

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

Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  
closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

Existing BGT ☐ 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

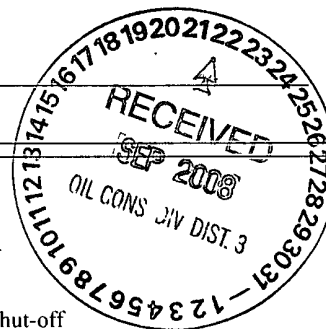
1.  
Operator XTO Energy, Inc. OGRID # 5380  
Address 382 Road 3100 Aztec, NM 87410  
Facility or well name STATE GAS COMBI #3  
API Number 3004532288 OCD Permit Number \_\_\_\_\_  
U/L or Qtr/Qtr A Section 16 Township 30N Range 13W County San Juan  
Center of Proposed Design Latitude 36.8175 Longitude 108.20389 NAD ☐ 1927 ☐ 1983  
Surface Owner ☐ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2  
☐ **Pit:** Subsection F or G of 19 15 17 11 NMAC  
Temporary ☐ Drilling ☐ Workover  
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A  
☐ Lined ☐ Unlined Liner type Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams ☐ Welded ☐ Factory ☐ Other \_\_\_\_\_ Volume \_\_\_\_\_ bbl Dimensions L \_\_\_\_\_ x W \_\_\_\_\_ x D \_\_\_\_\_

3  
☐ **Closed-loop System:** Subsection H of 19 15 17 11 NMAC  
Type of Operation ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)  
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other \_\_\_\_\_  
☐ Lined ☐ Unlined Liner type Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
Liner Seams ☐ Welded ☐ Factory ☐ Other \_\_\_\_\_

4  
☒ **Below-grade tank:** Subsection I of 19 15 17 11 NMAC  
Volume 120 bbl Type of fluid Produced Water  
Tank Construction material Steel  
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off  
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidewalls, vaulted, automatic high level shut off  
Liner type: Thickness \_\_\_\_\_ mil ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_

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



6

**Fencing:** Subsection D of 19 15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

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

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

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**Administrative Approvals and Exceptions:**

Justifications and/or demonstrations of equivalency are required Please refer to 19 15 17 NMAC for guidance

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

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

10

**Siting Criteria (regarding permitting):** 19 15 17 10 NMAC

**Instructions:** The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application ( <i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i> ) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application ( <i>Applies to permanent pits</i> ) - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality, Written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map, Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area - Engineering measures incorporated into the design, NM Bureau of Geology & Mineral Resources, USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11.

**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19 15.17 9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

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

12.

**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19 15 17 9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19 15 17 9  
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19 15 17 10 NMAC  
☐ Design Plan - based upon the appropriate requirements of 19 15 17 11 NMAC  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC  
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19 15 17 9 NMAC and 19.15 17 13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number \_\_\_\_\_  
☐ Previously Approved Operating and Maintenance Plan API Number \_\_\_\_\_ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

**Permanent Pits Permit Application Checklist:** Subsection B of 19.15 17 9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19 15 17 9 NMAC  
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19 15.17 10 NMAC  
☐ Climatological Factors Assessment  
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19 15.17 11 NMAC  
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19 15 17 11 NMAC  
☐ Leak Detection Design - based upon the appropriate requirements of 19 15 17.11 NMAC  
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19 15 17 11 NMAC  
☐ Quality Control/Quality Assurance Construction and Installation Plan  
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19 15 17 12 NMAC  
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19 15 17 11 NMAC  
☐ Nuisance or Hazardous Odors, including H<sub>2</sub>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

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

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**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19 15 17 13 D NMAC)

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

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_

Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

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

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19 15 17 13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17 13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17 13 NMAC

17

**Siting Criteria (regarding on-site closure methods only):** 19 15 17 10 NMAC

**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Ground water is more than 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) - Topographic map, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application - Visual inspection (certification) of the proposed site, Aerial photo, Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application - NM Office of the State Engineer - iWATERS database, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality, Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland - US Fish and Wildlife Wetland Identification map, Topographic map, Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources, USGS, NM Geological Society, Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

18.

