ODistrict 1 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.

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

Proposed Alternative Method Permit or C	losure Plan Application							
Type of action: Existing BGT 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, close	ed-loop system, below-grade tank or alternative request							
Please be advised that approval of this request does not relieve the operator of liability should opera environment. Nor does approval relieve the operator of its responsibility to comply with any other a	tions result in pollution of surface water, ground water or the							
1.	appreadic governmental authority's rules, regulations of ordinances.							
Operator: XTO Energy, Inc.	OGRID #: 5380							
Address: #382 County Road 3100, Aztec, NM 87410								
Facility or well name: Schwerdtfeger 21#1								
API Number: 30-045-27821 OCD Permit Number								
U/L or Qtr/Qtr Section 21M Township 27N Range	11W County: San Juan							
Center of Proposed Design: Latitude 36.55696 Longitude	<u>108.01348</u> NAD: □1927 □ 1983							
Surface Owner: X Federal X State Private Tribal Trust or Indian Allotment								
2								
<u>Pit</u> : Subsection F or G of 19.15.17.11 NMAC								
Temporary: Drilling Workover								
Permanent Emergency Cavitation P&A								
Lined Unlined Liner type: Thicknessmil LLDPE HDPE _	PVC Other							
☐ String-Reinforced								
Liner Seams: Welded Factory Other Volume:	bbl Dimensions: Lx Wx 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 a	activities which require prior approval of a permit or notice of							
intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other	423456							
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other ☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE	PVC D Other							
Liner Seams: Welded Factory Other								
	/g RECEIVED 名\ (表 原列ののの る)							
4. Below-grade tank: Subsection I of 19.15.17.11 NMAC								
Volume: 120 bbl Type of fluid: Produced Water	OIL CONS. DIV. DIST. 3 5							
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 ☐ OtherVisible sidewalls, se								
Liner type: Thickness mil								
s. Alternative Method:								
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe	Environmental Bureau office for consideration of approval.							
	The state of the s							

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, hinstitution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	nospital,				
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					
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.					
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					
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					
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					
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site					
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division					
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: or Permit Number:
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
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 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 ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Erosion Control 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)
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 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, dr facilities are required.	teel Tanks or Haul-off Bins Only: (19.15.17.13.1 illing fluids and drill cuttings. Use attachment if	O NMAC) more than two					
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?						
Required for impacted areas which will not be used for future service and operations Soil Backfill and Cover Design Specifications based upon the appropriate r Re-vegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection	equirements of Subsection H of 19.15.17.13 NMA of 19.15.17.13 NMAC	С					
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the comprovided 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	administrative approval from the appropriate dist Bureau office for consideration of approval. Justi	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 of the State Engineer - iWATERS database	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							
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							
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							
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							
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							
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site							
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division							
 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 S 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 pactory Protocols and Procedures - based upon the appropriate requirements of 19.15. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of S Disposal Facility Name and Permit Number (for liquids, drilling fluids and drimation Soil Cover Design - based upon the appropriate requirements of Subsection Herevegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection I	rements of 19.15.17.10 NMAC subsection F of 19.15.17.13 NMAC ropriate requirements of 19.15.17.11 NMAC subsection F of 19.15.17.11 NMAC subsection F of 19.15.17.13 NMAC rements of Subsection F 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, acc	•	-					
Name (Print): Kim Champlin		Environmental Representative					
Signature: Kim Champlin	Date:	8.29-08					
e-mail address: <u>kim_champlin@xtoenergy.com</u>	Telephone:	(505) 333-3100					
20.	DI (I) ET OCE						
OCD Approval: Permit Application (including closure plan) Closure							
OCD Representative Signature: By		Approval Date://) - 7-08					
Title: Enviro/spec	OCD Permit Num	ber:					
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 Com	pletion Date:					
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alter If different from approved plan, please explain.	rnative Closure Method	☐ Waste Removal (Closed-loop systems only)					
Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, detwo facilities were utilized.							
Disposal Facility Name:		ermit Number:					
Disposal Facility Name:		ermit Number:					
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not	be used for future service and operations?					
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ations:						
24. Closure Report Attachment Checklist: Instructions: Each of the following	itoms must ho attached	d 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 Long	e)						
25.							
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closur belief. I also certify that the closure complies with all applicable closure requir							
Name (Print):							
Signature:							
e-mail address	Telenhone:						

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-162 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

