-782043 TPH by EPA 418.1
E418.1

Batch 782043, TPH, Total Petroleum Hydrocarbons recovered above QC limits in the Matrix Spike Duplicate.

Samples affected are: 352036-001, -002.

The Laboratory Control Sample for TPH, Total Petroleum Hydrocarbons is within laboratory Control Limits



Certificate of Analysis Summary 352036

Larson & Associates, Midland, TX

Project Name: XTO-Satellite - 7



Project Id: 8-0147

Contact: Michelle Green

Date Received in Lab: Thu Nov-12-09 02:40 pm

Report Date: 18-NOV-09

Project Location:

Project Manager: Brent Barron, II

| | | | | | | |
|-------------------------------------|-------------------|-----------------|------------------------|--|--|--|
| Analysis Requested | Lab Id: | 352036-001 | 352036-002 | | | |
| | Field Id: | South Wall | Satellite 7 Pit Bottom | | | |
| | Depth: | | | | | |
| | Matrix: | SOIL | SOIL | | | |
| | Sampled: | Nov-12-09 09 40 | Nov-12-09 09 40 | | | |
| Anions by E300 | Extracted: | | | | | |
| | Analyzed: | Nov-13-09 11 43 | Nov-13-09 11 53 | | | |
| | Units/RL: | mg/kg RL | mg/kg RL | | | |
| Chloride | | 17 3 4 52 | 89 9 4 49 | | | |
| BTEX by EPA 8021B | Extracted: | Nov-13-09 14 30 | Nov-13-09 14 30 | | | |
| | Analyzed: | Nov-14-09 18 01 | Nov-14-09 18 22 | | | |
| | Units/RL: | mg/kg RL | mg/kg RL | | | |
| Benzene | | ND 0 0011 | ND 0 0011 | | | |
| Toluene | | ND 0 0021 | ND 0 0021 | | | |
| Ethylbenzene | | ND 0 0011 | ND 0 0011 | | | |
| m,p-Xylenes | | ND 0 0021 | ND 0 0021 | | | |
| o-Xylene | | ND 0 0011 | ND 0 0011 | | | |
| Total Xylenes | | ND 0 0011 | ND 0 0011 | | | |
| Total BTEX | | ND 0 0011 | ND 0 0011 | | | |
| Percent Moisture | Extracted: | | | | | |
| | Analyzed: | Nov-12-09 17 00 | Nov-12-09 17 00 | | | |
| | Units/RL: | % RL | % RL | | | |
| Percent Moisture | | 7 03 1 00 | 6 39 1 00 | | | |
| TPH by EPA 418.1 | Extracted: | | | | | |
| | Analyzed: | Nov-17-09 12 48 | Nov-17-09 12 48 | | | |
| | Units/RL: | mg/kg RL | mg/kg RL | | | |
| TPH, Total Petroleum Hydrocarbons * | | 1600 10 8 | 165 10 7 | | | |

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

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Brent Barron, II
Odessa Laboratory Manager

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F** RPD exceeded lab control limits.
- J** The target analyte was positively identified below the MQL and above the SQL.
- U** Analyte was not detected.
- L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K** Sample analyzed outside of recommended hold time.
- JN** A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.
- BRL** Below Reporting Limit.
- RL** Reporting Limit
- * Outside XENCO's scope of NELAC Accreditation.

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| 9701 Harry Hines Blvd , Dallas, TX 75220 | (214) 902 0300 | (214) 351-9139 |
| 5332 Blackberry Drive, San Antonio TX 78238 | (210) 509-3334 | (210) 509-3335 |
| 2505 North Falkenburg Rd, Tampa, FL 33619 | (813) 620-2000 | (813) 620-2033 |
| 5757 NW 158th St, Miami Lakes, FL 33014 | (305) 823-8500 | (305) 823-8555 |
| 12600 West I-20 East, Odessa, TX 79765 | (432) 563-1800 | (432) 563-1713 |
| 842 Cantwell Lane, Corpus Christi, TX 78408 | (361) 884-0371 | (361) 884-9116 |



Form 2 - Surrogate Recoveries

Project Name: XTO-Satellite - 7

Work Orders : 352036,

Project ID: 8-0147

Lab Batch #: 781905

Sample: 543289-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 11/14/09 16:37