**On-Site Closure Plan Checklist:** (19.15 17 13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15 17 10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19 15 17 11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19 15 17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15 17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15 17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19 15 17 13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19 15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19 15 17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19 15 17.13 NMAC

19.

**Operator Application Certification:**

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

Name (Print): Kim Champlin Title Environmental Representative  
 Signature: Kim Champlin Date 9-17-08  
 e-mail address: kim\_champlin@xtoenergy.com Telephone (505) 333-3100

20.

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

OCD Representative Signature: Jonathan D. Kelly Approval Date: 3/19/2012

Title: Compliance Officer OCD Permit Number: \_\_\_\_\_

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**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

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

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

Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_

Disposal Facility Name \_\_\_\_\_ Disposal Facility Permit Number \_\_\_\_\_

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

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

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

- ☐ Site Reclamation (Photo Documentation)  
☐ Soil Backfilling and Cover Installation  
☐ Re-vegetation Application Rates and Seeding Technique

24.

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

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

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

25.

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

e-mail address \_\_\_\_\_ Telephone \_\_\_\_\_

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

DISTRICT II  
1301 W. Grand Avenue, 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 87504-2088

Farm C-102  
Revised June 10, 2003  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-32288		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 22823		5 Property Name STATE GAS COM BI			6 Well Number 3
7 OGRID No. 167067		8 Operator Name XTO ENERGY INC.			9 Elevation 5567

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
A	16	30-N	13-W		1030	NORTH	850	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 320 N12	13 Joint or Infill I	14 Consolidation Code	15 Order No.
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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

<p>16</p> <p>QTR. CORNER FD 3 1/2" BLM 1952 BC</p> <p>S 88-48-38 E 2632.7' (M)</p> <p>1030'</p> <p>850'</p> <p>N 00-09-42 W 2813.7' (M)</p> <p>LAT: 36°49'03" N. (NAD 27) LONG: 108°12'14" W. (NAD 27)</p> <p>APR 2004</p>	<p>17</p> <p>SEC. CORNER FD 3 1/4" BLM 1952 BC</p> <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: Kelly K Small Printed Name: Kelly K Small Title: Drilling Assistant Date: 4/17/04</p>
	<p>18</p> <p>QTR. CORNER FD 3 1/4" BLM 1952 BC</p> <p>SURVEYOR CERTIFICATION</p> <p>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 belief</p> <p>Date of Survey: 4/17/04 Signature and Title: [Signature] NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 14831 Certificate Number: 1190</p>



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

**Pit Permit  
Siting Criteria  
Information Sheet**

<b>Client:</b>	XTO Energy
<b>Project:</b>	Pit Permits
<b>Revised:</b>	16-Sep-08
<b>Prepared by:</b>	Brooke Herb

**API#:** 3004532288

**USPLSS:** T30N,R13W,S16A

**Name:** STATE GAS COM BI # 3

**Lat/Long:** 36.8175, -108.20389

**Depth to groundwater:** 50 to 100 feet

**Geologic formation:** Nacimiento Formation

**Distance to closest continuously flowing watercourse:** 3160 feet E of La Plata River

**Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:** 1340' N of small secondary tributary of La Plata River; 1.57 miles to Farmington Glade

**Permanent residence, school, hospital, institution or church within 300'** No

**Soil Type:** Entisols

**Domestic fresh water well or spring within 500'** No

**Annual Precipitation:** 8 21 inches (Farmington)

**Any other fresh water well or spring within 1000'** No

**Precipitation Notes:** no significant precip events

**Within incorporated municipal boundaries** No

**Within defined municipal fresh water well field** No

**Attached Documents:** Groundwater report and Data, FEMA Flood Zone Map

Aerial Photo, Topo Map, Mines Mills and Quarries Map

**Wetland within 500'** No

**Mining Activity:** 2300' SW of Kannard Richard Pit

**Within unstable area** No

**Within 100 year flood plain** No

**Additional Notes:**

## **STATE GAS COM BI # 3 Below Ground Tank Siting Criteria and Closure Plan**

### **Well Site Location**

Legals: T30N, R13W, Section 16, Quarter Section A  
Latitude/Longitude: approximately 36.8175, -108.20389  
County: San Juan County, NM  
General Description: near Glade Run