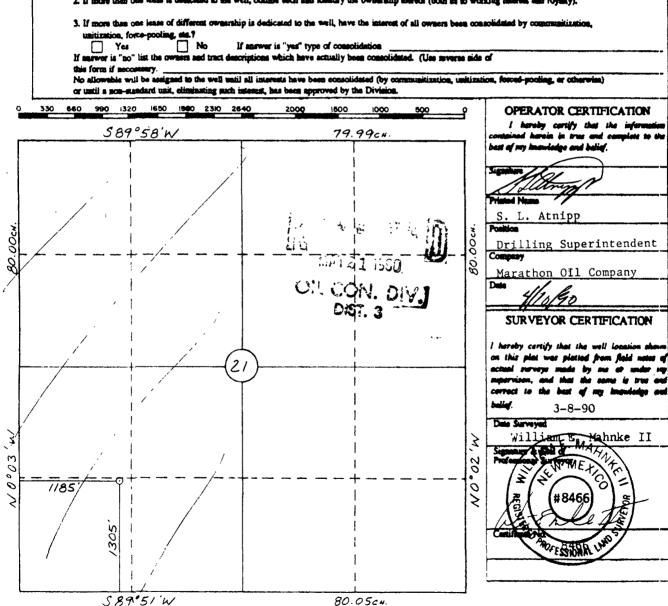
Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Arlesia, NM 88210 DISTRICT III 1000 Rio Brizos Rd., Aziec, NM 87410

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section SCHWERDTFEGER 2/ MARATHON OIL COMPANY 27-1 Ung Letter Section Range County 21 27 N 11 W San Juan MPM Actual Footage Location of Well: 1185 1305 South West feat from the feet from the Ground level Elev. Producing Formation 320 6274 Basin Fruitland Coal Fruitland Coal 1. Outline the acreage dedicated to the subject well by colored pencul or hackure marks on the plat below. 2. If more than one least is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royality). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.7 Yes No If answer is "yes" type of consolidation or is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of Yes this form if neco able will be assigned to the well until all interests have been consolidated (by communicization, unitization, forced-pooling, or otherwise)





Pit Permit Siting Criteria Information Sheet

Client:	XTO Energy	
Project:	Pit Permits	
Revised:	26-Aug-08	
Prepared by:	Devin Hencmann	

PO Box 4465, Durango,	CO 81302	Siting Criteria		Revised:	26-Aug-08	
V		Information She	et	Prepared by: Devin Hencmann		
API#:	, A	3004527821		USPLSS:	27N, 11W, 21M	
Name:	SCHWERDTFEGER 21 #1			Lat/Long:	36.55696/-108.01348	
Depth to groundwater:		>100'		Geologic formation:	Naciemento	
Distance to closest continuously flowing watercourse:	9.24 mile	s N to 'San Juan River'				
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	1.9 mile	es S to Ceder Canyon		· · · · · · · · · · · · · · · · · · ·		
Permanent residence, school, hospital, institution or church within 300'	<u></u>	No		Soil Type:	Entisols	
			!	Annuar Precipitation:	Bloomfield: 8.71" , Farmington: 8.21", Otis: 10.41"	
Domestic fresh water well or spring within 500'	No			Precipitation Notes:	Historical daily max: Bloomfield (4.19")	
Any other fresh water well or spring within 1000'		No		1		
Within incorporated municipal boundaries	, <u>, , , , , , , , , , , , , , , , , , </u>	No		Attached Documents:	27N 11W i-Waters pdf,27N 12W i-Waters pdf	
Within defined municipal fresh water well field		No			Topo map pdf, Aerial pdf, Mines and Quarries Map pdf,i-Waters Ground Water Data Map pdf, FEMA flood zone map pdf	
Wetland within 500'		No		Mining Activity:	None	
Within unstable area		No				
Within 100 year flood plain	No	o-FEMA Zone 'X'		· · · · · · · · · · · · · · · · · · ·		
Additional Notes:				1		
		edge of center-pivot rigated cropland			400' W to Navajo Irrigation	

SCHWERDTFEGER 21 #1 Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be located in the northernmost Bisti region of the San Juan Basin within an area dominated by irrigated fields of the Navajo Indian Irrigation Project. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

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 and grades into the Animas Formation to the west. 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 San Juan River.

The prominent soil type at the proposed site are entisols and aridisols, which are defined as soils that exhibit little to no any profile development (www.emnrd.state.nm.us). Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the San Juan River. These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes the soils that cover the area.

