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.

6215
7534

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.

1.
Operator: XTO Energy, Inc. OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410
Facility or well name: Grassy Canyon #8
API Number: 30-045-35067 OCD Permit Number:
U/L or Qtr/Qtr B Section 31 Township 32N Range 07W County: San Juan
Center of Proposed Design: Latitude 36.94329 Longitude 107.60833 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 20 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other
☒ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L 175 W 60 x D 8-12

RECEIVED
JAN 2011
OIL CONS. DIV. DIST. 3

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) **To be used during completion operations**
☐ 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

RECEIVED
MAY 2010
OIL CONS. DIV. DIST. 3

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

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

32

6.

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify_____

7.

Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

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

8.

Signs: Subsection C of 19.15.17.11 NMAC

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

☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

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

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

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

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

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

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- [X] Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- [X] Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- [X] Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- [X] Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- [X] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- [X] 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
- [X] Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- [X] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- [X] Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

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

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

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- [ ] Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- [ ] Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- [ ] Climatological Factors Assessment
- [ ] Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- [ ] Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- [ ] Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- [ ] Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- [ ] Quality Control/Quality Assurance Construction and Installation Plan
- [ ] Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- [ ] Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- [ ] Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- [ ] Emergency Response Plan
- [ ] Oil Field Waste Stream Characterization
- [ ] Monitoring and Inspection Plan
- [ ] Erosion Control Plan
- [ ] Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: [X] Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank [X] Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☐ Waste Excavation and Removal
- [X] Waste Removal (Closed-loop systems only)
- [X] On-site Closure Method (Only for temporary pits and closed-loop systems)
  - [X] In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: Envirotech Disposal Facility Permit Number: NM01-001

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

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No

Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

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

18.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***
☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☒ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

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

Name (Print): Malia Villers Title: Permitting Tech.

Signature: Malia Villers Date: May 14, 2010

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

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

OCD Representative Signature: Brad Jones **Approval Date:** 7/21/10

Title: Environ Spec **OCD Permit Number:**

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☑ **Closure Completion Date:** 11/29/2010

22.
Closure Method:

☐ Waste Excavation and Removal ☑ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

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

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

Disposal Facility Name: Envirotech Disposal Facility Permit Number: NM01-0011

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) a Hached

☑ Proof of Deed Notice (required for on-site closure)

☑ Plot Plan (for on-site closures and temporary pits) a Hached

☐ Confirmation Sampling Analytical Results (if applicable)

☑ Waste Material Sampling Analytical Results (required for on-site closure) a Hached

☑ Disposal Facility Name and Permit Number a Hached

☑ Soil Backfilling and Cover Installation Per OCD Specifications

☑ Re-vegetation Application Rates and Seeding Technique Per BLM MOU

☑ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.94312 Longitude -107.60623 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): James McDaniel Title: EH&S Specialist

Signature: Date: 1/10/2011

e-mail address: James_McDaniel@xtoenergy.com Telephone: 333-3701

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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: XTO Energy, Inc.	Contact: James McDaniel
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3701
Facility Name: Grassy Canyon #8 (30-045-35067)	Facility Type: Gas Well (Dakota)

Surface Owner: Federal	Mineral Owner:	Lease No.: NMNM83503

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	31	32N	7W	915	FNL	2430	FEL	San Juan

Latitude: 36.94329 **Longitude:** -107.60833

NATURE OF RELEASE

Type of Release: None	Volume of Release: NA	Volume Recovered: NA
Source of Release: None	Date and Hour of Occurrence: NA	Date and Hour of Discovery: NA
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The drill pit at the Grassy Canyon #8 was closed on 11/19/2010. A composite sample were collected from the pit pre-stabilization on October 29, 2010, and returned results below the 0.2 ppm benzene standard, the 2500 ppm TPH standard, the 500 ppm DRO/GRO standard and the 50 ppm total BTEX standard, but above the 500 ppm total chloride standard at 520 ppm. After the contents of the drill pit had been stabilized, an additional composite sample was collected on 11/19/2010 from the drill pit. The sample was analyzed for chlorides, and returned results below the 500 ppm regulatory standard. The contents of the drill pit were buried in place.

Describe Area Affected and Cleanup Action Taken.*
No release has occurred at this location

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:	OIL CONSERVATION DIVISION	
Printed Name: James McDaniel	Approved by District Supervisor:	
Title: EH&S Specialist	Approval Date:	Expiration Date:
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:	Attached ☐
Date: 1/10/2011 Phone: 505-333-3701		

* Attach Additional Sheets If Necessary

XTO Energy Inc.
San Juan Basin
Closure Report

Lease Name: Grassy Canyon #8
API No.: 30-045-35067
Description: Unit B, Section 31, Township 32N, Range 7W, San Juan County, NM

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure of the temporary pit referenced above. All proper documentation regarding closure activities is being included with the C-144.

- Proof of Closure Notice
- Proof of Deed Notice (Not Required)
- Plot Plan
- C-105
- Sampling Results
- Details on Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation Photos (Including Steel Marker)

1. All free standing liquids will be removed at the start of the pit closure process from the pit and disposed of in a division-approved facility or recycled, reused, or reclaimed in a manner that the Aztec Division office approves.

   Fluids were pulled from the reserve pit September 15, 2010 and disposed of at Basin Disposal NM01-005.

2. The preferred method of closure for all temporary pits will be on-site, in-place burial, assuming that all criteria listed in Subsection (B) of 19.15.17.13 are met.

   On-site, in-place burial plan for this location was approved by the Aztec Division office on July 21, 2010.

3. The surface owner shall be notified of XTO proposed closure plan using a means that provides proof of notice, i.e., Certified Mail, return receipt requested.

