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

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office

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

7587

Type of action: [X] Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
[ ] Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
[ ] Modification to an existing permit
[ ] Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances

1
Operator XTO Energy, Inc OGRID #: 5380
Address. #382 County Road 3100, Aztec, NM 87410
Facility or well name: Breech C #244F
API Number 30-039-31003 OCD Permit Number
U/L or Qtr/Qtr G Section 14 Township 26N Range 6W County Rio Arriba
Center of Proposed Design: Latitude 36 49075 Longitude 107 43704 NAD [ ]1927 [X] 1983
Surface Owner [X] Federal [ ] State [ ] Private [ ] Tribal Trust or Indian Allotment

2.
[X] **Pit:** Subsection F or G of 19 15 17 11 NMAC
Temporary [X] Drilling [ ] Workover
[ ] Permanent [ ] Emergency [ ] Cavitation [ ] P&A
[X] Lined [ ] Unlined Liner type Thickness 20 mil [X] LLDPE [ ] HDPE [ ] PVC [ ] Other
[X] String-Reinforced
Liner Seams [X] Welded [X] Factory [ ] Other Volume bbl Dimensions L 200 x W 80 x D 8-12

3
[X] **Closed-loop System:** Subsection H of 19 15.17 11 NMAC
Type of Operation [ ] P&A [X] Drilling a new well [ ] Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) **To be used during completion operations**
[ ] Drying Pad [X] Above Ground Steel Tanks [ ] Haul-off Bins [ ] Other
[ ] Lined [ ] Unlined Liner type Thickness mil [ ] LLDPE [ ] HDPE [ ] PVC [ ] Other
Liner Seams [ ] Welded [ ] Factory [ ] Other

RECEIVED
JAN 2011
OIL CONS. DIV. DIST. 3

4
[ ] **Below-grade tank:** Subsection I of 19 15 17 11 NMAC
Volume bbl Type of fluid
Tank Construction material:
[ ] Secondary containment with leak detection [ ] Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
[ ] Visible sidewalls and liner [ ] Visible sidewalls only [ ] Other
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

27

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_____

7.

Netting: Subsection E of 19 15 17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

8

Signs: Subsection C of 19 15 17 11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19 15 3 103 NMAC

9

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required Please refer to 19.15 17 NMAC for guidance

Please check a box if one or more of the following is requested, if not leave blank:

☒ Administrative approval(s) Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval Fencing- Hogwire

☐ 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	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	☐ Yes ☐ No
Within a 100-year floodplain - FEMA map	☐ Yes ☐ No

11

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19 15 17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19 15 17 9 NMAC
- ☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19 15 17 9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15 17 10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19 15 17 13 NMAC

☐ Previously Approved Design (attach copy of design) API Number _____ or Permit Number. _____

12

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19 15 17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15 17 9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19 15.17 10 NMAC
- ☒ Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC
- ☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15.17 9 NMAC and 19 15 17 13 NMAC

☐ Previously Approved Design (attach copy of design) API Number _____

☐ Previously Approved Operating and Maintenance Plan API Number _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

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 H_2S, 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 indentify 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: Envirotech — Disposal Facility Permit Number: NM01-0011

Disposal Facility Name: IEI — Disposal Facility Permit Number: NM01-0010B

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	☐ Yes ☒ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	☒ Yes ☐ No ☐ 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	☐ Yes ☒ 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	☐ Yes ☒ 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	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	☐ Yes ☒ No
Within a 100-year floodplain - FEMA map	☐ Yes ☒ No

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) Malia Villers Title Permitting Tech

Signature Malia Villers Date 1/21/2011

e-mail address malia_villers@xtoenergy com Telephone (505) 333-3100

20.
OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly **Approval Date:** 9/19/2011

Title: Compliance Officer **OCD Permit Number:**

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 indentify 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

LT Environmental Inc.
2243 Main Avenue, Suite 3
Durango, Colorado 81301
T 970-385-1096
F 970 385 1873

Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy
Project:	Pit Permits
Revised:	11/17/2010
Prepared by:	Ashley Ager

API#:	NA	**USPLSS:**	T26N, R6W, S14G
Name:	Breech C #244F	**Lat/Long:**	36.49075, -107 43704
Depth to groundwater:	Greater than 100 feet	**Geologic formation:**	San Jose Formation
Distance to closest continuously flowing watercourse:	26 miles NE to San Juan River		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	3,148 feet southeast of Dogie Canyon		
		Soil Type:	Entisols
Permanent residence, school, hospital, institution or church within 300':	NO		
		Annual Precipitation:	8.21" - Farmington; 10.41" Otis, 8 71" Bloomfield
Domestic fresh water well or spring within 500':	NO	**Precipitation Notes:**	no significant precipitation events on record
Any other fresh water well or spring within 1000':	NO		
Within incorporated municipal boundaries	NO	**Attached Documents:**	Hydrogeologic Report Figure 1· Topographic Map Figure 2 Aerial Photo Figure 3· Mines, Mills and Quarries Map Figure 4 Water Well and Surface Water Features Figure 5· Municipal Boundaries Map Figure 6 FEMA Flood Zone Map iWaters Data
Within defined municipal fresh water well field	NO		
Wetland within 500'	NO - 2,385 feet southeast of wetlands	**Mining Activity:**	None identified in the vicinity
Within unstable area	NO		
Within 100 year flood plain	NO		

Additional Notes:

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	BREECH C	244F

[7] OGRID No	[8] Operator Name	[9] Elevation
	XTO ENERGY INC.	6624'