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

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

Site Specific Hydrogeology

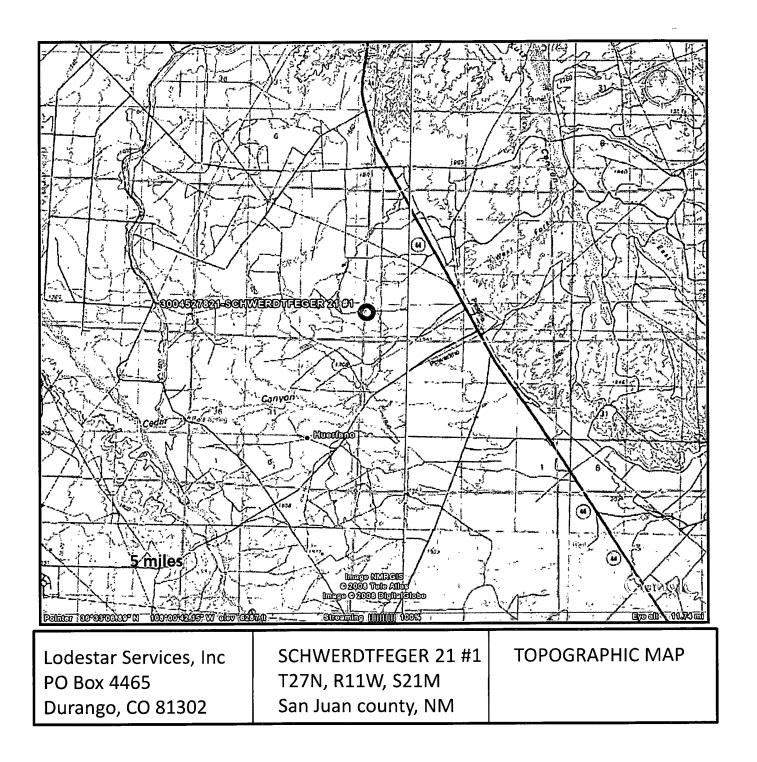
Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity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

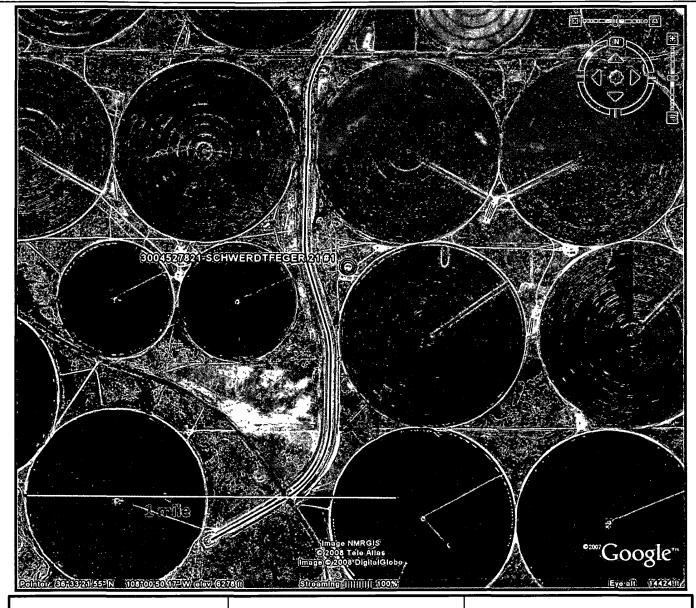
Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the Nacimiento Formation at depth s greater than 100 feet and thicknesses of the aquifer can be up to 3500 feet (USGS, Groundwater Atlas of the US).

The site in question is located on the relatively flat mesa top at an elevation of approximately 6279 feet and approximately 6 miles east of Gallegos Canyon. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image. Groundwater is expected to be shallow within Gallegos Canyon. But the significant distance between the Canyon and the site, as well as an elevation difference of almost 400 feet suggest groundwater is greater than 100 feet at the proposed site.