### **General Geology and Hydrology**

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits dominate surficial geology (Dane and Bachman, 1965). The proposed below ground tank location will be located on the flanks of the Farmington Glade between Aztec and La Plata, New Mexico. Within the Farmington Glade, the Tertiary Nacimiento Formation is exposed, along with Quaternary alluvial and aeolian sands surrounding the center of the wash.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the nearby San Juan River and its tributaries.

The prominent soil type at the proposed site is entisols, which are defined as soils that do not show any profile development. Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the La Plata River ([www.emnrd.state.nm.us](http://www.emnrd.state.nm.us)). These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes soils that cover the area.

The climate of the region is arid, averaging just over 8 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one-half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center [www.wrcc.dri.edu](http://www.wrcc.dri.edu)).

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

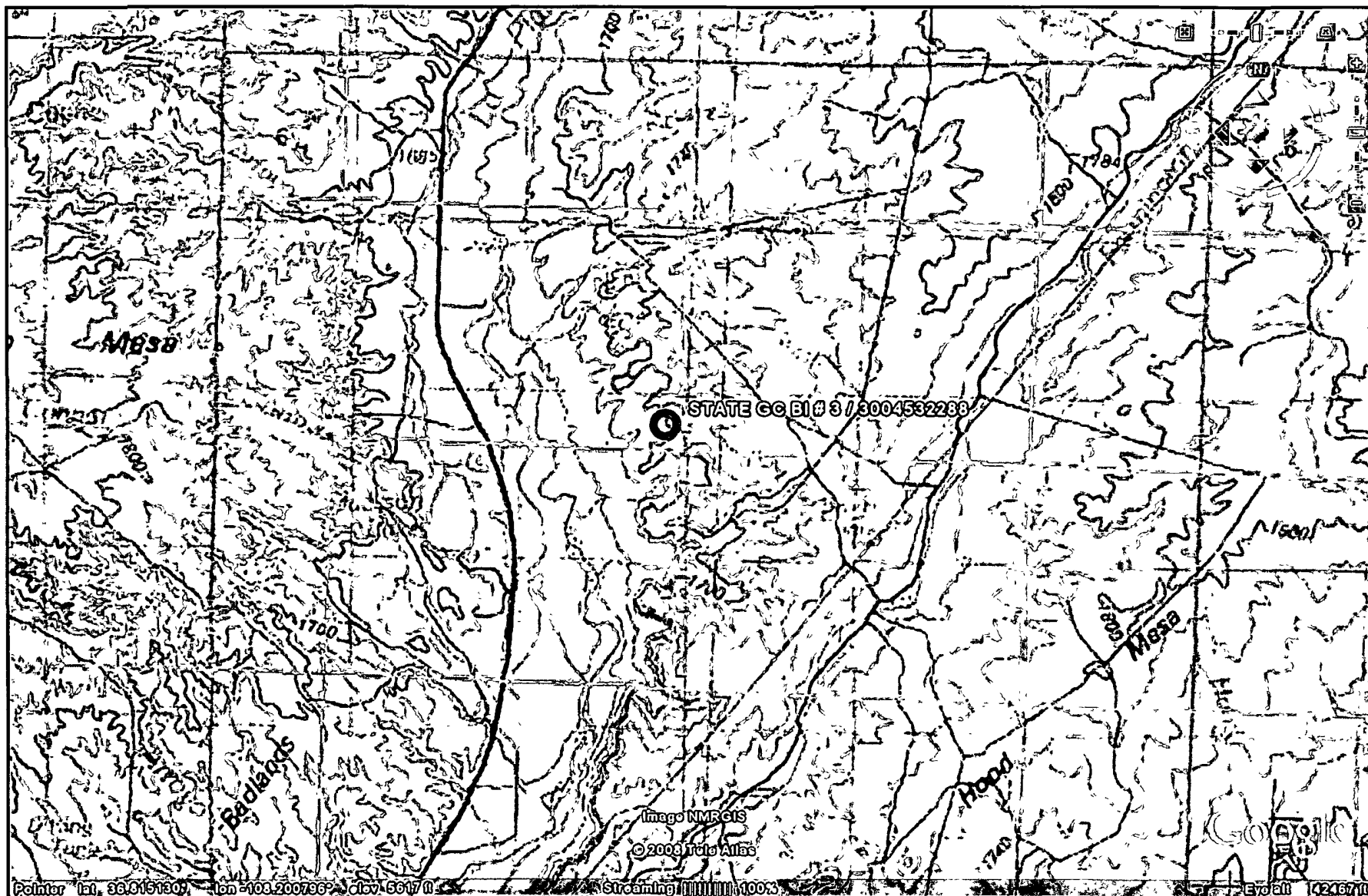


## **Site Specific Hydrogeology**

Depth to groundwater is estimated to be between 50 and 100 feet. This estimation is based on data from Stone and others, 1983 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.

Local aquifers include sandstones within the Nacimiento Formation, which ranges from 0 to 1000 feet deep in this area, as well as shallow aquifers within Quaternary alluvial deposits (Stone et al., 1983). The 1000-foot depth range for Nacimiento aquifers covers an area over 20 miles wide, and depth decreases towards the margin of the San Juan Basin. The site in question is more centrally located, and depth to the aquifer is expected to be closer to 1000 feet. It is well known that groundwater close to the Farmington Glade can be shallow, as the Quaternary deposits near the wash itself form shallow aquifers. The proposed site is situated over one and a half miles to the west of Glade Wash (Google Earth).

