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 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.

1	4	7	9
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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 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.
Operator: ATO Energy, Inc. OGRID #: 5380
Address: 382 Road 3100 Aztec, NM 87410
Facility or well name:FLORANCE #63F
API Number: OCD Permit Number:
U/L or Qtr/Qtr Section17 Township 27N Range 8W _County: San Juan
Center of Proposed Design: Latitude
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: Thicknessmil 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
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other ☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
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 Other Company Other Other
Volume: 120 bbl Type of fluid: Produced Water
Volume: 120bbl Type of fluid: Produced Water
Volume: 120 bbl Type of fluid: Produced Water Tank Construction material: Steel Secondary containment with leak detection Uvisible sidewalls, liner, 6-inch lift and automatic overflow shut-off
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: Thicknessmil
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.

For the Colonian Decision of the Colonian Coloni	
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	
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. <u>Signs</u> : Subsection C of 19.15.17.11 NMAC	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
Signed in compliance with 19.15.3.103 NMAC	
9. Administrative Approvals and Exceptions:	
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank:	
Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau	office for
consideration of approval. 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	stable course
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 appro-	priate district
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryi	pproval.
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	☐ Yes ☒ No
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.	☐ Yes ☑ No ☐ NA
(Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	L) NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.	☐ Yes ☐ No
(Applies to permanent pits)	⊠ NA
 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 	☐ Yes ⊠ No
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	☐ Yes ⊠ No
 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.	☐ Yes ⊠ No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	L res Ed 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.	☐ Yes ☒ No
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	
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 and 19.15.17.13 NMAC
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 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 Climatory Control 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 Steel Tanks or Haul-off Bins Only: (19.1 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attack facilities are required.	15.17.13.D NMAC) hment if 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 f 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. 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	13 NMAC
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 accept provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropart considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approxidemonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	riate district 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 significant watercourse or lakebed, sinkhole, o lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	or playa Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	on. Yes No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or s watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial applearment of NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	stock Yes No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordi adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	inance 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 Geolog Society; Topographic map 	gical 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 following items must be attached to the composition of Surface 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 NM. Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirement 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 or in case on-site closure stand Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	AC ents of 19.15.17.11 NMAC
Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	

Operator Application Certification:						
I hereby certify that the information submitted with this application is true, a	ccurate and complete to t	he hest of my knowledge and helief				
		Environmental Representative				
Signature: Kim Mamplin	Date:	9-12-08				
e-mail address: kim_champlin@xtoenergy.com	Telephone:	(505) 333-3100				
20.		•				
OCD Approval: Permit Application (including closure plan) Closu	re Plan (only) 🔲 OCD	Conditions (see attachment)				
OCD Representative Signature: Bd Bell		Approval Date:				
Title: Fhui.o/spec	OCD Permit Num	ber:				
21. <u>Closure Report (required within 60 days of closure completion)</u> : Subsectinstructions: Operators are required to obtain an approved closure plan pr The closure report is required to be submitted to the division within 60 days section of the form until an approved closure plan has been obtained and the	tion K of 19.15.17.13 NN ior to implementing any of the completion of the e closure activities have	IAC closure activities and submitting the closure report. closure activities. Please do not complete this been completed.				
	☐ Closure Com	pletion Date:				
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alt If different from approved plan, please explain.	ernative Closure Method	☐ Waste Removal (Closed-loop systems only)				
23. Closure Report Regarding Waste Removal Closure For Closed-loop Syst Instructions: Please indentify the facility or facilities for where the liquids, two facilities were utilized. Disposal Facility Name:	drilling fluids and drill o					
Disposal Facility Name: Disposal Facility Permit Number: Disposal Facility Permit Number: Disposal Facility Permit Number:						
Were the closed-loop system operations and associated activities performed o Yes (If yes, please demonstrate compliance to the items below)	n or in areas that will not					
Required for impacted areas which will not be used for future service and open Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	erations					
24.	- it the attack of	d to the election report. Plages indicate by a chack				
Closure Report Attachment Checklist: Instructions: Each of the following 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 closures) □ Disposal Facility Name and Permit Number □ Soil Backfilling and Cover Installation □ Re-vegetation Application Rates and Seeding Technique □ Site Reclamation (Photo Documentation)	ıre)					
On-site Closure Location: LatitudeLo	ongitude	NAD: □1927 □ 1983				
Operator Closure Certification: I hereby certify that the information and attachments submitted with this clos belief. 1 also certify that the closure complies with all applicable closure requivalent (Print):	ure report is true, accurate irements and conditions	e and complete to the best of my knowledge and specified in the approved closure plan.				
Signature:						
a mail address:	Telephone:					