   The surface owner was notified of on-site burial by certified mail, return receipt requested, November 3, 2010 (attached).

4. Within 6 months of Rig Off status occurring XTO will ensure that temporary pits are closed, re-contoured, and reseeded.

   Rig moved off location September 3, 2010. Pit closed November 19th, 2010.

5. Notice of Closure will be given to the Aztec Division office between 72 hours and one week of closure via email, or verbally. The notification of closure will include the following:
   i. Operator's Name
   ii. Well Name and API Number
   iii. Location by Unit Letter, Section. Township, Range

   Notification was sent to the Aztec Office of the OCD on November 1, 2010, Closure activities began on November 7, 2010.

6. Pit contents shall be mixed with non-waste containing, earthen material in order to achieve appropriate solidification. The solidification process will be accomplished using a combination of natural drying and mechanically mixing. Pit contents will be mixed with non-waste, earthen material to a consistency that is deemed as safe and stable. The mixing ratio shall not exceed 3 parts clean soil to 1 part pit contents.

   Pit contents were mixed with non-waste containing, earthen material in order to achieve

appropriate solidification. The solidification process was accomplished using a combination of natural drying and mechanically mixing using a dozer and track-hoe. Pit contents were mixed with non-waste, earthen material to a consistency that was deemed safe and stable. The mixing ratio did not exceed 3 parts clean soil to 1 part pit contents.

7. Liner of temporary pit shall be removed above "mud level" after stabilization. Removal of liner will consist of manually or mechanically cutting liner at mud level and removing all remaining liner. Care will be taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liner will be disposed of at a licensed disposal facility.

   Liner of temporary pit was removed above "mud level" after stabilization. Removal of the liner consisted of manually cutting liner at mud level and removing all remaining liner. Care was taken to remove "ALL" of the liner i.e., edges of liner entrenched or buried. All excessive liner was disposed of at a licensed disposal facility, (San Juan County Landfill).

8. A five point composite sample will be taken using sampling tools and all samples tested per Subsection B of 19.15.17.13(B)(1)(b). In the event that the criteria are not met, all contents will be handled per Subparagraph (a) of Paragraph (1) of Subsection B of 19.15.17.13 i.e. dig and haul. Disposal facilities to be utilized should this method be required will be Envirotech, Permit No. NM01-0011 or IEI, Permit No. NM01-0010B

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

Components	Test Method	Limit (mg/Kg)	Results (mg/Kg)
Benzene	EPA SW-846 8021B or 8260B	0.2	**0.0024**
BTEX	EPA SW-846 8021B or 8260B	50	**0.0156**
TPH	EPA SW-846 418.1	2500	**93.6**
GRO/DRO	EPA SW-846 8015M	500	**15.7**
Chlorides	EPA 300.1	500 or background	**520 (Pre) – 340 (post)**

9. Upon completion of solidification and testing, the pit area will be backfilled with compacted, non-waste containing earthen material. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater.

   Upon completion of solidification and testing, the pit area was backfilled with compacted, non-waste containing, earthen material. A minimum of four feet of cover was achieved and the cover included one foot of background topsoil suitable for establishing vegetation at the site or natural levels, whichever was greater. Backfill and cover were placed to match existing grade.

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

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

11. Notification will be sent to OCD when the reclaimed area is seeded.

    The area is awaiting re-seeding per BLM due to weed growth in the area. XTO is working with the BLM to complete the reseeding during the next growing season.

12. XTO shall seed the disturbed areas the first growing season after the pit is closed. Seeding will be accomplished via drilling on the contour whenever practical or by other division-approved methods. BLM of Forest Service stipulated seed mixes will be used on Federal Lands. Vegetative cover will equal 70% of the native perennial vegetative cover (un-impacted) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover

through two successive growing seasons. Repeat seeding or planting will be continued until successful vegetative growth occurs.

Notification via C-103 will be sent to OCD when the reclaimed area successfully achieves re-vegetation for two successive growing seasons.

13. The temporary pit will be located with a steel marker, no less than four inches in diameter, cemented in a hole three feet deep in the center of the on-site burial upon the abandonment of all the wells on the pad. The marker will be flush with the ground to allow access of the active well pad and for safety concerns. The marker will include a threaded collar to be used for future abandonment. The top of the marker will contain a welded steel 12" square plate that indicates the onsite burial of the temporary pit. The plate will be easily removable and a four foot riser will be threaded into the top of the collar marker and welded around the base with the operator's information at the time all wells on the pad are abandoned. The operator's information will include the following: Operator's Name, Lease Name, Well Name and Number, Unit Number, Section, Township, Range and an indicator that the marker is an on-site burial location.

    The temporary pit was located with a steel marker, topped with a 24" x 24" steel plate, cemented in a hole three feet deep in the center of the onsite burial upon the abandonment of all the wells on the pad. The marker includes a steel plate set at the surface level with the operators information. The marker was set in a way to not impede reclamation activities. The operator's information includes the following: XTO Energy Inc., Grassy Canyon #8, Sec. 31B-T32N-R07W "Pit Burial". Steel marker is expected to be set in early 2011.

14. XTO shall file a deed notice identifying the exact location of the on-site burial with the county clerk in the county where the on-site burial occurs.

    Not required on state, federal, or tribal land according to FAQ dated October 30, 2008 and posted on the OCD website.