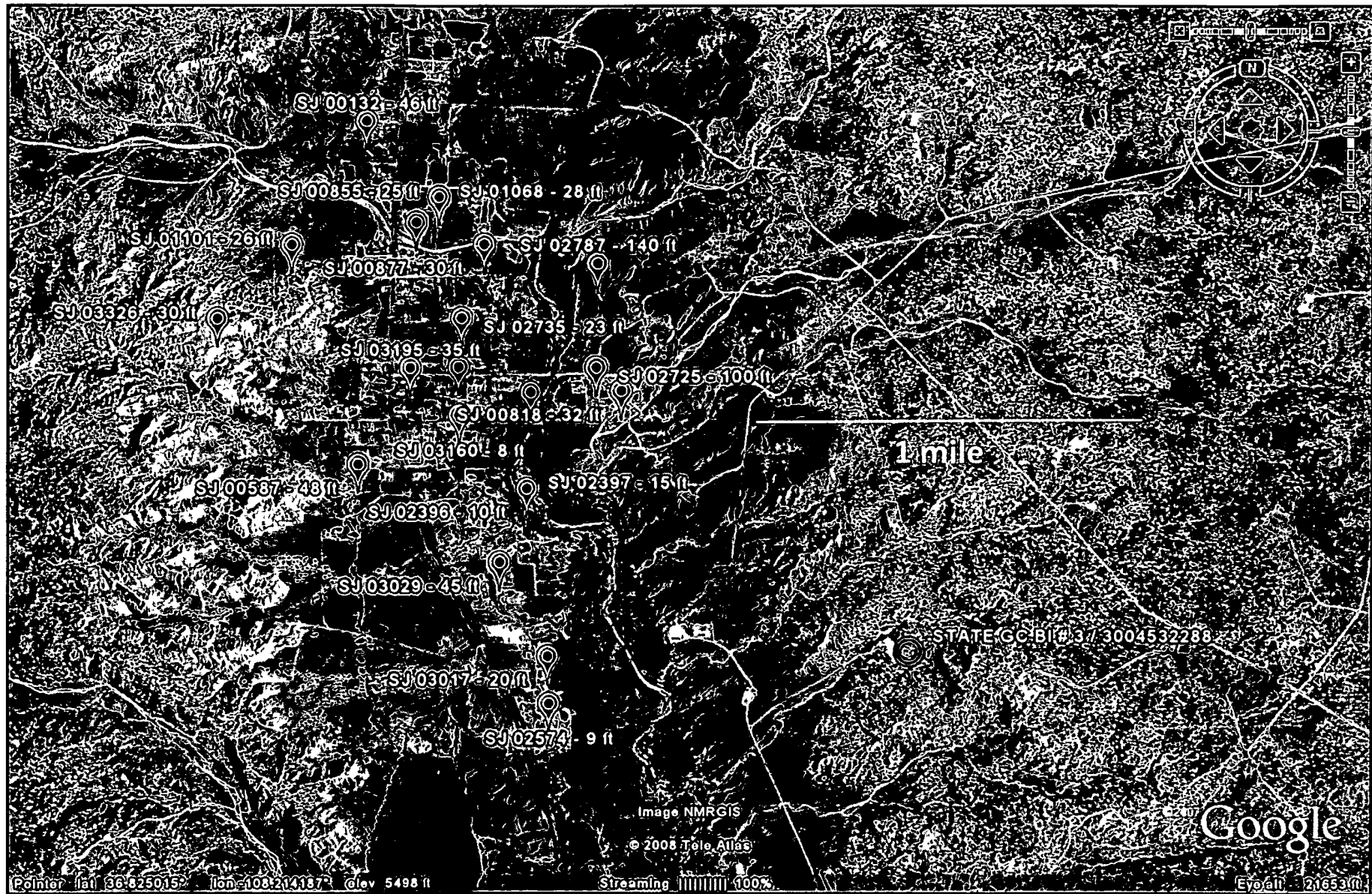
Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the location of wells in reference to the proposed pit location is also included. Pinpoints show locations of wells and the labels for each pinpoint indicate depth to groundwater in feet. Wells are clustered to the west-northwest along the La Plata River. The depth to groundwater in these wells ranges from 8 to 140 feet below the ground surface. The proposed site is at an approximate elevation of 5575 feet (Google Earth). The elevation of the wells ranges from about 5415 feet to 5510 feet.



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STATE GAS COM BI # 3  
T30N, R13W, S16A  
San Juan County, NM

Topographic Map



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STATE GAS COM BI # 3  
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San Juan County, NM

