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

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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

1449	
7497	
9543	

Pit, Closed-Loop System, Below-Grade Tank, or

<u> </u>	<u>Propo</u>	sed Alternative	Method Permit of	<u>or Closu</u>	ire Plan <i>I</i>	<u>Application</u>	<u>on</u>
9543	Existing BGT	Closure of a pit, on Modification to a	submitted for an exist	low-grade	tank, or prop	osed alternat	ive method
Instructi	Ü		C-144) per individual pit	closed-loo	n system held	w-grade tank	or alternative request
Please be advised th	hat approval of this re	equest does not relieve the	operator of liability should	operations i	result in polluti	ion of surface w	ater, ground water or the
environment. Nor	does approval relieve	the operator of its respons	sibility to comply with any	other applica	able governme	ntal authority's	rules, regulations or ordinances.
	O Energy, Inc.			OGRI	D #:	53.80	
Address: #	#382 County Road 3	100, Aztec, NM 87410					
Facility or well r	name: _ E Scott Fede	eral #3					
API Number:	3004506316		OCD Permit N	ımber:			
U/L or Qtr/Qtr	OSection	1 Townsh	ip. <u>c 27N</u> Range	11W	County: _	San Juar	1
Center of Propos	sed Design: Latitude	36.55579	Longitude	107.9	7078		_ NAD: □1927 □ 1983
Surface Owner:	🛭 Federal 🗌 State	Private Tribal Tr	ust or Indian Allotment				
2.							
Pit: Subsec	ction F or G of 19.1	5.17.11 NMAC					RCVD FEB 2'12
Temporary:	Drilling Worke	ver					KOVDTEDZ IZ
Permanent	☐ Emergency ☐ Ca	avitation 🗌 P&A					OIL CONS. DIV.
Lined U	nlined Liner type:	Thicknessm	iil 🗌 LLDPE 🗌 HDP	E 🔲 PVC	Other _		- NICT C
String-Reinfo	orced						VIJ: 0
Liner Seams:] Welded [] Factor	ry 🗌 Other	. Volum	e:	bbl Dime	ensions: L	x W x D
3.						-	
		on H of 19.15.17.11 NM					
Type of Operation	on: 🗌 P&A 🗍 Dr	illing a new well \(\square\) Wo	orkover or Drilling (Appli	es to activit	ies which requ	aire prior appro	oval of a permit or notice of
Drying Pad	☐ Above Ground	Steel Tanks	f Bins 🔲 Other			/	112131415762
Lined Un	ilined Liner type: 7	Thickness	mil LLDPE H	IDPE P	VC 🔲 Other	60	
Liner Seams:] Welded ☐ Factor	ry Other			_	1/8/	PECEIVED
4.						4 5 6	
⊠ Below-grade	e tank: Subsection	1 of 19.15.17.11 NMAC	;			مدا	DIL CONS. DIV. DIST. 3
Volume: 12	2 <u>0</u> t	obl Type of fluid:	Produced Water				
Tank Construction	on material:	Steel	······································			. \	E0862821282329
Secondary c	containment with lea		sidewalls, liner, 6-inch lit	t and autom	natic overflow	shut-off	-02820-
☐ Visible side	walls and liner	Visible sidewalls only	Other <u>Visible sidew</u>	alls, seconda	ary containme	nt, automatic c	overflow shut off
Liner type: Thic	ckness	mil 🗌 HDP	E PVC Other				
5.							
Alternative							
Submittal of an	exception request is	required. Exceptions m	ust be submitted to the Sa	anta Fe Envi	ironmental Bı	reau office for	consideration of approval.