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
July 17, 2008

1. WELL API NO.
30-045-35067

2. Type of Lease
☐ STATE ☐ FEE ☒ FED/INDIAN

3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name
Grassy Canyon

6. Well Number:
8

7. Type of Completion:
☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator
XTO Energy, Inc.

9. OGRID
5380

10. Address of Operator
382 County Road 3100
Aztec, New Mexico 87410
505-333-3100

11. Pool name or Wildcat

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13. Date Spudded	14. Date T.D. Reached	15. Date Rig Released	16. Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc.)
		9/3/2010		

18. Total Measured Depth of Well	19. Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28. **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod. or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - *(Corr.)*

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Test Witnessed By

31. List Attachments

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. **attached**

33. If an on-site burial was used at the well, report the exact location of the on-site burial:
Latitude **36.94312** Longitude **-107.60823** NAD **1927** 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Printed Name: **James McDaniel** Title: EH&S Specialist

E-mail Address James_McDaniel@xtoenergy.com Date: **1/10/2011**

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

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name	
[4] Property Code	[5] Property Name: GRASSY CANYON		[6] Well Number: 8
[7] OGRID No.	[8] Operator Name: XTO ENERGY INC.		[9] Elevation: 6807'

[10] Surface Location

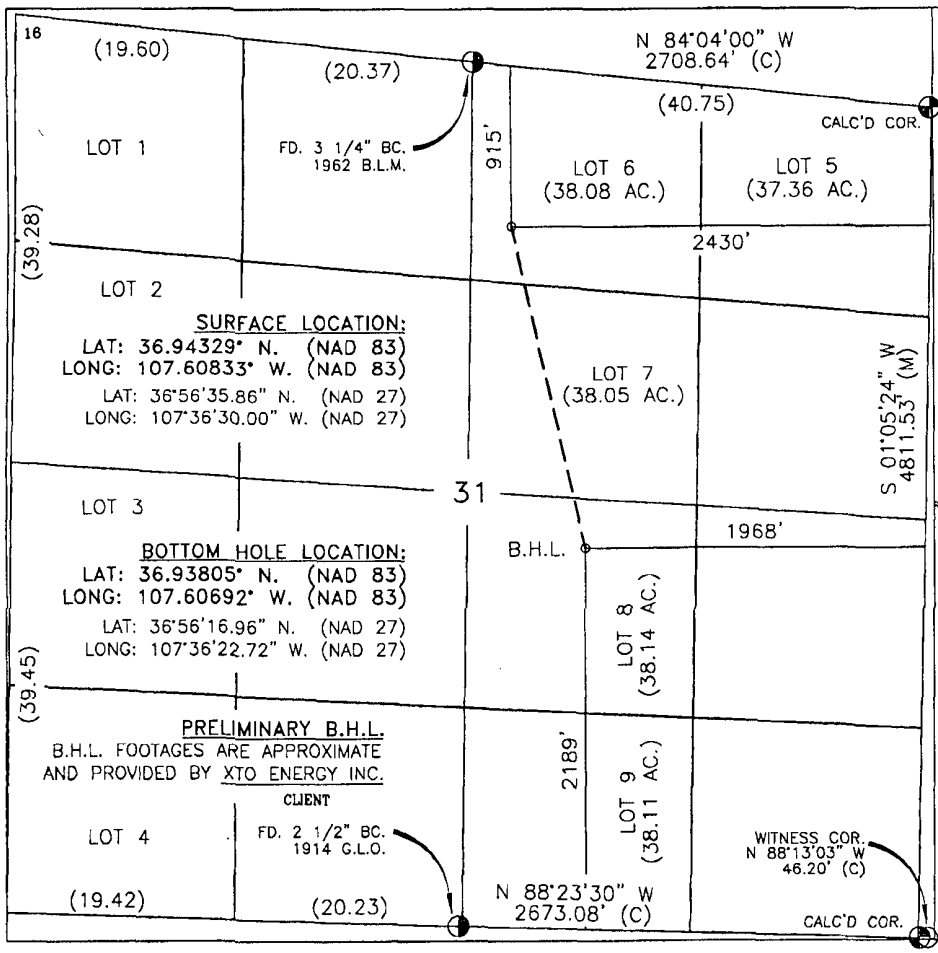
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	31	32-N	7-W		915	NORTH	2430	EAST	SAN JUAN

[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
J	31	32-N	7-W		2189	SOUTH	1968	EAST	SAN JUAN

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

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



[17] OPERATOR CERTIFICATION

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

Signature Date

Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

MAY 7, 2010
Date of Survey

Signature and Seal of Professional Surveyor:

8894
Certificate Number

XTO ENERGY INC.

GRASSY CANYON No. 8, 915 FNL 2430 FEL

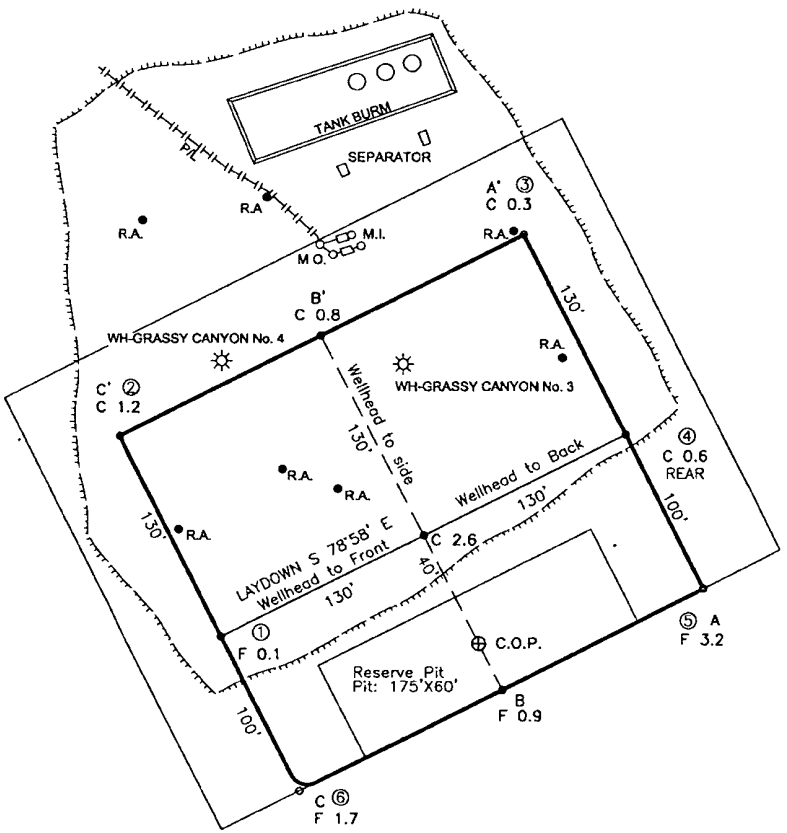
SECTION 31, T-32-N, R-7-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