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|--|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | | |
| 1,4-Difluorobenzene | | 0 0303 | 0 0300 | 101 | 80-120 | |
| 4-Bromofluorobenzene | | 0 0295 | 0 0300 | 98 | 80-120 | |

Lab Batch #: 781905

Sample: 543289-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 11/14/09 16:58

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|--|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | | |
| 1,4-Difluorobenzene | | 0 0305 | 0 0300 | 102 | 80-120 | |
| 4-Bromofluorobenzene | | 0 0296 | 0 0300 | 99 | 80-120 | |

Lab Batch #: 781905

Sample: 543289-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

Date Analyzed: 11/14/09 17:40

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|--|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | | |
| 1,4-Difluorobenzene | | 0 0269 | 0 0300 | 90 | 80-120 | |
| 4-Bromofluorobenzene | | 0 0299 | 0 0300 | 100 | 80-120 | |

Lab Batch #: 781905

Sample: 352036-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 11/14/09 18:01

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|--|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | | |
| 1,4-Difluorobenzene | | 0 0270 | 0 0300 | 90 | 80-120 | |
| 4-Bromofluorobenzene | | 0 0275 | 0 0300 | 92 | 80-120 | |

Lab Batch #: 781905

Sample: 352036-002 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 11/14/09 18:22

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|--|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | | |
| 1,4-Difluorobenzene | | 0 0258 | 0 0300 | 86 | 80-120 | |
| 4-Bromofluorobenzene | | 0 0280 | 0 0300 | 93 | 80-120 | |

* Surrogate outside of Laboratory QC limits

** Surrogates outside limits, data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: XTO-Satellite - 7

Work Orders : 352036,

Project ID: 8-0147

Lab Batch #: 781905

Sample: 351729-004 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 11/15/09 01:45

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | |
| 1,4-Difluorobenzene | 0 0277 | 0 0300 | 92 | 80-120 | |
| 4-Bromofluorobenzene | 0 0295 | 0 0300 | 98 | 80-120 | |

Lab Batch #: 781905

Sample: 351729-004 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

Date Analyzed: 11/15/09 02:07

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|----------------------|------------------|-----------------|-----------------|-------------------|-------|
| Analytes | | | | | |
| 1,4-Difluorobenzene | 0 0281 | 0 0300 | 94 | 80-120 | |
| 4-Bromofluorobenzene | 0 0280 | 0 0300 | 93 | 80-120 | |

* Surrogate outside of Laboratory QC limits

** Surrogates outside limits, data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes

Project Name: XTO-Satellite - 7

Work Order #: 352036

Project ID:

8-0147

Lab Batch #: 781731

Sample: 781731-1-BKS

Matrix: Solid

Date Analyzed: 11/13/2009

Date Prepared: 11/13/2009

Analyst: LATCOR

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

| Anions by E300 Analytes | Blank Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Control Limits %R | Flags |
|--------------------------------|------------------------|-----------------------|---------------------------------|-----------------------------|-------------------------|-------|
| Chloride | ND | 100 | 103 | 103 | 75-125 | |

Blank Spike Recovery [D] = $100 * [C] / [B]$

All results are based on MDL and validated for QC purposes

BRL - Below Reporting Limit



BS / BSD Recoveries



Project Name: XTO-Satellite - 7

Work Order #: 352036

Analyst: ASA

Date Prepared: 11/13/2009

Project ID: 8-0147

Date Analyzed: 11/14/2009

Lab Batch ID: 781905

Sample: 543289-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

| BTEX by EPA 8021B | Blank Sample Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Spike Added [E] | Blank Spike Duplicate Result [F] | Blk. Spk Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-------------------|-------------------------------|-----------------------|---------------------------------|-----------------------------|-----------------------|---|-------------------------------|----------|-------------------------|---------------------------|------|
| Analytes | | | | | | | | | | | |
| Benzene | ND | 0 1000 | 0 0889 | 89 | 0 1 | 0 0873 | 87 | 2 | 70-130 | 35 | |
| Toluene | ND | 0 1000 | 0 0885 | 89 | 0 1 | 0 0867 | 87 | 2 | 70-130 | 35 | |
| Ethylbenzene | ND | 0.1000 | 0 0869 | 87 | 0 1 | 0 0856 | 86 | 2 | 71-129 | 35 | |
| m,p-Xylenes | ND | 0 2000 | 0 1873 | 94 | 0 2 | 0 1845 | 92 | 2 | 70-135 | 35 | |
| o-Xylene | ND | 0 1000 | 0 0915 | 92 | 0 1 | 0 0920 | 92 | 1 | 71-133 | 35 | |