Page 1 of 5

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church)	hospital,
Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other	
Monthly inspections (If netting or screening is not physically feasible)	
Signs: Subsection C of 19.15.17.11 NMAC ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers ☐ Signed in compliance with 19.15.3.103 NMAC	
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank:	
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district pproval.
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

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 Previously Approved Design (attach copy of design) API Number:
12. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are
attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Previously Approved Design (attach copy of design) API Number:
Previously Approved Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment 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 Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Use the Excavation and Removal Closure Plan Checklist: (19 15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. □ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC □ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC □ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) □ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground S Instructions: Please indentify the facility or facilities for the disposal of liquids, d		
facilities are required.		
	Disposal Facility Permit Number:	
	Disposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities occ ☐ Yes (If yes, please provide the information below) ☐ No	cur on or in areas that will not be used for future serv	rice and operations?
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	requirements of Subsection H of 19.15.17.13 NMAC l of 19.15.17.13 NMAC	2
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the considered below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	e administrative approval from the appropriate distr Bureau office for consideration of approval. Justij	rict office or may be
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
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 sign lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	nificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less watering purposes, or within 1000 horizontal feet of any other fresh water well or sp NM Office of the State Engineer - iWATERS database; Visual inspection (or	pring, in existence at the time of initial application.	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh wate adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approve		☐ Yes ☐ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visua	Il 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 Society; Topographic map	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map		☐ Yes ☐ No
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the app Construction/Design Plan of Temporary Pit (for in-place burial of a drying part Protocols and Procedures - based upon the appropriate requirements of 19.15 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	uirements of 19.15.17.10 NMAC Subsection F of 19.15.17.13 NMAC propriate requirements of 19.15.17.11 NMAC ad) - based upon the appropriate requirements of 19.1 5.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC rill cuttings or in case on-site closure standards cannot of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	15.17.11 NMAC

Operator Application Certification:	
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.	
Name (Print): Kim Champlin Title: Environmental Representative	-
Signature: Kim Champler Date: 8/99/08	
c-mail address: kim_champlin@xtoenergy.com Telephone: (505) 333-3100	
20	
OCD Approval: Permit Application (including closure plan) Closure Plan (only) DCD Conditions (see attachment)	
OCD Representative Signature: Brandon Tell Onorth (New 21/2017 Approvar Date: 10/29/09 Compliance Office	_
Title: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.	ort.
Closure Completion Date: 10-10-2011	
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. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more to two facilities were utilized.	han
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	
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)	:k
On-site Closure Location: Latitude Longitude NAD: \[\] 1927 \[\] 1983	
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.	
Name (Print): Logan Hixon Title: Environmental Technician	=
Signature: Joya / Date: 1-1-2012	-
c-mail address: Logan - Hixon @ XTOene (gy: Com Telephone: 505 - 383 - 3683	