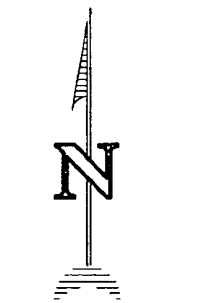
GROUND ELEVATION: 6807', DATE: JULY 8, 2008

NAD 83
LAT. = 36.94329° N.
LONG. = 107.60833° W.
NAD 27
LAT. = 36°56'35.86" N.
LONG. = 107°36'30.00" W.

CENTER OF PIT

NAD 83
LAT. = 36.94312° N.
LONG. = 107.60823° W.
NAD 27
LAT. = 36°56'35.24" N.
LONG. = 107°36'29.61" W.





0 50 100
SCALE: 1"=100'

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

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

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

REVISION:	DATE:	REVISED BY:
CHANGE FORMAT PER ONSITE	09/16/09	B.K.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 • Farmington, NM 87499
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. 8894

DRAWN BY B.K.	CADFILE: CR1053_PL8
ROW#: CR1053	DATE: 11/11/08

XTO ENERGY INC.

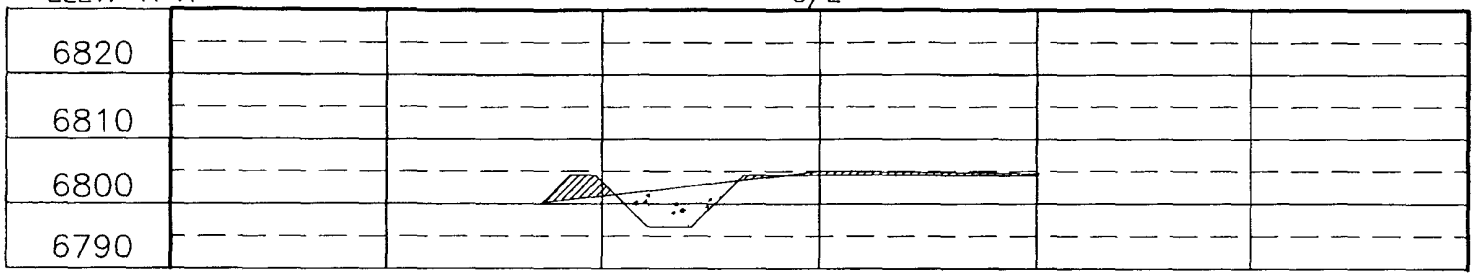
GRASSY CANYON No. 8, 915 FNL 2430 FEL

SECTION 31, T-32-N, R-7-W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

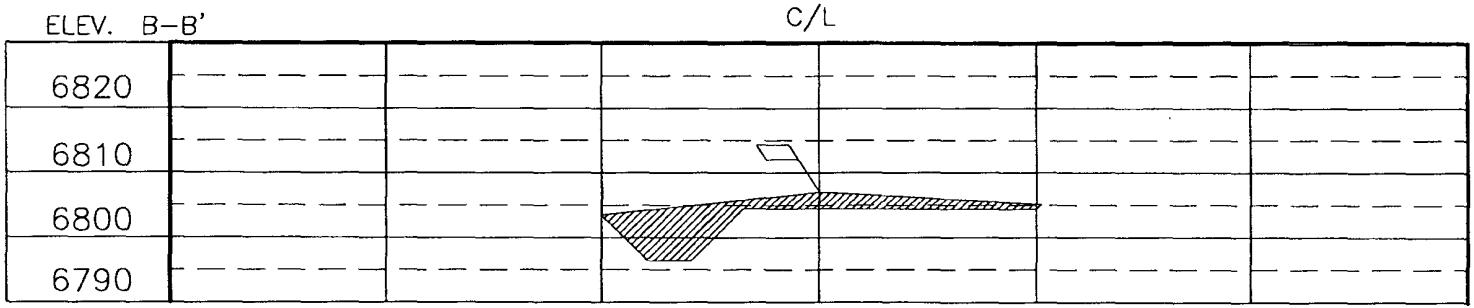
GROUND ELEVATION: 6807', DATE: JULY 8, 2008

NAD 83
LAT. = 36.94329° N.
LONG. = 107.60833° W.
NAD 27
LAT. = 36°56'35.86" N.
LONG. = 107°36'30.00" W.