Analyst: LATCOR

Date Prepared: 11/17/2009

Date Analyzed: 11/17/2009

Lab Batch ID: 782043

Sample: 782043-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

| TPH by EPA 418.1 | Blank Sample Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Spike Added [E] | Blank Spike Duplicate Result [F] | Blk. Spk Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-------------------------------------|-------------------------------|-----------------------|---------------------------------|-----------------------------|-----------------------|---|-------------------------------|----------|-------------------------|---------------------------|------|
| Analytes | | | | | | | | | | | |
| TPH, Total Petroleum Hydrocarbons * | ND | 2500 | 2830 | 113 | 2500 | 2820 | 113 | 0 | 65-135 | 35 | |

Relative Percent Difference RPD = $200 * |(C-F)/(C+F)|$

Blank Spike Recovery [D] = $100 * (C)/[B]$

Blank Spike Duplicate Recovery [G] = $100 * (F)/[E]$

All results are based on MDL and Validated for QC Purposes



Form 3 - MS Recoveries

Project Name: XTO-Satellite - 7



Work Order #: 352036

Lab Batch #: 781731

Date Analyzed: 11/13/2009

QC- Sample ID: 351922-034 S

Date Prepared: 11/13/2009

Batch #: 1

Project ID: 8-0147

Analyst: LATCOR

Matrix: Soil

Reporting Units: mg/kg

MATRIX / MATRIX SPIKE RECOVERY STUDY

| Inorganic Anions by EPA 300 Analytes | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | %R [D] | Control Limits %R | Flag |
|---|-----------------------------------|-----------------------|--------------------------------|-----------|-------------------------|------|
| | | | | | | |
| Chloride | 104 | 109 | 225 | 111 | 75-125 | |

Matrix Spike Percent Recovery [D] = $100 \times (C-A)/B$

Relative Percent Difference [E] = $200 \times (C-A)/(C+B)$

All Results are based on MDL and Validated for QC Purposes

BRL - Below Reporting Limit



Form 3 - MS / MSD Recoveries

Project Name: XTO-Satellite - 7



Work Order #: 352036

Project ID: 8-0147

Lab Batch ID: 781905

QC- Sample ID: 351729-004 S

Batch #: 1 Matrix: Soil

Date Analyzed: 11/15/2009

Date Prepared: 11/13/2009

Analyst: ASA

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | Spiked Sample %R [D] | Spike Added [E] | Duplicate Spiked Sample Result [F] | Spiked Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-------------------------------|-----------------------------------|-----------------------|--------------------------------|-------------------------------|-----------------------|--|-----------------------------|----------|-------------------------|---------------------------|------|
| Benzene | ND | 0 1130 | 0 0224 | 20 | 0 1130 | 0 0636 | 56 | 96 | 70-130 | 35 | XF |
| Toluene | ND | 0 1130 | 0 0132 | 12 | 0 1130 | 0 0386 | 34 | 98 | 70-130 | 35 | XF |
| Ethylbenzene | ND | 0 1130 | 0 0166 | 15 | 0 1130 | 0 0545 | 48 | 107 | 71-129 | 35 | XF |
| m,p-Xylenes | ND | 0 2260 | 0 0024 | 1 | 0 2260 | 0 0041 | 2 | 52 | 70-135 | 35 | XF |
| o-Xylene | ND | 0 1130 | 0 0129 | 11 | 0 1130 | 0 0435 | 38 | 109 | 71-133 | 35 | XF |

Lab Batch ID: 782043

QC- Sample ID: 352036-001 S

Batch #: 1 Matrix: Soil

Date Analyzed: 11/17/2009

Date Prepared: 11/17/2009

Analyst: LATCOR

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

| TPH by EPA 418.1 Analytes | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | Spiked Sample %R [D] | Spike Added [E] | Duplicate Spiked Sample Result [F] | Spiked Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-------------------------------------|-----------------------------------|-----------------------|--------------------------------|-------------------------------|-----------------------|--|-----------------------------|----------|-------------------------|---------------------------|------|
| TPH, Total Petroleum Hydrocarbons * | 1600 | 2690 | 4490 | 107 | 2690 | 5370 | 140 | 18 | 65-135 | 35 | X |