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

Revised October 10, 2003

Form C-141

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

Release Notification and Corrective Action

						OPERA	ΓOR		☐ Initia	al Report	\boxtimes	Final Report
		TO Energy,				Contact: Logan Hixon						
		00, Aztec, N				Telephone No.: (505) 333-3683						
Facility Nar	ne: E Scot	t Federal No	. 003 (00	4506316)]	Facility Type: Gas Well (Pictured Cliffs)						
Surface Ow	ner: Feder	al		Mineral O	wner:				Lease N	lo.: NMSF	78089)
				LOCA	TION	N OF REI	LEASE					
Unit Letter O	Section 23	Township 27 N	Range 11 W	Feet from the 850		South Line FSL	Feet from the 1850		West Line FEL	County San Juan C	County	
0			,,				: W-107.97078			oun vaun c	- Curry	
						_						
Type of Rele	agai Nama			NAI	UKŁ	OF RELI	Release: N/A		Volumo E	Recovered: 1	1/ A	
Source of Re							lour of Occurrence			Hour of Disc		
Source of Re	icasc. IV/A					N/A	our or occurrenc	.С.	N/A	rioui oi Dis	overy.	
Was Immedia	ate Notice (Given?				If YES, To	Whom?		•			
			Yes 🗌	No 🛛 Not Re	quired							
By Whom?						Date and H						
Was a Water	course Read		v 🖂	Lar		If YES, Vo	lume Impacting t	the Wat	ercourse.			
		Ц	Yes 🛚	No								
		pacted, Descr										
		em and Reme			1 // 2	0.5.1.	4 1 1	1 1		11		
				the E Scott Feder BGT, and submit								
				lorides. The sam								
				hat a release has				о ории ч		. Cuirda do .	0	,, 201120110,
		and Cleanup A		en.*								
No release na	is been con	firmed for this	location									
I hereby certi	fy that the i	information gi	ven above	is true and compl	lete to th	ne best of my	knowledge and u	ındersta	nd that purs	suant to NM	OCD ru	iles and
regulations al	l operators	are required to	report an	d/or file certain re	elease no	otifications ar	nd perform correc	ctive act	ions for rela	eases which	may en	danger
				e of a C-141 repo								
				investigate and re tance of a C-141 i								
		ws and/or regu		tance of a C-1411	cport ut	oes not renev	e the operator of t	respons	ionity for c	omphance w	itii airy	other
							OIL CON	SERV	ATION	DIVISIO	N	
G: t	f	11	,,,					,			_	
Signature: 0	rego	<u> </u>	you				D: / : / G					
Printed Name	: Logan Hi	xon				Approved by	District Supervise	or:			n	
Title: Enviro	nmental Te	chnician				Approval Dat	e:	Ĺ	Expiration	Date:		
	_											
E-mail Addre	ess: Logan_	Hixon@xtoen	ergy.com		°	Conditions of	Approval:			Attached		
Date: 2/1/2	012		Phon	e· 505_333_3683	1							

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

Lease Name: E. Scott Federal #3

API No.: 30-045-06316

Description: Unit O, Section 23, Township 27N, Range 11W, San Juan County

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

General Plan

1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.

Closure Date is October 10, 2011

2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

Closure Date is October 10, 2011

3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.

Required C-144 Form is attached to this document.

4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:

Envirotech Permit No. NM01-0011 and IEI Permit No. NM 01-0010B
Soil contaminated by exempt petroleum hydrocarbons
Produced sand, pit sludge and contaminated bottoms from storage of exempt wastes

Basin Disposal Permit No. NM01-005

Produced water

All liquids and sludge were removed from the tank prior to closure activities.

5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. XTO has removed the below grade tank, and will dispose of it at a division approved facility, or recycle, reclaim or reuse it in a manner that is approved by the division.

6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.

All equipment has been removed due to the plugging and abandoning of the E Scott Federal #3 well site.

At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 50 mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

A five point composite sample was taken of the pit using sampling tools and all samples tested per Subsection B of 19.15.17.1 3(B)(1)(b). (Sample results attached).

Components	Test Method	Limit (mg/Kg)	Results
Benzene	EPA SW-846 8021B or 8260B	0.2	< 0.050 mg/kg
BTEX	EPA SW-846 8021B or 8260B	50	< 0.249 mg/kg
TPH	EPA SW-846 418.1	100	48 mg/kg
Chlorides	EPA 300.1	250 or background	< 7.5 mg/kg

8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.

No release has been confirmed at this location

9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.

The pit cellar was backfilled using compacted, non-waste containing earthen material, with a division prescribed soil cover.

10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally.

The notification will include the following:

- i. Operator's name
- ii. Well Name and API Number
- iii. Location by Unit Letter, Section, Township, and Range

Notification was provided to Mr. Brandon Powell with the Aztec office of the OCD via email on October 6, 2011; see attached email printout.

The surface owner shall be notified of XTO's proposal to close the BGT as per the approved closure plan using certified mail, return receipt requested.

The surface owner was notified on October 6, 2011 via email. Email has been approved as a means of surface owner notification to the BLM by Brandon Powell, NMOCD Aztec Office.

11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.

The location has been recontoured to match the above specifications.

12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

The site has been backfilled to match these specifications.