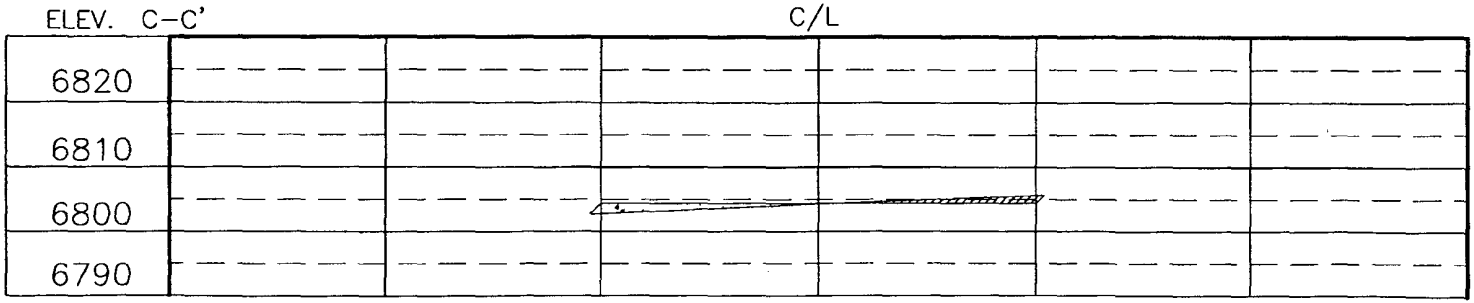
ELEV. A–A'



ELEV. B–B'



ELEV. C–C'



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

REVISION:	DATE:	REVISED BY:
CHANGE FORMAT PER ONSITE	09/17/09	B.K.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 510 • Farmington, NM 87499
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. 8894

DRAWN BY: B.K.	CADFILE: CR1053_CF8
ROW#: CR1053	DATE: 11/11/08

envirotech
Analytical Laboratory

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit Composite	Date Reported:	11-01-10
Laboratory Number:	56336	Date Sampled:	10-29-10
Chain of Custody No:	10628	Date Received:	10-29-10
Sample Matrix:	Soil	Date Extracted:	11-01-10
Preservative:	Cool	Date Analyzed:	11-01-10
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**3.7**	**0.2**
Diesel Range (C10 - C28)	**12.0**	**0.1**
Total Petroleum Hydrocarbons	**15.7**	

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Grassy Canyon #8**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	11-01-10 QA/QC	Date Reported:	11-01-10
Laboratory Number:	56334	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	11-01-10
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept Range
Gasoline Range C5 - C10	11-01-10	9.9960E+002	1.0000E+003	0.04%	0 - 15%
Diesel Range C10 - C28	11-01-10	9.9960E+002	1.0000E+003	0.04%	0 - 15%

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	ND	0.2
Diesel Range C10 - C28	ND	0.1

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept Range
Gasoline Range C5 - C10	ND	ND	0.0%	0 - 30%
Diesel Range C10 - C28	ND	ND	0.0%	0 - 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
Gasoline Range C5 - C10	ND	250	250	100%	75 - 125%
Diesel Range C10 - C28	ND	250	250	100%	75 - 125%

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **QA/QC for Samples 56334-56338, 56342**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit Composite	Date Reported:	11-01-10
Laboratory Number:	56336	Date Sampled:	10-29-10
Chain of Custody:	10628	Date Received:	10-29-10
Sample Matrix:	Soil	Date Analyzed:	11-01-10
Preservative:	Cool	Date Extracted:	11-01-10
Condition:	Intact	Analysis Requested:	BTEX
		Dilution:	10

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**2.4**	**0.9**
Toluene	**5.9**	**1.0**
Ethylbenzene	**ND**	**1.0**
p,m-Xylene	**7.3**	**1.2**
o-Xylene	**ND**	**0.9**
Total BTEX	**15.6**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**99.9 %**
	1,4-difluorobenzene	**99.8 %**
	Bromochlorobenzene	**101 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Grassy Canyon #8**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	1101BBLK QA/QC	Date Reported:	11-01-10
Laboratory Number:	56334	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	11-01-10
Condition:	N/A	Analysis:	BTEX
		Dilution:	10

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept. Range 0 - 15%	Blank Conc	Detect. Limit
Benzene	4.6561E+005	4.6654E+005	0.2%	ND	0.1
Toluene	5.2506E+005	5.2611E+005	0.2%	ND	0.1
Ethylbenzene	4.8563E+005	4.8660E+005	0.2%	ND	0.1
p,m-Xylene	1.1784E+006	1.1808E+006	0.2%	ND	0.1
o-Xylene	4.3874E+005	4.3962E+005	0.2%	ND	0.1

Duplicate Conc (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect Limit
Benzene	1.7	2.2	29.4%	0 - 30%	0.9
Toluene	ND	ND	0.0%	0 - 30%	1.0
Ethylbenzene	ND	ND	0.0%	0 - 30%	1.0
p,m-Xylene	ND	ND	0.0%	0 - 30%	1.2
o-Xylene	ND	ND	0.0%	0 - 30%	0.9

Spike Conc (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	1.7	500	492	98.0%	39 - 150
Toluene	ND	500	496	99.2%	46 - 148
Ethylbenzene	ND	500	484	96.7%	32 - 160
p,m-Xylene	ND	1000	1,000	100%	46 - 148
o-Xylene	ND	500	499	100%	46 - 148

ND - Parameter not detected at the stated detection limit.