[10] Surface Location

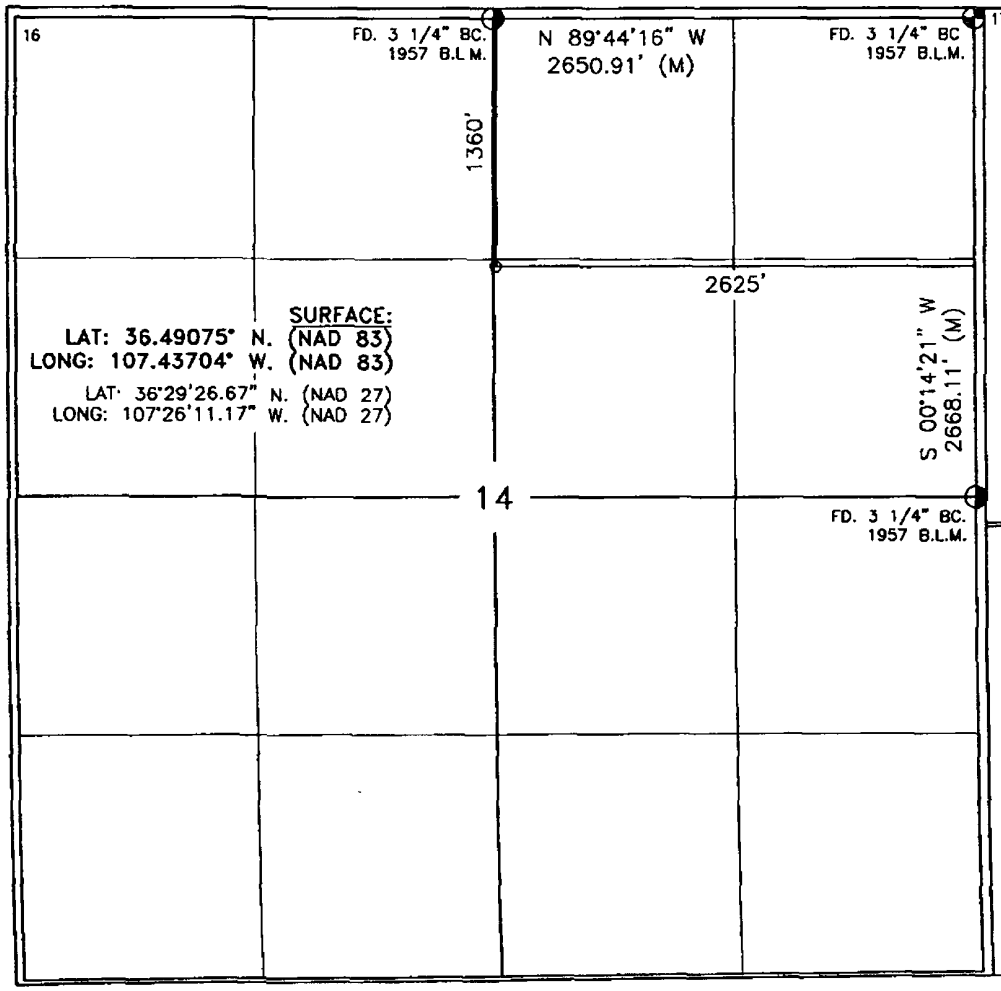
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	14	26-N	6-W		1360	NORTH	2625	EAST	RIO ARRIBA

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature Date

Printed Name

18 SURVEYOR CERTIFICATION

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 & belief

NOVEMBER 19, 2008

Date of Survey

Signature and Seal of Professional Surveyor

NEW MEXICO 8894 REGISTERED PROFESSIONAL LAND SURVEYOR

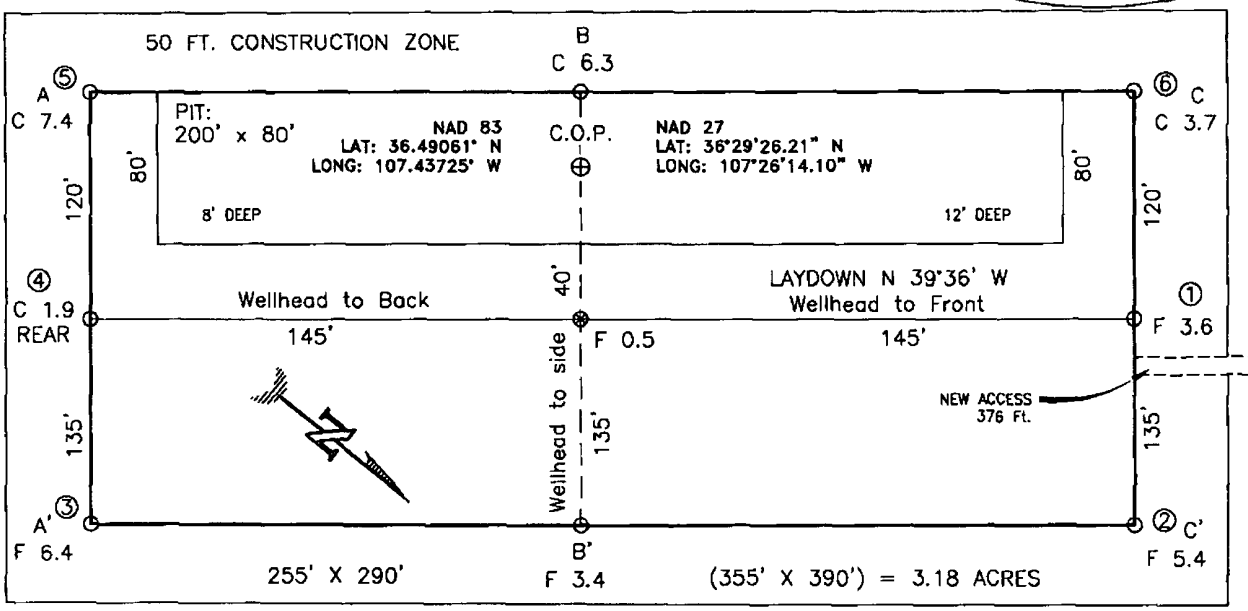
02-07-09

8894

Certificate Number

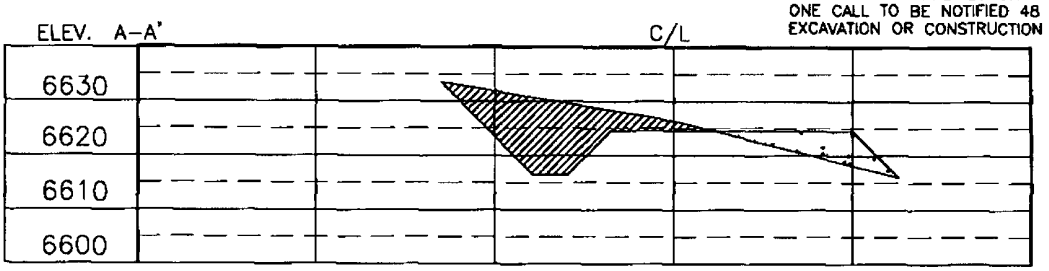
XTO ENERGY INC.
BREECH C No. 244F, 1360 FNL 2625 FEL
SECTION 14, T26N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N.M.
GROUND ELEVATION: 6624' DATE: NOVEMBER 19, 2008