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

B.L.M. BC 1955

DISTRICT EI
1000 Rio Brozos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION 2040 South Pacheco

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

DISTRICT IV 2040 South Pochec	∝, Santa Fa			·	Santa Fe] AMEN	DED REPORT
		V	VELL L		N AND	AC	REAGE DEDI	CAT				
30.0	Number -	31/27	9	*Pool Code 7232	2_		W 0		³ Pool Name	Be	csin N	lances.
⁴ Property Co				1.1.	^в Ртор	erty N				!	• We	il Number
OGRID No.		· · · · · · · · · · · · · · · · · · ·				RANC				63F		
16706			•		XTO EN						* Elevation 6755'	
					10 Surfe	ace	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from 1	the	North/South line		from the	. East/We		County
F	17	27-N	8-W	<u> </u>	1805		NORTH		400'	WE	SI	SAN JUAN
UL or lot na.	Section	Township	Range	om Hole	LOCGT!		f Different From North/South line		from the	East/We	at line	County
							,					
² Dedicated Acres		./	15 Joint or	infil	14 Consolida	tion Co	de	* Ord	r No.			
160	NW	1/4		•								
NO ALLOW	VABLE V						ON UNTIL ALL				EEN CO	DNSOLIDATED
		OR A N	10N-ST	ANDARD	UNIT HA	S BI	EEN APPROVE	BY	THE DI	VISION		
B.L.M. BC 1955		1110'		B.L.M. 1955		36°34 : 10°	3'37" N. 7'42'19" W.		Signatur Date 18 I hereby cer was plotted	Provide the from field and field the from field and fiel	TEED COR CE well location sites of actual	ERTIFICATION contained herein my knowledge and INSER. RTIFICATION shown on this plot surveys mode by the same is true
S 00-20-27 5336,4' (M)				(SETTER)		1. 5000	}		Dote of Signature	to the best	of my belief.	2001 Sep surver

Lodestar Services, Inc. P0 Box 4465, Durango, C0 81302		Dia Dannia	Client:	XTO Energy
		Pit Permit	Project:	tank permitting
		Siting Criteria	Revised:	26-Aug-08
		Information Sheet	Prepared by:	Trevor Ycas
API#:		30-045-31127	USPLSS:	27N 08W 18 F
Name:	FLORANCI	No. 063F	Lat/Long:	36.576940, -107.705280
Depth to groundwater:		>100'	Geologic formation:	San Jose Formation (Tsj)
Distance to closest continuously flowing watercourse:		s NW to 'San Juan River'	Site Elevation: 2045m/6709'	
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	8900' \	N to 'Blanco Canyon'		
ten and			Soil Type:	Rockland
Permanent residence, school, hospital, institution or church within 300'		NO		
			Annual Precipitation:	Navajo Dam: 12.95", Governador: 11.98",
Domestic fresh water well or spring within 500'		NO	Precipitation Notes:	Capulin Rgr Stn.: 14.98", Otis: 10.41"
Any other fresh water well or spring within 1000'		NO		
Within incorporated municipal boundaries		NO	Attached Documents:	26N06W_IWaters.pdf, 26N07W_iWaters pdf, 26N08W_IWaters pdf, 27N07W_IWaters.pdf, 27N08W_iwaters.pdf, 27N09W_Iwaters.pdf, 28N07W_iWaters.pdf, 28N08W_IWaters.pdf, 28N09W_iWaters.pdf
Within defined municipal fresh water well field		NO	FM3500640750B-30- 045-31127.jpg	30-045-31127_gEarth-PLS.jpg, 30-045-31127_topo- PLS.jpg, 30-045-31127_gEarth-IWaters.jpg
Wetland within 500'		NO	Mining Activity:	None Near
Within unstable area	NO		1	
Within 100 year flood plain	No	-FEMA Zone 'X'		
Additional Notes:				

atop Blanco Mesa

drains to Largo Canyon

Florance #63F Below Grade 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 western Largo Canyon region of the San Juan Basin, on Blanco Mesa overlooking Blanco Canyon to the west. The predominant geologic formation is the San Jose 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 San Jose Formation lies at the surface and overlies the Nacimiento Formation. Thickness of the San Jose ranges from 200 to 2700 feet, thickening from west to east across the region of interest (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the San Jose Formation are between 0 and 2700' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River. Little specific Hydrogeologic data is available for the San Jose Formation system, but "numerous well and springs used for stock and domestic supplies" draw their water from the San Jose Formation (Stone et al, 1983).