- 13. XTO will seed the disturbed areas the first growing season after the operator closes the pit. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM or Forest Service stipulated seed mixes will be used on federal lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

 Site has been reclaimed pursuant to the BLM MOU.
- 14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - i. Proof of closure notice to division and surface owner; attached
 - ii. Details on capping and covering, where applicable; per OCD Specifications
 - iii. Inspection reports; attached
 - iv. Confirmation sampling analytical results; attached
 - v. Disposal facility name(s) and permit number(s); see above
 - vi. Soil backfilling and cover installation; per OCD Specifications
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable); **Per BLM MOU.**
 - viii. Photo documentation of the site reclamation. attached
- 15. This closure report is being submitted after the 60 day deadline required by the 'Pit Rule' due to a unforeseen delay on final reclamation of this well site. This delay was due to the gathering company not removing their equipment in a timely fashion.



COVER LETTER

Wednesday, June 08, 2011

James McDaniel XTO Energy 382 County Road 3100 Aztec, NM 87410

TEL: (505) 787-0519 FAX (505) 333-3280

RE: Scott E' Federal #3

Dear James McDaniel:

Order No.: 1106111

Hall Environmental Analysis Laboratory, Inc. received 1 sample(s) on 6/2/2011 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag.

All samples are reported as received unless otherwise indicated.

Please do not hesitate to contact HEAL for any additional information or clarifications.

Sincerely,

Andy Freeman, Laboratory Manager

NM Lab # NM9425 NM0901 AZ license # AZ0682



Hall Environmental Analysis Laboratory, Inc.

CLIENT:

XTO Energy

Client Sample ID: BGT closure comp.

Lab Order:

1106111

Collection Date: 6/1/2011 7:58:00 AM

Project:....

Scott E' Federal #3

Date Received: 6/2/2011

Date: 08-Jun-11

Lab ID:

1106111-01

Matrix: SOIL

Analyses	Result	PQL Q	ual Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANG	E ORGANICS				Analyst: JB
Diesel Range Organics (DRO)	18	9.7	mg/Kg	1	6/5/2011 7:29:55 PM
Surr: DNOP	98.0	73.4-123	%REC	1	6/5/2011 7:29:55 PM
EPA METHOD 8015B: GASOLINE RA	NGE				Analyst: NSB
Gasoline Range Organics (GRO)	ND	5.0	mg/Kg	1	6/3/2011 4:01:38 PM
Surr: BFB	110	89 7-125	%REC	1	6/3/2011 4:01:38 PM
EPA METHOD 8021B; VOLATILES					Analyst: NSB
Benzene	ND	0.050	mg/Kg	1	6/3/2011 4:01:38 PM
Toluene	ND	0.050	mg/Kg	1	6/3/2011 4:01:38 PM
Ethylbenzene	ND	0.050	mg/Kg	1	6/3/2011 4:01:38 PM
Xylenes, Total	ND	0.099	mg/Kg	1	6/3/2011 4:01:38 PM
Surr: 4-Bromofluorobenzene	107	85.3-139	%REC	1 ,	6/3/2011 4:01:38 PM
EPA METHOD 300.0: ANIONS					Analyst: SRM
Chloride	ND	7.5	mg/Kg	5	6/6/2011 11:50.56 AM
EPA METHOD 418.1: TPH					Analyst: JB
Petroleum Hydrocarbons, TR	48	20	mg/Kg	1	6/7/2011

Qualifiers:

- * Value exceeds Maximum Contaminant Level
- E Estimated value
- J Analyte detected below quantitation limits
- NC Non-Chlorinated
- PQL Practical Quantitation Limit

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
- ND Not Detected at the Reporting Limit
 - S Spike recovery outside accepted recovery limits

Date: 08-Jun-11

QA/QC SUMMARY REPORT

Client:

XTO Energy

Project:

Scott E' Federal #3

Work Order:

1106111

Analyte	Result	Units	PQL	SPK Va S	PK ref	%Rec L	owLimit Hi	ghLimit	%RPD	RPDLimit	Qual
Method: EPA Method 300.0: A	nions										
Sample ID: MB-27061	•	MBLK				Batch ID:	27061	Analys	is Date:	6/6/2011 10	D:06:26 AN
Chloride	ND	mg/Kg	1.5			Batch ID:	27061	Anabia	sis Date	6/6/2011 10	1:22:51 AB
Sample ID: LCS-27061		LCS						•	is Date	0/0/2011 10	J.23.51 AN
Chloride	14.31	mg/Kg	1.5	15	0	95.4	90	110			
Method: EPA Method 418.1: T	PH										
Sample ID: MB-27069		MBLK				Batch ID:	27069	Analys	is Date		6/7/201
Petroleum Hydrocarbons, TR	ND	mg/Kg	20								
Sample ID: LCS-27069		LCS				Batch ID:	27069	Analys	is Date:		6/7/201
Petroleum Hydrocarbons, TR	97.86	mg/Kg	20	100	0	97.9	81.4	118			
Sample ID: LCSD-27069		LCSD				Batch ID:	27069	Analys	is Date:		6/7/201
Petroleum Hydrocarbons, TR	100.7	mg/Kg	20	100	0	101	81.4	118	2.82	8.58	
Method: EPA Method 8015B:	Diesel Range	e Organics									
Sample ID: MB-27064		MBLK				Batch ID:	27064	Analys	sis Date:	. 6/5/2011 4	4:38:19 PM
Motor Oil Range Organics (MRO)	ND	mg/Kg	50								

Oua	li	fie	rs:

E Estimated value

Analyte detected below quantitation limits

ND Not Detected at the Reporting Limit

H Holding times for preparation or analysis exceeded

NC Non-Chlorinated

R RPD outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name XTO ENERGY			Date Received	} *	6/2/2011
Work Order Number 1106111	, //		Received by:	LNM	
Checklist completed by: Signature	Magagia	$\frac{1}{10000000000000000000000000000000000$	Sample iD la	bels checked b	y: Initials
Matrix:	Carrier name:	Greyhound			
Shipping container/cooler in good condition?		Yes 🗹	No 🗆	Not Present	
Custody seals intact on shipping container/cool	er?	Yes 🗹	No 🗆	Not Present	Not Shipped
Custody seals intact on sample bottles?		Yes 🗌	No 🗀	N/A	✓
Chain of custody present?		Yes 🗹	No 🗆		
Chain of custody signed when relinquished and	received?	Yes 🗹	No 🗆		
Chain of custody agrees with sample labels?		Yes 🗹	No 🗌		
Samples in proper container/bottle?		Yes 🗹	No 🗀		
Sample containers intact?		Yes 🗹	No 🗀		
Sufficient sample volume for indicated test?		Yes 🗹	No 🗆		
All samples received within holding time?		Yes 🔽	No 🗆		Number of preserved
Water - VOA vials have zero headspace?	No VOA vials subn	nitted 🗹	Yes 🗌	No 🗆	bottles checked for pH:
Water - Preservation labels on bottle and cap m	natch?	Yes 🗌	No 🗌	N/A 🗹	
Water - pH acceptable upon receipt?	مرسي	Yes 🗌	No 🗀	N/A 🗹	<2 >12 unless noted below.
Container/Temp Blank temperature?		2.0°	<6° C Acceptable		D B IOW.
COMMENTS:			If given sufficient	time to cool.	
Client contacted	Date contacted:		Perso	on contacted	
Client contacted Contacted by:	Date contacted: Regarding:		Perso	on contacted	
			Perso	on contacted	
Contacted by:			Perso	on contacted	
Contacted by:			Perso	on contacted	
Contacted by:			Perso	on contacted	
Contacted by:			Perso	on contacted	
Contacted by:			Perso	on contacted	
Contacted by: Comments:			Perso	on contacted	