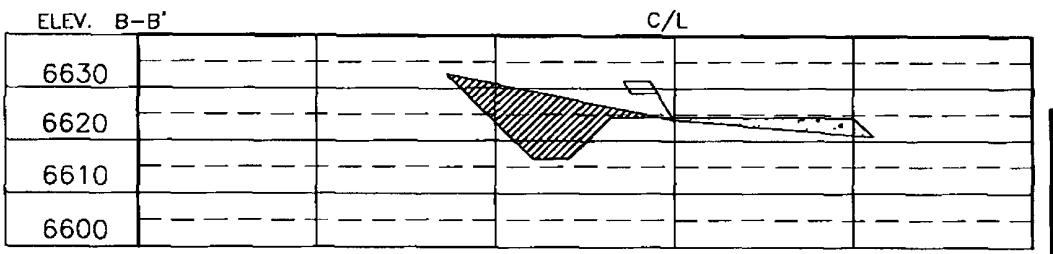
NAD 83
LAT. = 36.49075° N
LONG. = 107.43704° W
NAD 27
LAT. = 36°29'26.67" N
LONG. = 107°26'11.17" W

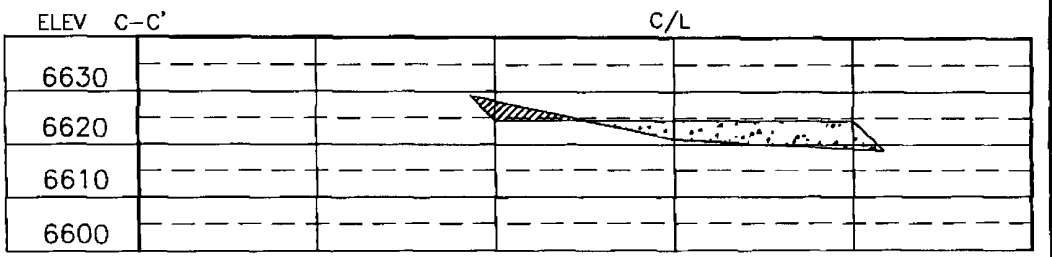


RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW – 3' WIDE AND 1' ABOVE SHALLOW SIDE).
BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

NOTE: DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION







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

REVISION	DATE	REVISED BY:
CORRECT LAT / LONGS	02/24/09	G.V.
LOCATION RESTAKE	11/20/08	G V

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 -Farmington, NM 87499
Phone (505) 326-1772 - Fax (505) 326-6019
NEW MEXICO L.S. No. 8894

DRAWN BY: G.V. | CADFILE: CR989_CF8
ROW# CR989 | DATE: 09/19/08

COMPLIANCE / ENGINEERING / REMEDIATION

LT Environmental, Inc.
2243 Main Avenue, Suite 3
Durango, Colorado 81301
T 970 385 1096 / F 970 385 1873

Breech C #244F

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 the surficial geology (Dane and Bachman, 1965). The proposed pit location will be situated on the undulating surface of Ensenada Mesa near the head of Ice Canyon (Figure 1). The predominant geologic formation is the San Jose Formation, which underlies surface soils or is exposed as sandstone outcrops. The San Jose Formation occurs in both New Mexico and Colorado and its outcrop forms the land surface over much of the eastern half of the central basin.

Cretaceous and Tertiary sandstones and Quaternary alluvial deposits serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). In the proposed area, the San Jose Formation was deposited in various fluvial-type environments. In general, the unit consists of an interbedded sequence of sandstone, siltstone, and shale. Groundwater is associated with alluvial and fluvial sandstone aquifers. Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). The aquifers are found between 0 and 2700 feet deep (Stone et al., 1983). The reported or measured discharge from numerous water wells completed in the formation range from 0.15 to 61 gallons per minute (gpm) of production, with a median of 5 gpm. Most of the wells provide water for livestock and domestic purposes.

The formation is suitable for recharge from precipitation due to the sandy nature of overlying soils, which are highly permeable and absorbent. However, low annual precipitation, relatively high transpiration and evaporation rates, and deep dissection of the formation by the San Juan River and its main tributaries all tend to reduce the effective recharge to the formation. Most recharge occurs during the winter months during snowmelt periods within the upper elevations (Western Regional Climate Center, www.wrcc.dri.edu).

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

Site-Specific Hydrology

Ensenada Mesa lies to the north of Largo Canyon. It consists of shales and sandstones of the San Jose Formation (Dane and Bachman, 1965). The site in question is located near the center of Ensenada Mesa, southwest of Albert Lake at an elevation of approximately 6,622 feet above sea level (Figures 1 and 2). The immediate surrounding area consists of shallow washes and canyons that have eroded through the sandstone into underlying shale units. The washes drain to Dogie Canyon, a major tributary of Largo Canyon.

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

Groundwater data available from the New Mexico State Engineer's iWaters Database for wells near the proposed site are attached. The wells are more than four miles away and may not be representative of site conditions. However, the data suggest that wells located within surrounding canyons contain shallow groundwater between 10 and 25 feet beneath ground surface. Wells that exist on top of mesas at similar elevations to Ensenada Mesa contain groundwater at 100 to 450 feet depth.