The prominent soil type at the proposed site are rocklands 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 and prohibits effective recharge to the underlying aquifers.

Dry and arid weather further prohibit active recharge. The climate of the region is arid, averaging just over 12 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).

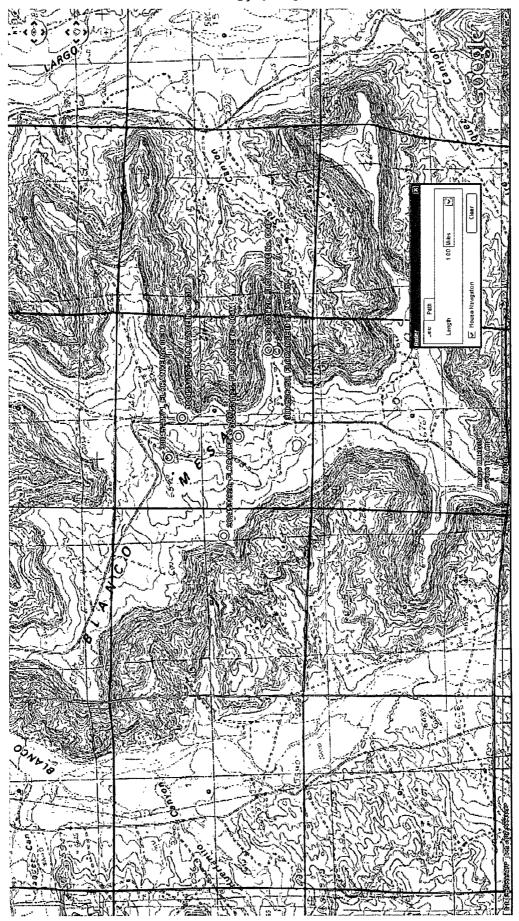
Site Specific Hydrogeology

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 San Jose Formation, which are fluvial in origin and are interbedded with mudstone, siltstone, shale. "Extensive intertonguing" of different members of this formation is reported. (Stone et al., 1983). Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the San Jose Formation at depths greater than 100 feet and thicknesses of the aquifer can be up to several hundred feet (USGS, Groundwater Atlas of the US) (Stone et al., 1983).

The site in question is located on top of the Blanco Mesa at an elevation of approximately 6750 feet and approximately 5800 feet east of Blanco Canyon. This region is deeply incised by canyons, washes, gullies and arroyos, with large, flat-topped mesas the predominant topographic feature. The mesas are composed of cliff-forming sandstone, and systems of dry washes and their tributaries composed of alluvium are evident on the attached aerial image. Groundwater is expected to be shallow within Blanco Canyon and within major tributary systems. However, an elevation difference between the site and the base of Blanco Canyon of over seven hundred feet suggests groundwater at the proposed site is considerably deeper. The nearest tributary is over 500 feet lower in elevation.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Groundwater data is extremely limited in this region; the nearest iWaters data point lies 4.2 miles southeast (SJ02410). Other 'nearby' iWaters wells are located 4.9 miles southeast (RG62248) and 5.7 miles east-northeast (SJ02314). Wells located at similar elevations along Largo Canyon contain groundwater at depths of 180 feet and deeper, occasionally in excess of 500 feet. A map showing the location of wells in reference to the proposed pit location is attached.