C	hain-	-of-Cu	stody Record	Turn-Around Time:																		
Client:	XTC)		X Standard □ RushProject Name:				HALL ENVIRONMENTAL ANALYSIS LABORATORY														
Mailing	Address	382	Road 3100	Scott E' Federal #3 Project #: BGT Closure composite				www.hallenvironmental.com 4901 Hawkins NE - Albuquerque, NM 87109 Tel. 505-345-3975 Fax 505-345-4107														
HZTE	C, N	n 8	4410															_		12 20	36 . Ja	4 -6
Phone :	4:505-	787-	0519	1661 Closure composite					_	_	1000	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	JE A	many		Req	ues	100	470	(V. 7)	N. J.	
email o	r Fax#:	omes	_mdnrel@Xto	Project Manager:					호	ese		ļ			ζ ζ	s				.		
QA/QC I	Package: dard		OSI9 	James Modaniel Sampler: Wolf Howard				TMB's (8021)	(Gas	3as/Die					PO4,5	2 PCB's						
Accredi	tation AP	□ Othe	er	Sampler: Wolf Howard On Ice Tres 100				+ TMB	+ TPH)15B ((18.1)	04.1)	or PAH)		O3,NO	s / 808;		A)	S			S io
	(Type)_			Sample Temperature ZID					띪	8	4 bc	2d 5	P	tals)N'i	appl	(f		Ĭ			Σ
Date	Time	Matrix	Sample Request ID	Container Type and #	Preservative Type		AENO.		BTEX + MTBE + TPH (Gas only)	TPH Method 8015B (Gas/Diesel)	TPH (Method 418.1)	EDB (Method 504.1)	8310 (PNA	RCRA 8 Metals	Anions (F,CI,NO3,NO2,PO4,SO4)	8081 Pesticides / 8082	8260B (VOA)	8270 (Semi-VOA)	CHLORIDE			Air Bubbles (Y or N)
6/1	0758	Soil.	BGT Closure comp.	2 402	CD0 L	-1		X		X	X								X			
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Date:	Time:	Relinquish	led by:	Received by:	Lesso.	Date	Time 1142	Rer	Remarks:													
	Time:	Relinquish	ed by:	Received by:	/ M	Date																
9/1/11	1527	I/'ha	utu Walen /	Thurs	1 / Ja	mab b	12/11 830															
		samples sub	mitted to Hall Environmental may be subc	contracted to other a	ceredited laborator	es. This ser	ves as notice of thi	s possi	bility.	Any su	ıb-cont	tracted	d data	will be	dear	ly nota	ited or	the a	nalytic	al repor	rt.	



James McDaniel /FAR/CTOC 10/06/2011 08:54 AM

To brandon.powell@state.nm.us

CC

bcc

Subject E Scott Federal #3 BGT Closure

Brandon,

Please accept this email as the required notification for closure activities at the E Scott Federal #3 well site (API # 30-045-06316) located in Unit O, Section 23, Township 27N, range 11W, San Juan County, New Mexico. This BGT is being closed due to the plugging and abandoning of this well location. Thank you for your time in regards to this project.



James McDaniel, CHMM #15676 EH&S Supervisor XTO Energy, Inc. office # 505-333-3701 cell #505-787-0519

James Mcdanlel with energy.com



James McDaniel /FAR/CTOC 10/06/2011 08:55 AM To Mark_Kelly@blm.gov

CC

bcc

Subject E Scott Federal #3 BGT Closure

Mark,

Please accept this email as the required notification for BGT closure activities at the E Scott Federal #3 well site (API # 30-045-06316) located in Unit O, Section 23, Township 27N, Range 11W, San Juan County, New Mexico. This BGT is being closed due to the plugging and abandoning of this well location. Thank you for your time in regards to this project.