More locally, standing water and wetland vegetation are present in shallow surface depressions on top of Ensenada Mesa. The presence of these features suggests groundwater is perched just beneath the ground surface nearby. In order to verify depth to groundwater in the area, XTO drilled several test wells in 2008. An air rotary drill with a 5½ -inch drag bit was used to advance holes at several locations on Ensenada Mesa. Holes were drilled to 65 feet below ground surface and allowed to sit for one hour before being measured. If, after one hour, the hole was dry, it was advanced to 115 feet below ground surface. Once total depth was reached, XTO waited another hour before measuring for water. One such borehole was drilled approximately 1,600 feet east and at the same elevation of the proposed pit location. Depth to water was determined to be greater than 115 feet deep in the well. Based on this information, groundwater is estimated to be greater than 100 feet deep at the proposed site.

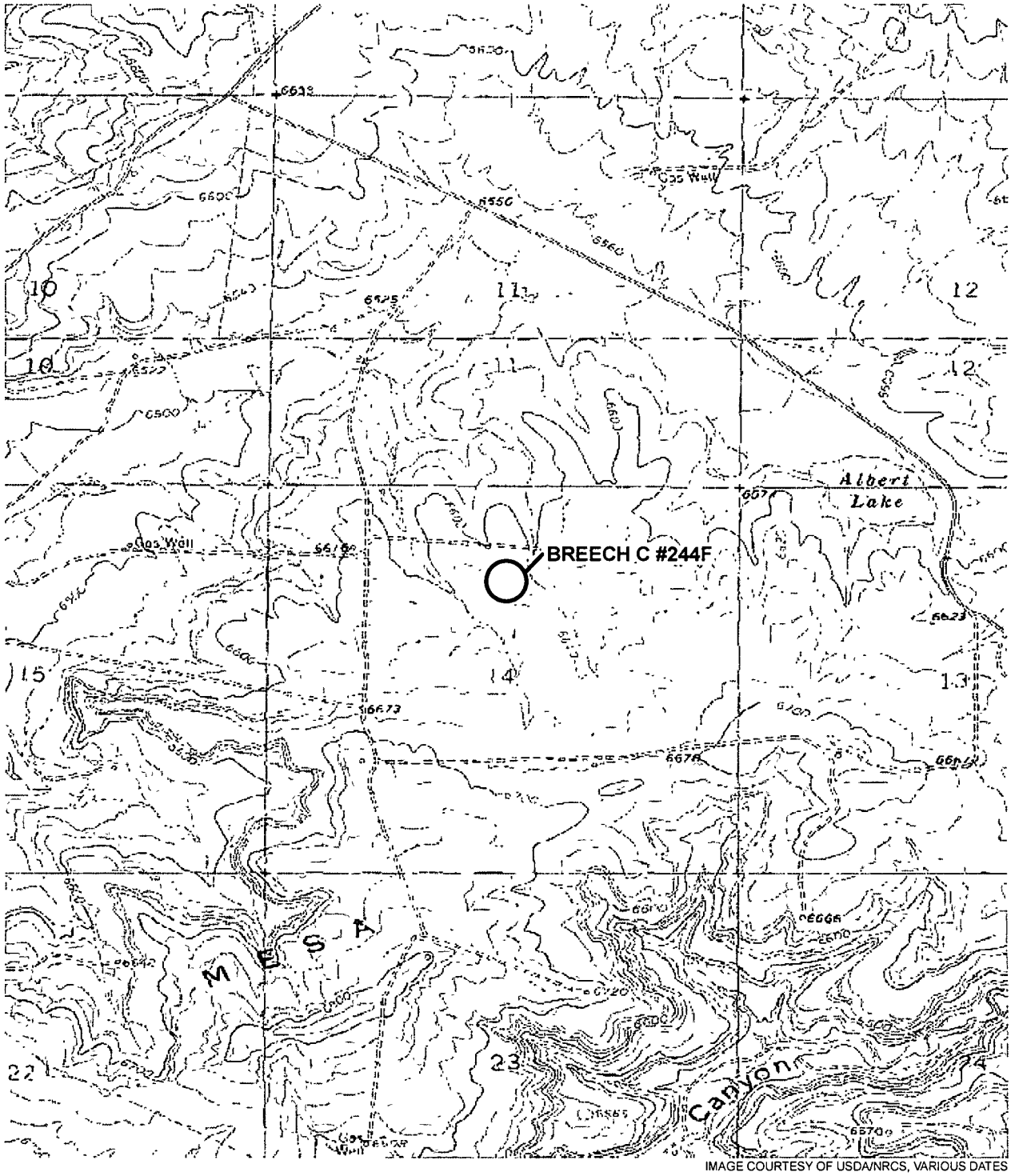
References

Dane, C.H. and Bachman, G. O., 1965, Geologic Map of New Mexico: U.S. Geological Survey, 1 sheet, scale 1:500,000.

Dick-Peddie, W.A., 1993, New Mexico Vegetation – Past, Present and Future: Albuquerque, New Mexico, University of New Mexico Press, 244 p.

Stone, W.J., Lyford, F. P., Frenzel, P.F., Mizell, N.H. and Padgett, E.T., 1983, Hydrogeology and water resources of the San Juan Basin, New Mexico: HR-6 New Mexico Bureau of Geology and Mineral Resources Hydrology Report 6.

USGS, Groundwater Atlas of the United States: Arizona, Colorado, New Mexico, Utah, HA 730-C: (http://www.pubs.usgs.gov).