Matrix Spike Percent Recovery $[D] = 100 * (C - A) / B$
Relative Percent Difference $RPD = 200 * |(C - F) / (C + F)|$

Matrix Spike Duplicate Percent Recovery $[G] = 100 * (F - A) / E$

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not Applicable
N = See Narrative, EQL = Estimated Quantitation Limit

Project Name: XTO-Satellite - 7

Work Order #: 352036

Lab Batch #: 781731

Date Analyzed: 11/13/2009

QC- Sample ID: 351922-034 D

Reporting Units: mg/kg

Date Prepared: 11/13/2009

Batch #: 1

Project ID: 8-0147

Analyst: LATCOR

Matrix: Soil

| SAMPLE / SAMPLE DUPLICATE RECOVERY | | | | | |
|------------------------------------|--------------------------|-----------------------------|-----|---------------------|------|
| Anions by E300 | Parent Sample Result [A] | Sample Duplicate Result [B] | RPD | Control Limits %RPD | Flag |
| Analyte | | | | | |
| Chloride | 104 | 94.8 | 9 | 20 | |

Lab Batch #: 781516

Date Analyzed: 11/12/2009

QC- Sample ID: 351952-001 D

Reporting Units: %

Date Prepared: 11/12/2009

Batch #: 1

Analyst: WRU

Matrix: Soil

| SAMPLE / SAMPLE DUPLICATE RECOVERY | | | | | |
|------------------------------------|--------------------------|-----------------------------|-----|---------------------|------|
| Percent Moisture | Parent Sample Result [A] | Sample Duplicate Result [B] | RPD | Control Limits %RPD | Flag |
| Analyte | | | | | |
| Percent Moisture | 3.89 | 4.79 | 21 | 20 | F |

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$

All Results are based on MDL and validated for QC purposes

BRL - Below Reporting Limit

Larson & Associates, Inc.
Environmental Consultants

Data Reported to: Michelle Green

LAI PROJECT #: 8-0147 COLLECTOR: Don McInnis

[illegible]

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Larson & Assoc.
 Date/ Time: 11.12.09 14:40
 Lab ID #: 352036
 Initials: AL

Sample Receipt Checklist

Client Initials

| | | | | |
|--|--------------|----|--------------------------|--|
| #1 Temperature of container/ cooler? | <u>(Yes)</u> | No | <u>1.1</u> °C | |
| #2 Shipping container in good condition? | <u>(Yes)</u> | No | | |
| #3 Custody Seals intact on shipping container/ cooler? | <u>Yes</u> | No | <u>Not Present</u> | |
| #4 Custody Seals intact on sample bottles/ container? | <u>Yes</u> | No | <u>Not Present</u> | |
| #5 Chain of Custody present? | <u>(Yes)</u> | No | | |
| #6 Sample instructions complete of Chain of Custody? | <u>(Yes)</u> | No | | |
| #7 Chain of Custody signed when relinquished/ received? | <u>(Yes)</u> | No | | |
| #8 Chain of Custody agrees with sample label(s)? | <u>(Yes)</u> | No | ID written on Cont./ Lid | |
| #9 Container label(s) legible and intact? | <u>(Yes)</u> | No | Not Applicable | |
| #10 Sample matrix/ properties agree with Chain of Custody? | <u>(Yes)</u> | No | | |
| #11 Containers supplied by EL0T? | <u>(Yes)</u> | No | | |
| #12 Samples in proper container/ bottle? | <u>(Yes)</u> | No | See Below | |
| #13 Samples properly preserved? | <u>(Yes)</u> | No | See Below | |
| #14 Sample bottles intact? | <u>(Yes)</u> | No | | |
| #15 Preservations documented on Chain of Custody? | <u>(Yes)</u> | No | | |
| #16 Containers documented on Chain of Custody? | <u>(Yes)</u> | No | | |
| #17 Sufficient sample amount for indicated test(s)? | <u>(Yes)</u> | No | See Below | |
| #18 All samples received within sufficient hold time? | <u>(Yes)</u> | No | See Below | |
| #19 Subcontract of sample(s)? | <u>Yes</u> | No | <u>Not Applicable</u> | |
| #20 VOC samples have zero headspace? | <u>(Yes)</u> | No | Not Applicable | |