Dilution: Spike and spiked sample concentration represent a dilution proportional to sample dilution.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: **QA/QC for Samples 56334-56338, 56342**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit Composite	Date Reported:	11-01-10
Laboratory Number:	56336	Date Sampled:	10-29-10
Chain of Custody No:	10628	Date Received:	10-29-10
Sample Matrix:	Soil	Date Extracted:	11-01-10
Preservative:	Cool	Date Analyzed:	11-01-10
Condition:	Intact	Analysis Needed:	TPH-418.1

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**93.6**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Grassy Canyon #8**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM HYROCARBONS
QUALITY ASSURANCE REPORT

Client:	QA/QC	Project #:	N/A
Sample ID:	QA/QC	Date Reported:	11-01-10
Laboratory Number:	11-01-TPH.QA/QC 56334	Date Sampled:	N/A
Sample Matrix:	Freon-113	Date Analyzed:	11-01-10
Preservative:	N/A	Date Extracted:	11-01-10
Condition:	N/A	Analysis Needed:	TPH

Calibration	I-Cal Date	C-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
	10-28-10	11-01-10	1,610	1,590	1.3%	+/- 10%

Blank Conc. (mg/Kg)	Concentration	Detection Limit
TPH	ND	5.0

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
TPH	54.9	45.2	17.7%	+/- 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept Range
TPH	54.9	2,000	1,740	84.7%	80 - 120%

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **QA/QC for Samples 56334-56337, 56342**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

envirotech
Analytical Laboratory

Chloride

Client:	XTO	Project #:	98031-0528
Sample ID:	Drill Pit Composite	Date Reported:	11-01-10
Lab ID#:	56336	Date Sampled:	10-29-10
Sample Matrix:	Soil	Date Received:	10-29-10
Preservative:	Cool	Date Analyzed:	11-01-10
Condition:	Intact	Chain of Custody:	10628

Parameter	Concentration (mg/Kg)
Total Chloride	**520**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Grassy Canyon #8**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

CHAIN OF CUSTODY RECORD

10628

Client: XTO	Project Name / Location: Grassy Canyon #8	ANALYSIS / PARAMETERS
Client Address: 382 CR 3100	Sampler Name: J McDaniel	
Client Phone No.: 787-0519	Client No.: 98031-0528	

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl	Preservative Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE			Sample Cool	Sample Intact
Drill Pit Composite	10/29/10	12⁰⁰	56336	(Soil) Solid Sludge Aqueous	2/4oz			X	X	X							X	X			Y	Y
				Soil Solid Sludge Aqueous																		
				Soil Solid Sludge Aqueous																		
				Soil Solid Sludge Aqueous																		
				Soil Solid Sludge Aqueous																		
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				Soil Solid Sludge Aqueous																		
				Soil Solid Sludge Aqueous																		

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
	10/29/10	1555		10/29/10	1555
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

RUSH

envirotech
Analytical Laboratory

5796 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • lab@envirotech-inc.com

ESC
L·A·B S·C·I·E·N·C·E·S
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12065 Lebanon Rd.
Mt. Juliet, TN 37122
(615) 758-5858
1-800-767-5859
Fax (615) 758-5859

Tax I.D. 62-0814289

Est. 1970

James McDaniel
XTO Energy - San Juan Division
382 Road 3100
Aztec, NM 87410

Report Summary

Tuesday November 23, 2010

Report Number: L490116
Samples Received: 11/20/10
Client Project: XT01020

Description: Grassy Canyon #008

The analytical results in this report are based upon information supplied by you, the client, and are for your exclusive use. If you have any questions regarding this data package, please do not hesitate to call.

Entire Report Reviewed By: Daphne R Richards
Daphne Richards , ESC Representative

Laboratory Certification Numbers

A2LA - 1461-01, AIHA - 100789, AL - 40660, CA - I-2327, CT - PH-0197, FL - E87487
GA - 923, IN - C-TN-01, KY - 90010, KYUST - 0016, NC - ENV375/DW21704, ND - R-140
NJ - TN002,NJ NELAP - TN002, SC - 84004, TN - 2006, VA - 00109, WV - 233
AZ - 0612, MN - 047-999-395, NY - 11742, WI - 998093910, NV - TN000032008A,
TX - T104704245, OK-9915

Accreditation is only applicable to the test methods specified on each scope of accreditation held by ESC Lab Sciences.
Note: The use of the preparatory EPA Method 3511 is not approved or endorsed by the CA ELAP.

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Where applicable, sampling conducted by ESC is performed per guidance provided in laboratory standard operating procedures: 060302, 060303, and 060304.

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REPORT OF ANALYSIS

James McDaniel
XTO Energy - San Juan Division
382 Road 3100
Aztec, NM 87410

November 23,2010

ESC Sample # : L490116-01

Site ID :

Project # : XT01020

Date Received : November 20, 2010
Description : Grassy Canyon #008

Sample ID : GRASSY CANYON 8

Collected By : Julie Linn
Collection Date : 11/19/10 13:36

Parameter	Dry Result	Det. Limit	Units	Method	Date	Dil.
Chloride	340	13.	mg/kg	9056	11/23/10	1
Total Solids	79.3		%	2540G	11/23/10	1

Results listed are dry weight basis.
BDL - Below Detection Limit
Det. Limit - Practical Quantitation Limit(PQL)
Note:
This report shall not be reproduced, except in full, without the written approval from ESC.
The reported analytical results relate only to the sample submitted
Reported: 11/23/10 17:03 Printed: 11/23/10 17:03

Summary of Remarks For Samples Printed
11/23/10 at 17:03:52

TSR Signing Reports: 288
R2 - Rush: Next Day

report J's if above limits-B 0.01, T 0.75, E 0.75, X 0.62 mg/l

Sample: L490116-01 Account: XTORNM Received: 11/20/10 09:00 Due Date: 11/23/10 00:00 RPT Date: 11/23/10 17:03

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XTO Energy - San Juan Division
James McDaniel
382 Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L490116

November 23, 2010

Laboratory Blank

Analyte	Result	Units	% Rec	Limit	Batch	Date Analyzed
Total Solids	< .1	%			WG509802	11/23/10 13:37
Chloride	< 10	mg/kg			WG509859	11/23/10 11:53

Duplicate

Analyte	Units	Result	Duplicate	RPD	Limit	Ref Samp	Batch
Total Solids	%	85.0	84.9	0.245	5	L490213-04	WG509802

Laboratory Control Sample

Analyte	Units	Known Val	Result	% Rec	Limit	Batch
Total Solids	%	50	50.0	100.	85-115	WG509802
Chloride	mg/kg	200	191.	95.5	85-115	WG509859

Laboratory Control Sample Duplicate

Analyte	Units	Result	Ref	%Rec	Limit	RPD	Limit	Batch
Chloride	mg/kg	194.	191.	97.0	85-115	1.56	20	WG509859

Batch number /Run number / Sample number cross reference

WG509802: R1485351: L490116-01
WG509859: R1485670: L490116-01

* * Calculations are performed prior to rounding of reported values .
* Performance of this Analyte is outside of established criteria.
For additional information, please see Attachment A 'List of Analytes with QC Qualifiers.'