LEGEND

SITE LOCATION

FIGURE 1
TOPOGRAPHIC MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1006 PIT PERMIT NM\PIT PERMIT MAPBOOK FIG01 TOPO.mxd

IMAGE COURTESY OF USDA/NRCS, 2009

0 200 400

Feet

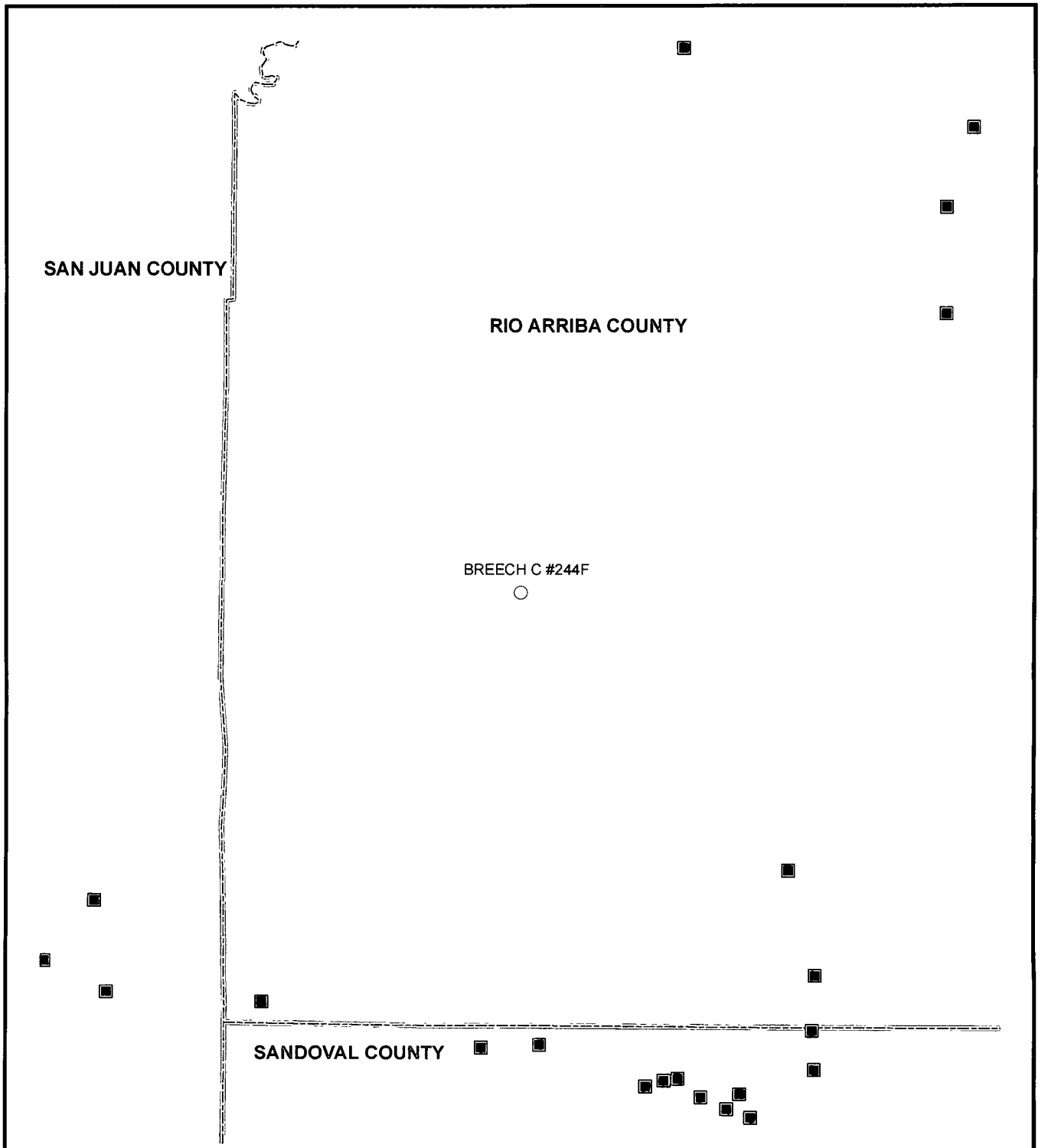
N

LEGEND

○ WELL PERMIT LOCATION

FIGURE 2
AERIAL PHOTOGRAPHIC MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1006 PIT PERMIT NM\PIT PERMIT MAPBOOK FIG02 AERIAL.mxd



LEGEND

- NEW MEXICO MINERALS INDUSTRY LOCATOR SYSTEM
- WELL PERMIT LOCATION
- COAL MINE PERMIT BOUNDARY
- COUNTY BOUNDARY

0 6 12
Miles

N

NEAREST MINE (DE-NA-ZIN MINE) IS 46 01 MILES AWAY

FIGURE 3
MINES, MILLS, AND QUARRIES MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1006 PIT PERMIT NM\PIT PERMIT MAPBOOK FIG03 MINES.mxd