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

- Check all that Apply:
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☐ Cooling process had begun shortly after sampling event

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|---|
| Name of Company: XTO Energy Permian Division – SE New Mexico | Contact: Rick Wilson/Production Foreman |
| Address: P.O. Box 700, Eunice, New Mexico 88231 | Telephone No.: (575) 394-2089 |
| Facility Name: EMSU – Satellite No. 7 | Facility Type: Tank Battery – Nearest Well is EMSU #314 (API #30-025-04605) |

| | | |
|------------------------------------|---------------|-----------|
| Surface Owner: State of New Mexico | Mineral Owner | Lease No. |
|------------------------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter L | Section 11 | Township 21S | Range 36E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude: N 32° 29' 33.24" Longitude: W 103° 14' 37.56"

NATURE OF RELEASE

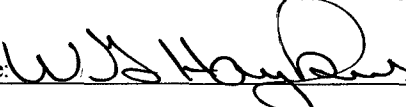
| | | |
|--|---|-------------------------------------|
| Type of Release: Crude Oil and Water | Volume of Release: Unknown | Volume Recovered: N/A |
| Source of Release: Below Grade Tank | Date and Hour of Occurrence: Unknown | Date and Hour of Discovery: Unknown |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Below grade tank removed per OCD approved closure plan. Initial composite sample (5-spot) from bottom of tank excavation shows evidence of a release along with a discrete sample (South Wall). TPH was detected at 165 and 1600 ppm, respectively exceeding the reporting limit of 100 ppm. The result meets the Recommended Remediation Action Level (RRAL) of 5000 ppm for TPH. Propose to close with clean soil.

Describe Area Affected and Cleanup Action Taken.* No cleanup action was taken at this time; the TPH was below RRAL (5000 ppm). XTO request to close tank excavation per OCD approved closure plan.

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

| | | |
|--|----------------------------------|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Guy Haykus – XTO Energy | Approved by District Supervisor: | |
| Title: <i>Production Superintendent</i> | Approval Date: | Expiration Date: |
| E-mail Address: William haykus@xtoenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 11/19/2009 Phone: (432) 682-8873 | | |

Attach Additional Sheets If Necessary

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

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Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|--|---|
| Name of Company: XTO Energy Permian Division – SE New Mexico | Contact: Rick Wilson/Production Foreman |
| Address: P.O. Box 700, Eunice, New Mexico 88231 | Telephone No.: (575) 394-2089 |
| Facility Name: EMSU – Satellite No. 7 | Facility Type: Tank Battery – Nearest Well is EMSU #314 (API #30-025-04605) |

| | | |
|------------------------------------|---------------|-----------|
| Surface Owner: State of New Mexico | Mineral Owner | Lease No. |
|------------------------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter L | Section 11 | Township 21S | Range 36E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude: N 32° 29' 33.24" Longitude: W 103° 14' 37.56"

NATURE OF RELEASE

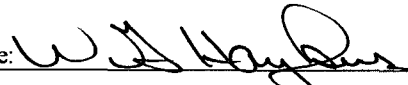
| | | |
|--|---|--|
| Type of Release: Crude Oil and Water | Volume of Release: Unknown | Volume Recovered: N/A |
| Source of Release: Below Grade Tank | Date and Hour of Occurrence: Unknown | Date and Hour of Discovery: Unknown |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

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Describe Cause of Problem and Remedial Action Taken.* Below grade tank removed per OCD approved closure plan. Initial composite sample (5-spot) from bottom of tank excavation shows evidence of a release along with a discrete sample (South Wall). TPH was detected at 165 and 1600 ppm, respectively exceeding the reporting limit of 100 ppm. The result meets the Recommended Remediation Action Level (RRAL) of 5000 ppm for TPH. Propose to close with clean soil.

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| | | |
|--|----------------------------------|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Guy Haykus – XTO Energy | Approved by District Supervisor: | |
| Title: <u>Production Superintendent</u> | Approval Date: | Expiration Date: |
| E-mail Address: William haykus@xtoenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 11/19/2009 Phone: (432) 682-8873 | | |

Attach Additional Sheets If Necessary