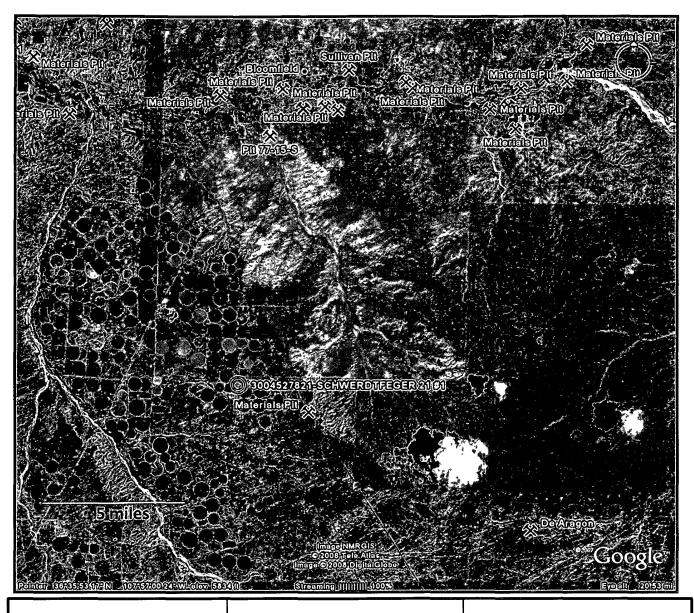
Lined channels associated with the Navajo Irrigation Project supply water for the fields surrounding the proposed site, which are characterized by center-pivot irrigation patterns. During spring and summer, irrigation practices often produces shallow perched aquifers that are not defined in published literature. These shallow zones of water are not continuous and are not saturated year round.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located at similar elevations within the irrigated area contain groundwater greater than 100 feet deep. A map showing the location of wells in reference to the proposed pit location is attached.





Lodestar Services, Inc PO Box 4465 Durango, CO 81302 SCHWERDTFEGER 21 #1 T27N, R11W, S21M San Juan county, NM **AERIAL PHOTOGRAPH**



Lodestar Services, Inc PO Box 4465 Durango, CO 81302 SCHWERDTFEGER 21 #1 T27N, R11W, S21M San Juan county, NM Mines and Quarries Map



Lodestar Services, Inc PO Box 4465 Durango, CO 81302 SCHWERDTFEGER 21 #1 T27N, R11W, S21M San Juan county, NM i-Waters Ground Water Data Map

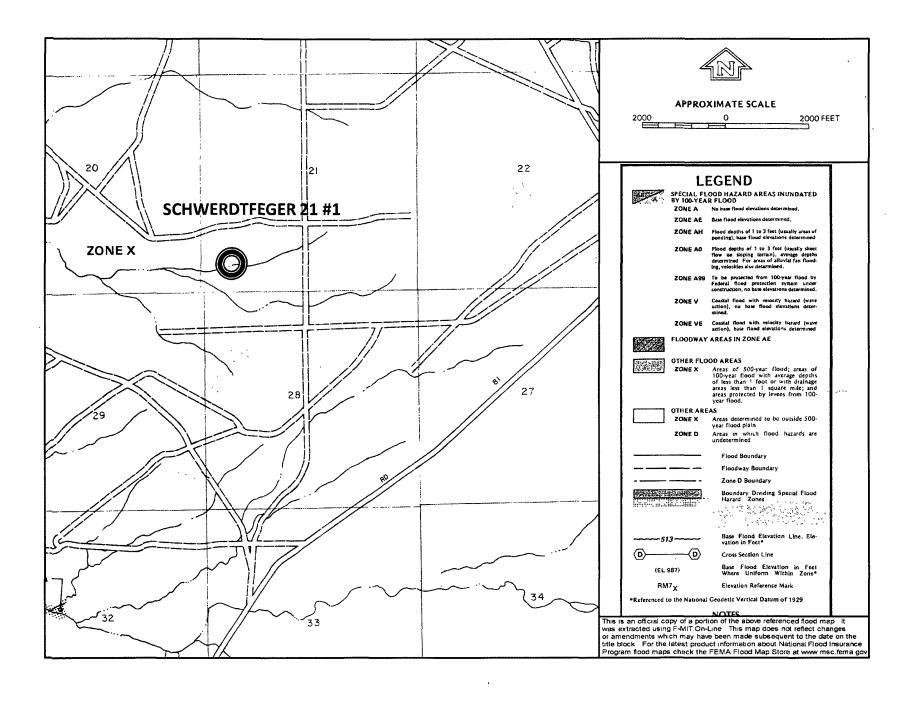
New Mexico Office of the State Engineer POD Reports and Downloads

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WATER COLUMN REPORT 03/22/2008

	-	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)					Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Se	દ્વાવા ત્ર	Zone	X	Ā	Well	Water	Column	
<u>SJ</u> 01787	27N	11W 07	2 2				€50			
SJ 00077	27n	11W 26	2 1 3				1102	550	552	

Record Count: 2



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

- XTO will design and construct a BGT to contain liquids and solids and prevent contamination of fresh water and protect public heath and environment.
- 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 stands 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.
- 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 that 1 x 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

- 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
 - 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.