iWaters Groundwater  
Data Map

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

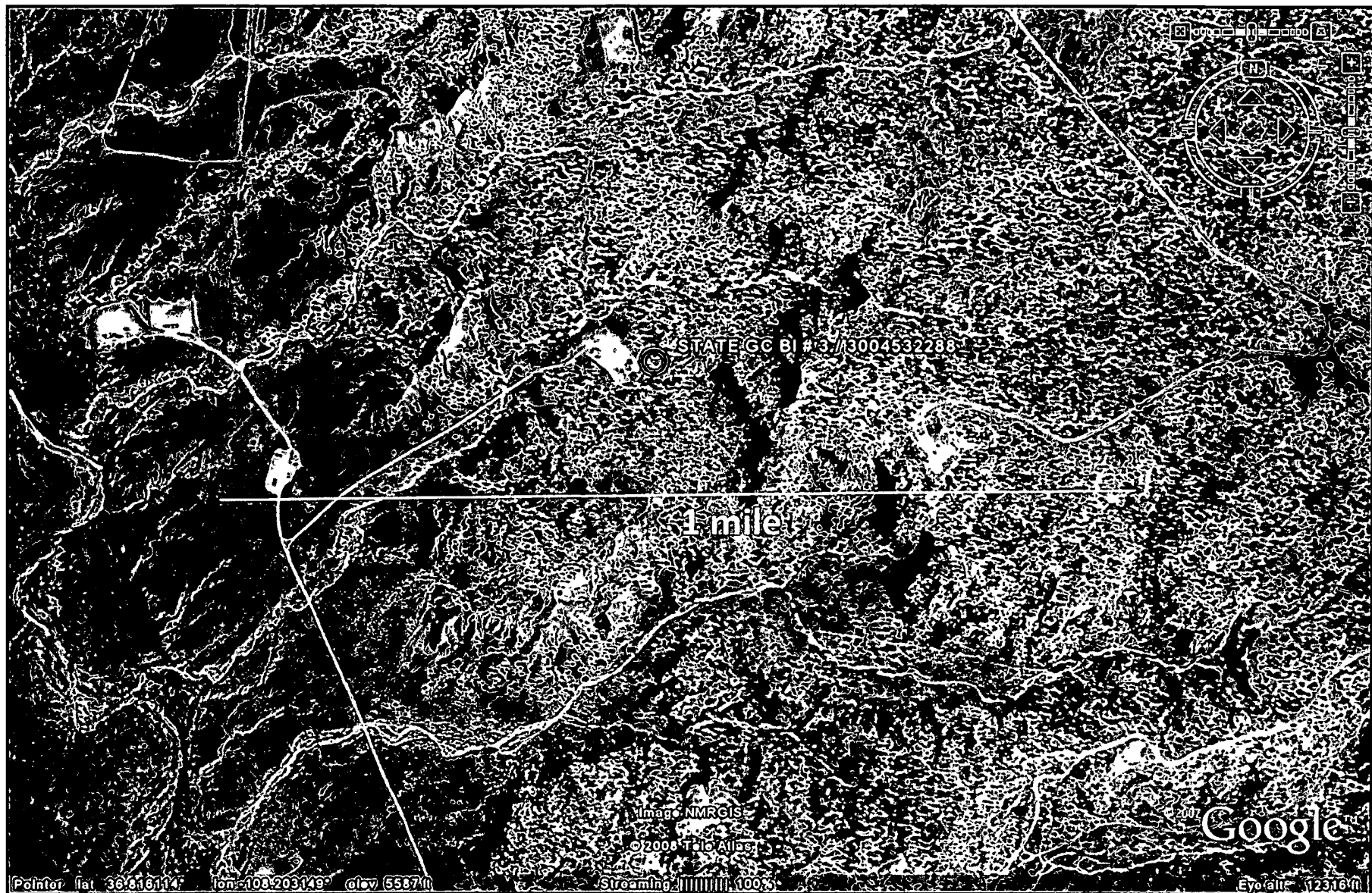
Township. 30N Range. 13W Sections. 5,6,9,17

POD / Surface Data Report Avg Depth to Water Report Water Column Report

WATER COLUMN REPORT 09/15/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)									
(quarters are biggest to smallest)									
POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y
SJ 03283	30N	13W	05	2	4	2			20
SJ 00132	30N	13W	05	3	4	4			100
SJ 01101	30N	13W	06	1					41
SJ 03326	30N	13W	06	1	3	3			55
SJ 02268	30N	13W	06	2					30
SJ 00877	30N	13W	06	2					60
SJ 00293	30N	13W	06	2					50
SJ 01463	30N	13W	06	2					52
SJ 00328	30N	13W	06	2					33
SJ 00855	30N	13W	06	2	1				50
SJ 01068	30N	13W	06	2	1				53
SJ 02326	30N	13W	06	2	1	3			42
SJ 02735	30N	13W	06	2	3	4			43
SJ 00587	30N	13W	06	3	4	2			72
SJ 03195	30N	13W	06	4	1	1			60
SJ 03196	30N	13W	06	4	1	2			41
SJ 03160	30N	13W	06	4	1	4			60
SJ 00374	30N	13W	06	4	2				
SJ 02397	30N	13W	06	4	4				31
SJ 02396	30N	13W	06	4	4				30
SJ 02787	30N	13W	09	1	3	1			235
SJ 00818	30N	13W	09	3	1				130
SJ 02725	30N	13W	09	3	1	1			110