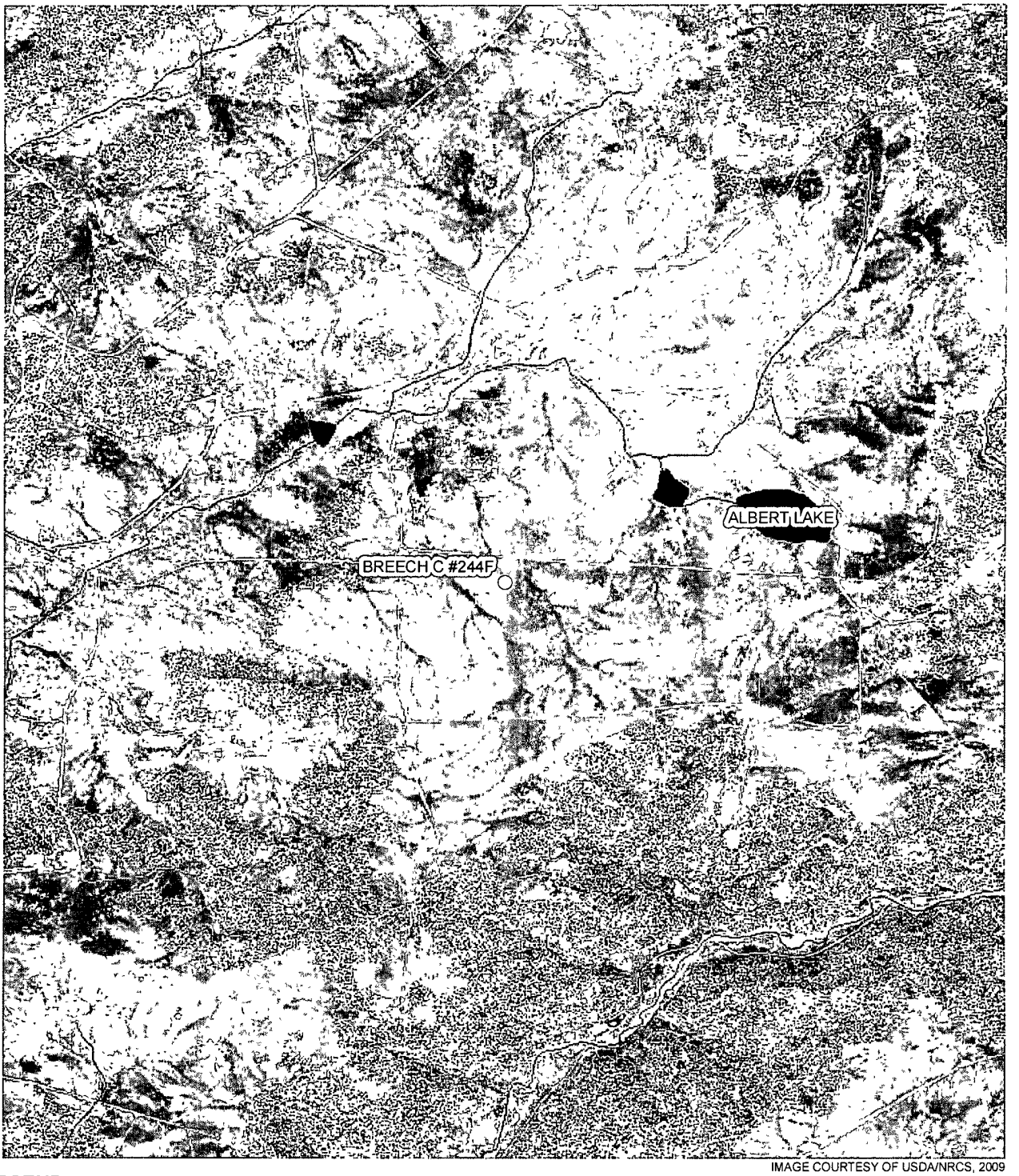


IMAGE COURTESY OF USDA/NRCS, 2009

LEGEND

- ○ WELL PERMIT LOCATION
- ⊙ WATER WELL
- ——— SURFACE WATER

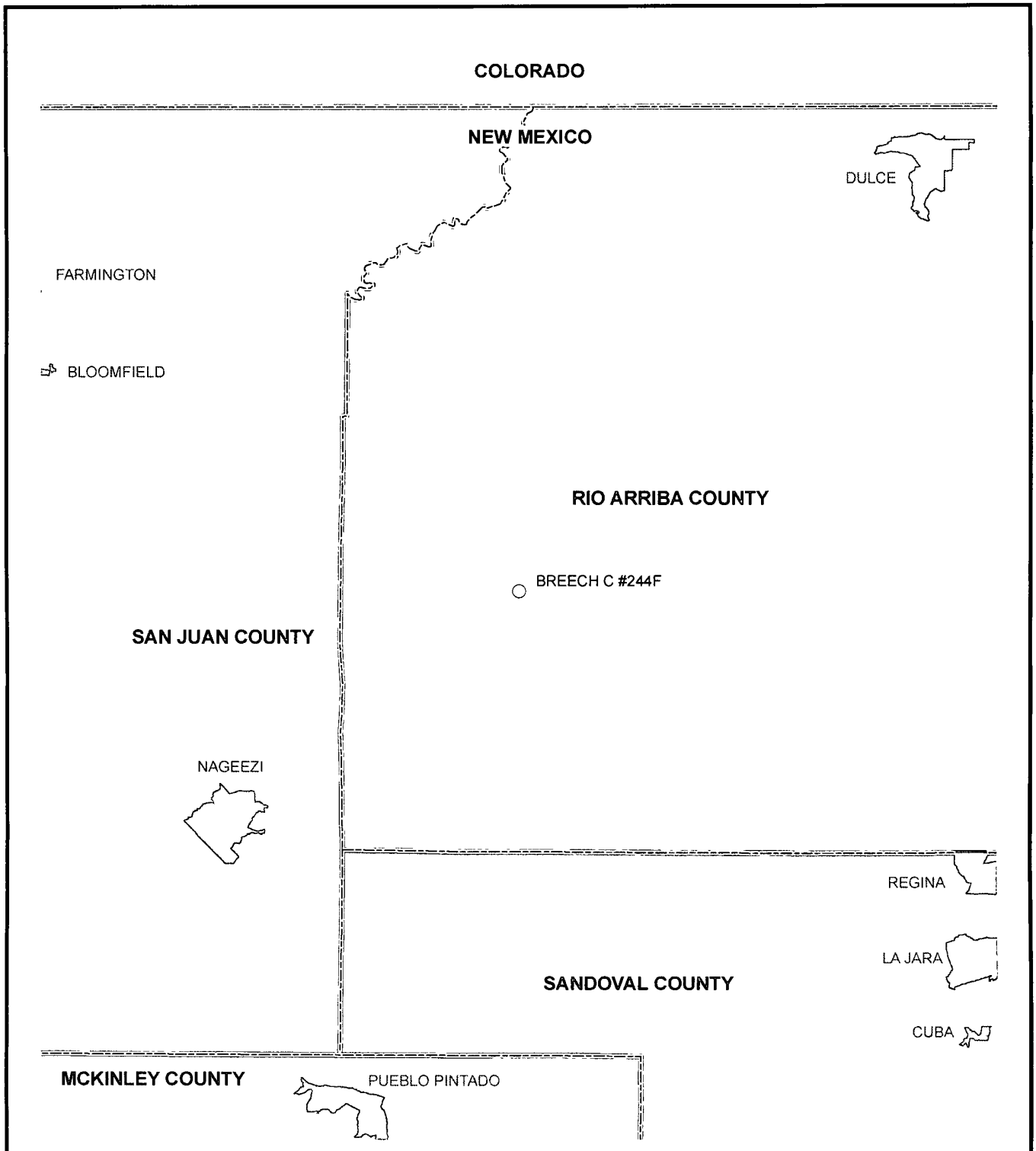
0 0.5 1
Miles

N

NEAREST SURFACE WATER (UN-NAMED) IS 2,693 FEET AWAY

FIGURE 4
NEARBY WATER WELL MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1006 PIT PERMIT NM\PIT PERMIT MAPBOOK FIG04 WW.mxd