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James McDaniel
382 Road 3100

Aztec, NM 87410

Quality Assurance Report
Level II

L490116

November 23, 2010

The data package includes a summary of the analytic results of the quality control samples required by the SW-846 or CWA methods. The quality control samples include a method blank, a laboratory control sample, and the matrix spike/matrix spike duplicate analysis. If a target parameter is outside the method limits, every sample that is effected is flagged with the appropriate qualifier in Appendix B of the analytic report.

Method Blank - an aliquot of reagent water carried through the entire analytic process. The method blank results indicate if any possible contamination exposure during the sample handling, digestion or extraction process, and analysis. Concentrations of target analytes above the reporting limit in the method blank are qualified with the "B" qualifier.

Laboratory Control Sample - is a sample of known concentration that is carried through the digestion/extraction and analysis process. The percent recovery, expressed as a percentage of the theoretical concentration, has statistical control limits indicating that the analytic process is "in control". If a target analyte is outside the control limits for the laboratory control sample or any other control sample, the parameter is flagged with a "J4" qualifier for all effected samples.

Matrix Spike and Matrix Spike Duplicate - is two aliquots of an environmental sample that is spiked with known concentrations of target analytes. The percent recovery of the target analytes also has statistical control limits. If any recoveries that are outside the method control limits, the sample that was selected for matrix spike/matrix spike duplicate analysis is flagged with either a "J5" or a "J6". The relative percent difference (%RPD) between the matrix spike and the matrix spike duplicate recoveries is all calculated. If the RPD is above the method limit, the effected samples are flagged with a "J3" qualifier.

Company Name/Address

XTO Energy, Inc.

382 County Road 3100
Aztec, NM 87410

Alternate Billing

XTORNM031810S

Report to: James McDaniel

E-mail to: James_McDaniel@xtoenergy.com

Analysis/Container/Preservative

Chain of Custody
Page___of___

Prepared by: **B027**

ENVIRONMENTAL
Science corp
12065 Lebanon Road
Mt. Juliet TN 37122
Phone (615)758-5858
Phone (800) 767-5859
FAX (615)758-5859

Project Description: Grassy Canyon #008

City/State Collected: Ignacio, CO

PHONE: 505-333-3701

FAX:

Client Project No. XTO1020

Lab Project #

Collected by: ~~Robert McCarthy~~ Julie Linn

Site/Facility ID#

P.O.#

Collected by(signature): Julie C

Packed on Ice N___ Y X

Rush? (Lab MUST be Notified)
X Next Day.....100%
_____Two Day.....50%
_____Three Day.....25%

Date Results Needed 11-22-10

Email?___No_X__Yes
FAX?___No___Yes

CoCode (lab use only)
XTORNM
Template/Prelogin

Shipped Via: Fed Ex

Sample ID	Comp/Grab	Matrix	Depth	Date	Time	No of Cntrs	Chloride	Remarks/contaminant	Sample # (lab only)
Grassy Canyon #8	Comp	Soil	5-7'	11-19	1336	1			L490116-01

Matrix: SS-Soil/Solid GW-Groundwater WW-Wastewater DW-Drinking Water OT- Other_____

pH_____ Temp_____

Remarks:

Flow_____ Other_____

Relinquisher by:(Signature	Date:	Time:	Received by:(Signature)	Samples returned via: FedEx_X_ UPS__Other__	Condition (lab use only)
Julie C	11-19-10	1500		871960312831	OK
Relinquisher by:(Signature	Date:	Time:	Received by: (Signature)	Temp: 2.7c	Bottles Received: 1-4oz
Relinquisher by:(Signature	Date:	Time:	Received for lab by: (Signature)	Date: 11/20/10	Time: 0900
				pH Checked:	NCF:

James McDaniel /FAR/CTOC
11/01/2010 02:35 PM

To brandon.powell@state.nm.us
cc
bcc
Subject Grassy Canyon #8 Drill Pit Closure

Brandon,

Please accept this notification as the required 72 hour notice of closure activities for the Drill Pit located at the Grassy Canyon #8 well site (API # 30-045-35067) located in Unit B, Section 31, Township 32N, Range 7W, San Juan County, New Mexico.

James McDaniel
EH&S Specialist
XTO Energy, Inc.
Office # 505-333-3701
Cell # 505-787-0519

XTO ENERGY

November 1, 2010

Mark Kelly
Bureau of Land Management
Farmington Field Office
1235 La Plata Hwy
Farmington, NM 87401
(505) 599-8900

Regarding: Grassy Canyon #8 - API #30-045-35067
Unit B, Section 31, Township 32N, Range 7W, San Juan County, NM

Dear Mr. Kelly,

Pursuant to NMAC Rule 19.15.17.13 requiring operators to notify surface owners of on site burial of temporary pits, XTO Energy Inc. (XTO) is hereby providing written documentation of closure of the temporary pit associated with the aforementioned location by means of in place on site burial. This temporary pit was closed in accordance to NMAC Rule 19.15.17.13.