Depth	Depth	Water (in feet)
Well	Water	Column
8		12
46		54
26		15
30		25
21		9
30		30
30		20
30		22
21		12
25		25
28		25
35		7
23		20
48		24
55		25
20		21
8		52
56		
15		16
10		20
140		95
32		93
100		10



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STATE GAS COM BI # 3  
T30N, R13W, S16A  
San Juan County, NM

Aerial Photograph

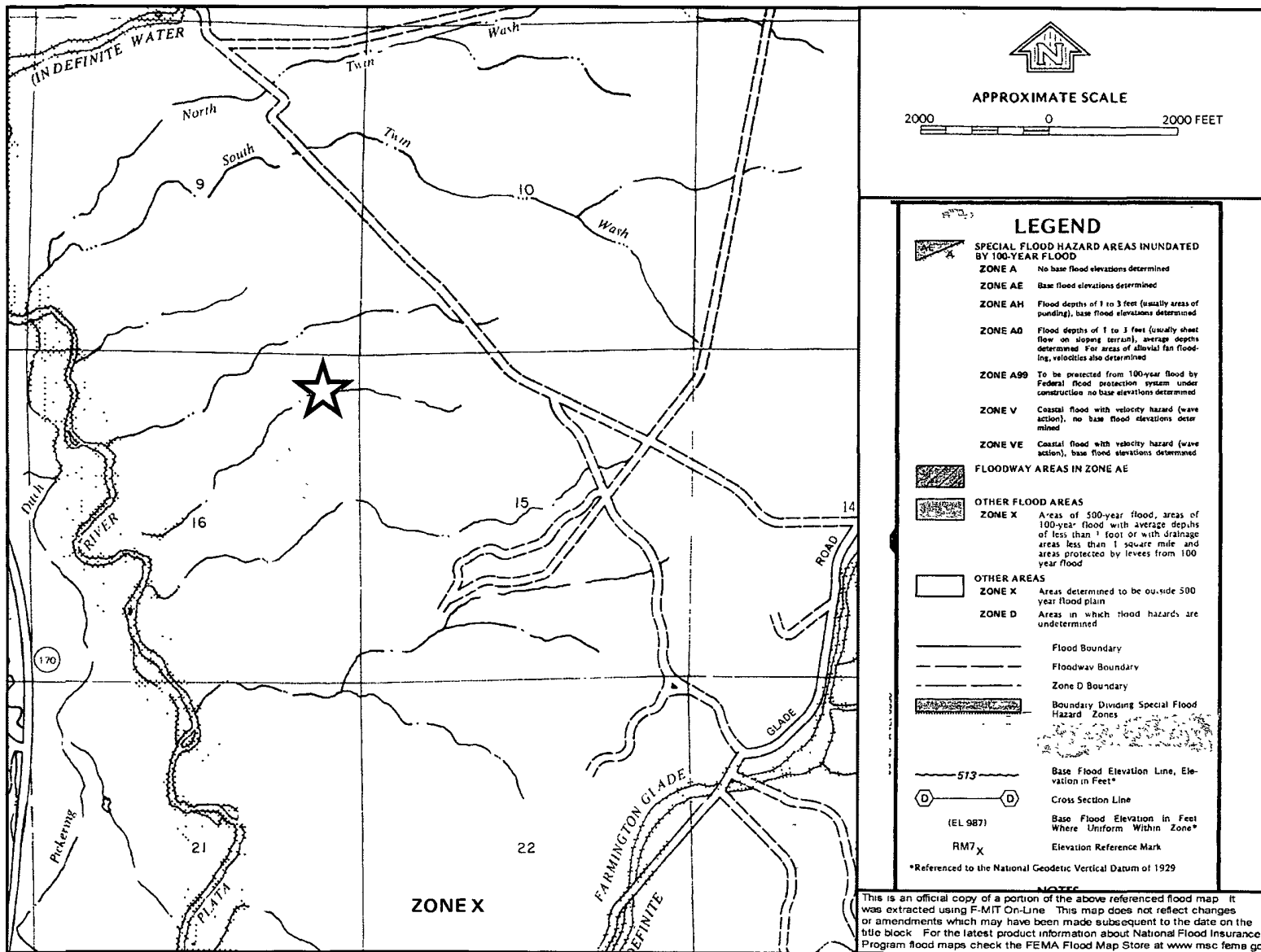


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Mines, Mills, and  
Quarries Map





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San Juan County, NM

FEMA Flood Zone Map

**XTO Energy Inc.**  
**San Juan Basin**  
**Below Grade Tank Design and Construction Plan**

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

**General Plan**

1. XTO will design and construct a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health 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 BGT. 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 two strands of barbed wire on top, or with a pipe top rail. A 6' chain link fence topped with three strands of barbed wire will be used if the well location is within 1000' of a permanent residence, school, hospital, institution or church.
5. XTO shall construct an expanded metal covering on top of the BGT.
6. XTO will ensure that a BGT is constructed of materials resistant to the BGT's particular contents and resistant to damage from sunlight.
7. The BGT system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom.
8. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on.
9. XTO will construct and use BGT that does not have double walls. The BGT sidewalls will be open for visual inspection for leaks, the BGT bottom will be elevated a minimum of 6" above the underlying ground surface and the BGT will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected.
10. XTO will equip BGT's designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows.
11. The geomembrane liner shall consist of 30-mil flexible PVC or 60-mil HDPE liner, or an equivalent liner material that the appropriate division district office approves. The geomembrane liner shall have a hydraulic conductivity greater than  $1 \times 10^{-9}$  cm/sec. The geomembrane liner shall be composed of an impervious, synthetic material that is resistant to petroleum hydrocarbons, salts and acidic and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A.
12. The general specifications for design and construction are attached.



**XTO Energy Inc.**  
**San Juan Basin**  
**Below Grade Tank Maintenance and Operating Plan**

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