James McDaniel, CHMM #1567.6
EH&S Supervisor
XTO Energy, Inc.
omice # 505 333 - 3701
Cell # 505 767 0519

James Mcdanlel@xtoenergy.com

XTO Energy, Inc. E Scott Federal #3 Section 23, Township 27N, Range 11W Closure Date: 10/10/2011



Photo 1: E Scott Federal #3 after Reclamation (View 1)

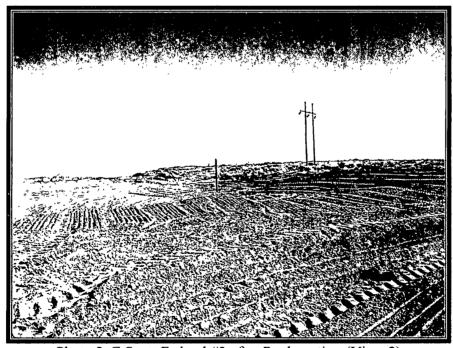


Photo 2: E Scott Federal #3 after Reclamation (View 2)



Well Below Tank Inspection Report

RouteName	StopName		Pumper	Foreman	WellName			APIWellNumb	ber	Section	Range	Township	
Below Grade Pit Fo	E Scott Federal 3		Thompson, Ronnie	Unassigned	E SCOTT	E SCOTT FED 03 (PA)		3004506316	23	11W	27N		
InspectorName	Inspection Date	Inspection Time	Visible LinerTears	VisibleTankLeak	Collection	Visible	Visible	Freeboard EstFT	PitLocation	PitType	Notes		
rex	08/06/2008	1100:00	No	No	OfSurfaceRun No	LayerOil Yes	Leak No	2					
REX	09/11/2008	12:30	No	No	Yes	Yes	No	2					
REX	10/17/2008		No	No	No	Yes	No	3	Well Water P	i Below Ground	Oft 11in		
REX	11/04/2008		No	No	No	Yes	No	3		i Below Ground	0		
REX	12/16/2008		No	No	No	Yes	No	3		Below Ground	0		
REX	02/23/2009		No	No	No	Yes	No	3		Below Ground	0		
REX	03/16/2009		No	No	No	Yes	No	3		i Below Ground	0		
REX	04/27/2009		No	No	No	Yes	No	3		i Below Ground	0		
REX	05/25/2009		No	No	No	Yes	No	3		Below Ground	0		
REX	06/24/2009		No	No	No	Yes	No	3		Below Ground	0		
REX	07/30/2009		No	No	No	Yes	No	2		i Below Ground	0		
REX	08/20/2009		No	No	No	Yes	No	2		Below Ground	0		
REX	09/19/2009		No	No	No	Yes	No	2		Below Ground	0		
REX	10/31/2009		No	No	No	Yes	No	2		Below Ground	0		
REX	11/27/2009		No	No	No	Yes	No	2		i Below Ground	0		
REX	12/29/2009	11:00	No	No	No	Yes	No	2 .		i Below Ground	0		
REX	01/28/2010		No	No .	No	Yes	No	2		Below Ground	0		
REX	02/24/2010		No	No	No	Yes	No	1		Below Ground	0		
rex	03/26/2010		No	No	No	Yes	No	3		i Below Ground	0		
rex	04/29/2010		No	No	No	Yes	No	3		i Below Ground	0		
rex	05/29/2010		No	No	No	Yes	No	3		Below Ground	0		
rex	06/26/2010		No	No	No	Yes	No	3		Below Ground	0		
rex	08/26/2010	•	No	No	No	Yes	No	3		Below Ground	0		
rex	09/30/2010		No	No	No	Yes	No	3		i Below Ground	0		
rex	12/24/2010		No	No	No	Yes	No	3		Below Ground	0		
rex	01/22/2011		No	No	No	Yes	No	3		Below Ground	0		
rex	02/25/2011		No	No	No	Yes	No	3		Below Ground	0		
rex	03/19/2011		No	No	No	Yes	No	3		Below Ground	0		
rex	08/24/2011		No	No	No	Yes	No	3		i Below Ground	-		
rex	09/21/2011		No	No	No	Yes	No	3		Below Ground			
	55, = 1, = 5 1 1	•			· - 			-		5.5 5.00.10			