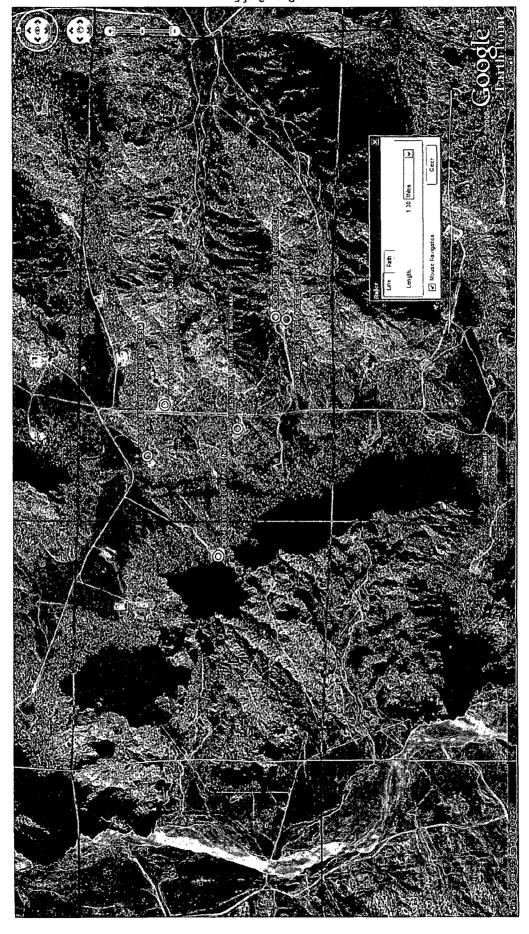
2 to 4 age9

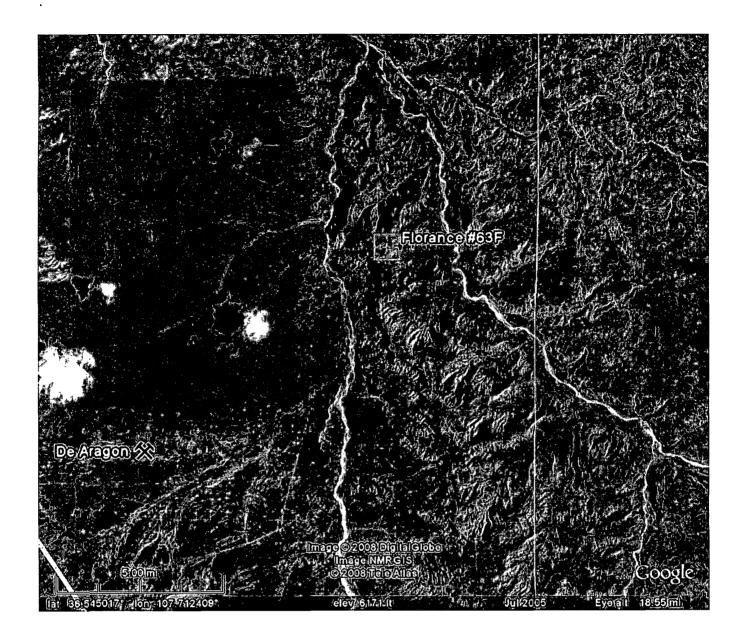
Page 3 of 5

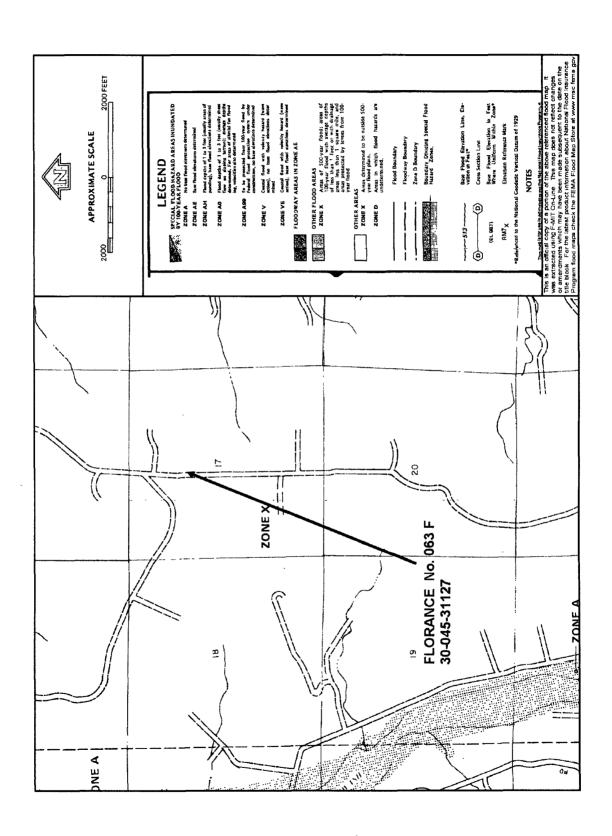
New Mexico Office of the State Engineer POD Reports and Downloads

,	Township: 27N Range: 08W Sections:
	NAD27 X: Y: Zone: Search Radius:
	County: Basin: Number: Suffix:
	Owner Name: (First) (Last) ONon-Domestic ODomestic OAll
	POD / Surface Data Report
	Clear Form iWATERS Menu Help
	WATER COLUMN REPORT 08/04/2008
	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Water (in feet)
POD Number SJ 02410	Tws Rng Sec q q Zone X Y Well Water Column 27N 08W 36 1 3 2 2200

Record Count: 1







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.
- 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 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.