**General Plan**

1. XTO will operate and maintain a BGT to contain liquids and solids and prevent contamination of fresh water and protect public health and the environment.
2. XTO will not allow a BGT to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the BGT.
3. XTO will continuously remove any visible or measurable layer of oil from the fluid surface of a BGT in order to prevent significant accumulation of oil.
4. XTO will inspect the BGT monthly and maintain written records for five years.
5. XTO will maintain adequate freeboard to prevent over topping of the BGT.

**XTO Energy Inc.**  
**San Juan Basin**  
**Below Grade Tank Closure Plan**

In accordance with Rule 19.15.17.11 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 (BGT) which does not conform to this plan.

**General Plan**

1. XTO will close a BGT within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
2. XTO will close an existing BGT that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
3. XTO will close a permitted BGT within 60 days of cessation of the BGT's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
4. XTO will remove liquids and sludge from a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility.
5. XTO will remove the BGT 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.
6. XTO will remove any on-site equipment associated with a BGT unless the equipment is required for some other purpose.
7. XTO will test the solids beneath the BGT to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2 mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50 mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.
8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
10. Notice of Closure will be given to the Aztec Division District III office between 72 hours and one week of closure via email or verbally. The notification will include the following:
  - i. Operator's name
  - ii. Location by Unit Letter, Section, Township, and Range. Well name and API number.

11. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the BGT. Closure report will be filed on form C-144 and incorporate the following
  - i. Details on capping and covering, where applicable
  - ii. Inspection reports
  - iii. Sampling results
12. 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.
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.
14. A minimum of 4' of cover shall be achieved and the cover shall include 1' of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.
15. 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.