NEAREST MUNICIPALITY (NAGEEZI) IS 21 30 MILES AWAY

FIGURE 5
MUNICIPAL BOUNDARIES MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC.

P:\XTO Energy\GIS\MXD\XTO1006 PIT PERMIT NM\PIT PERMIT MAPBOOK FIG05 MUNICIPAL.mxd

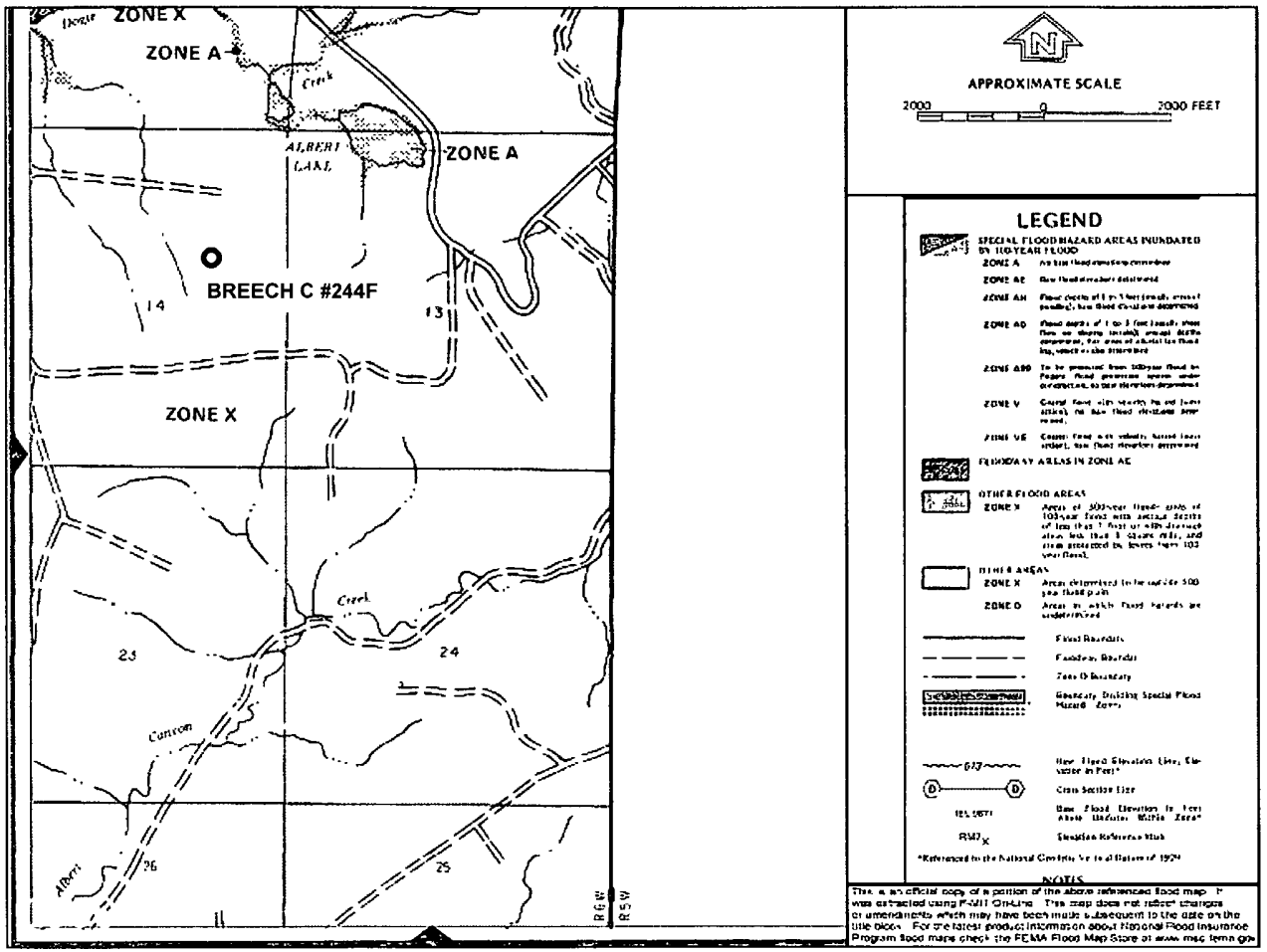


FIGURE 6
FEMA FLOOD ZONE MAP
BREECH C #244F
SEC 14 T26N R6W
RIO ARRIBA COUNTY, NEW MEXICO
XTO ENERGY, INC

New Mexico Office of the State Engineer
Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

POD Number	Sub basin	Use	County	Source	q q q 6416 4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water
SJ 00061		DOM	RA	Shallow	3 3 3	32	27N	06W	276278	4044923*	11/01/1956	11/07/1956	02/05/1957	445	301
SJ 00062		DOM	RA	Shallow	3 3 3	32	27N	06W	276278	4044923*	11/08/1956	11/12/1956	04/05/1957	452	301
SJ 03001		DOM	RA	Shallow	1 2 2	07	27N	06W	276165	4052831*	06/28/2000	07/04/2000	11/27/2000	141	41

Record Count: 3

PLSS Search:

Township: 27N **Range:** 06W

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

POD Number	Sub basin	Use	County	Source	q 64	q 16	q 4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water
SJ 00070		DOM	RA	Shallow	3	2	4	15	26N	07W	270886	4040617*	06/14/1957	06/28/1957	05/08/1958	335	22
SJ 00071		IND	RA	Shallow	2	1	4	15	26N	07W	270686	4040839*	05/13/1957	06/05/1957	05/08/1958	365	26

Record Count: 2

PLSS Search:

Township: 26N **Range:** 07W

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer
Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (in feet)

POD Number	Sub basin	Use	County	Source	q q q 6416	4	Sec	Tws	Rng	X	Y	Start Date	Finish Date	Log File Date	Depth Well	Depth Water
RG 81025	CH	STK	RA	Shallow	3 3	4	35	27N	07W	272236	4044920*	09/03/2003	09/11/2003	10/01/2003	560	465
SJ 02314		STK	RA	Shallow	3	3	17	27N	07W	266864	4050051*	07/20/1991	08/29/1991	03/20/1992	355	320

Record Count: 2

PLSS Search:

Township: 27N **Range:** 07W

***UTM location was derived from PLSS - see Help**

Malia Villers/FAR/CTOC 01/21/2011 02:01 PM	To Mark Kelly cc bcc Subject Breech C #244 Well Site

RE: Breech C #244F
Sec 14 (G), T26N-R6W, Rio Arriba County

Dear Mr. Kelly,

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

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

Malia Villers
Permitting Tech.
XTO Energy Inc.
505-333-3100
Direct: 505-333-3698
Cell: 505-787-7700
malia_villers@xtoenergy.com

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

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

General Plan

1. XTO will design and construct a temporary pit to contain liquids and solids and prevent contamination of fresh water and protect public heath and environment.
2. Prior to constructing the pit, topsoil will be stockpiled in the construction zone for later use in restoration.
3. XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the well site prior to construction of the temporary pit. The sign will list the Operator on record as the operator, the location of the well site by unit letter, section, township, range, and emergency telephone numbers.
4. XTO shall construct all new fences utilizing 48" steel mesh field-fence (hogwire) on the bottom with a single strand of barbed wire on top T-posts shall be installed every 12 feet and corners shall be anchored utilizing a secondary T-post. Temporary pits will be fenced at all times excluding drilling or workover operations, when the front side of the fence will be temporarily removed for operational purposes.
5. XTO shall construct the temporary pit so that the foundation and interior slopes are firm and free of rocks, debris, sharp edges or irregularities to prevent liner failure.
6. XTO shall construct the pit so that the slopes are no steeper than two horizontal feet to one vertical foot.
7. Pit walls will be walked down by a crawler type tractor following construction.
8. All temporary pits will be lined with a 20-mil, string reinforced, LLDPE liner, complying with EPA SW-846 method 9090A requirements
9 Geotextile will be installed beneath the liner when rocks, debris, sharp edges or irregularities cannot be avoided.
10. All liners will be anchored in the bottom of a compacted earth-filled trench at least 18 inches deep.
11 XTO will minimize liner seams and orient them up and down, not across a slope Factory seams will be used when possible XTO will ensure all field seams are welded by qualified personnel. Field seams will be overlapped four to six inches and will be oriented parallel to the line of maximum slope. XTO will minimize the number of field seams in corners and irregularly shaped areas
12. The liner shall be protected from any fluid force or mechanical damage through the use of mud pit slides, or a manifold system.
13. The pit shall be protected from run-off by constructing and maintaining diversion ditches around the location or around the perimeter of the pit in some areas.
14. The volume of the pit shall not exceed 10 acre-feet, including freeboard.

XTO Energy Inc.
San Juan Basin
Maintenance and Operating Plan

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

General Plan

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

XTO Energy Inc.
San Juan Basin
Closure Plan

In accordance with Rule 19.15.17 13 NMAC the following information describes the closure requirements of temporary pits on XTO Energy Inc. (XTO) locations This is XTO's standard procedure for all temporary pits A separate plan will be submitted for any temporary pit which does not conform to this plan

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

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

General Plan:

1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division-approved facility or recycled, reused, or reclaimed in a manner that the Aztec Division office approves.
2. The preferred method of closure for all temporary pits will be on-site, in-place burial, assuming that all criteria listed in sub-section (B) of 19 15.17.13 are met.
3. The surface owner shall be notified of XTO proposed closure plan using a means that provides proof of notice i.e., Certified mail, return receipt requested
4. Within 6 months of the Rig Off status occurring XTO will ensure that temporary pits are closed, re-contoured, and reseeded.
5. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following
    i. Operators Name
    ii. Location by Unit Letter, Section, Township, and Range. Well name and API number
6. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liver will be disposed of at a licensed disposal facility
7. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed a safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.
8. A five point composite sample will be taken of the pit using sampling tools and all samples tested per Subsection B of 19.15 17 13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B 0f 19.15.17.13 i e., Dig and haul. Disposal facility to be utilized should this method be required will be Envirotech, Permit No. NM01-0011 or IEI, Permit No. NM01-0010B.

Components	Test Method	Limit (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0 2
BTEX	EPA SW-846 8021B or 8260B	50
TPH	EPA SW-846 418.1	2500
GRO/DRO	EPA SW-846 8015M	500
Chlorides	EPA 300 1	500 or background

9. Upon completion of solidification and testing, the pit area will be backfield with compacted, non-waste containing, earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
10. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, ponding prevention, and erosion prevention. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
11. Notification will be sent to OCD when the reclaimed area is seeded.
12. XTO shall seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM of Forest Service stipulated seed mixes will be used on Federal Lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs
13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot tall riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time all wells on the pad are abandoned. The operator's information will include the following: Operators Name, Lease Name, Well Name and Number, Unit Number, Section, Township, Range and an indicator that the marker is an onsite burial location.

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

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

General Plan

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

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

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

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

General Plan

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

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

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

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

General Plan

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

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

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

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