Should you require any further information feel free to contact me at (505) 333-3701

Respectfully submitted,

James McDaniel
EH&S Specialist
XTO Energy Inc.
San Juan Division

Cc: OCD
File

U.S. Postal Service™ Grassy Canyon
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

FARMINGTON NM 87401 USPS Postmark Here

7010 0780 0001 6436 9246

Sent To BLM-FFO-Mark Kelly
Street, Apt. No., or PO Box No. 1235 La Plata Hwy
City, State, ZIP+4 Farmington NM 87401

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM-FFO
Mark Kelly
1235 La Plata Hwy
Farmington NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Ashley Dye ☐ Agent ☐ Addressee

B. Received by (Printed Name) ASHLEY DYE
C. Date of Delivery 11/3/10

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7010 0780 0001 6436 9246

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

XTO SUPERVISOR'S TEMPORARY PIT INSPECTION FORM

Well Name: Grassy Canyon #8 Legals: Sec: 31 Township: 32 N Range: 7W

API No.: 30-045-35067 Rig Name #1: AWS 507 From: 8-24 2010 To: 9/3/10 Rig Name #2: From: ____ To: ____

XTO Inspector's Name	Inspection Date	Inspection Time	*Any liner breeches (Y/N)	**Any fluids seeps spills (Y/N)	H2S on top of temp. pit (Y/N)	T.Pit free of misc. S.Waste/Debris(Y/N)	Dischrg. Line Integrity (Y/N)	Fence Integrity (Y/N)	Any Dead (Y/N) Wildlife/Stock	Freeboard Est. (ft)
Dennis E	8-24-10	10:00am	N	N	No	Yes	None	OK	No	15'
"	8-25-10	3:00 pm	No	No	No	Yes	None	OK	No	12
Dennis E	8-26-10	9:00am	No	No	No	Yes	None	OK	No	12
D. Elrod	8-27-10	1:00 PM	No	No	No	Yes	None	OK	No	15
D. Elrod	8-28-10	7:30 am	No	No	No	Yes	None	OK	No	15
D. Elrod	8-29-10	6:30 PM	No	No	No	Yes	None	OK	No	8
MAN	8-30-10	0800 AM	NO	NO	NO	YES	NONE	OK	NO	6
MAN	8-31-10	1200 PM	NO	NO	NO	YES	NONE	OK	NO	6
MAN	9-1-10	1800 PM	NO	NO	NO	YES	NONE	OK	NO	6
MAN	9-2-10	10:30 AM	NO	NO	NO	YES	NONE	OK	NO	5
MAN	9/3/10	10:00AM	NO	NO	NO	YES	NONE	OK	NO	2

Notes: * Provide Detailed Description: ____

** Provide Detailed Description and Location of any associated fluid seeps/discharges outside pit: ____

Misc: ____

XTO Energy, Inc.
Grassy Canyon #8
Section 31, Township 32N, Range 7W
Closure Date 11/19/2010

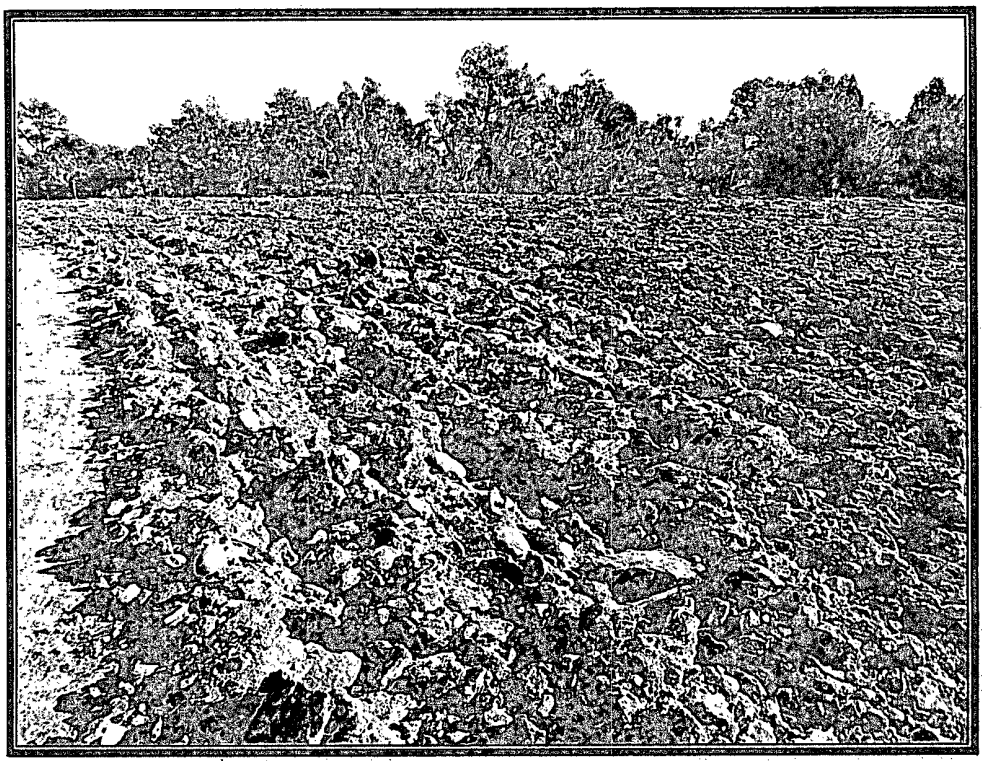

Photo 1: Grassy Canyon #8 Reclamation

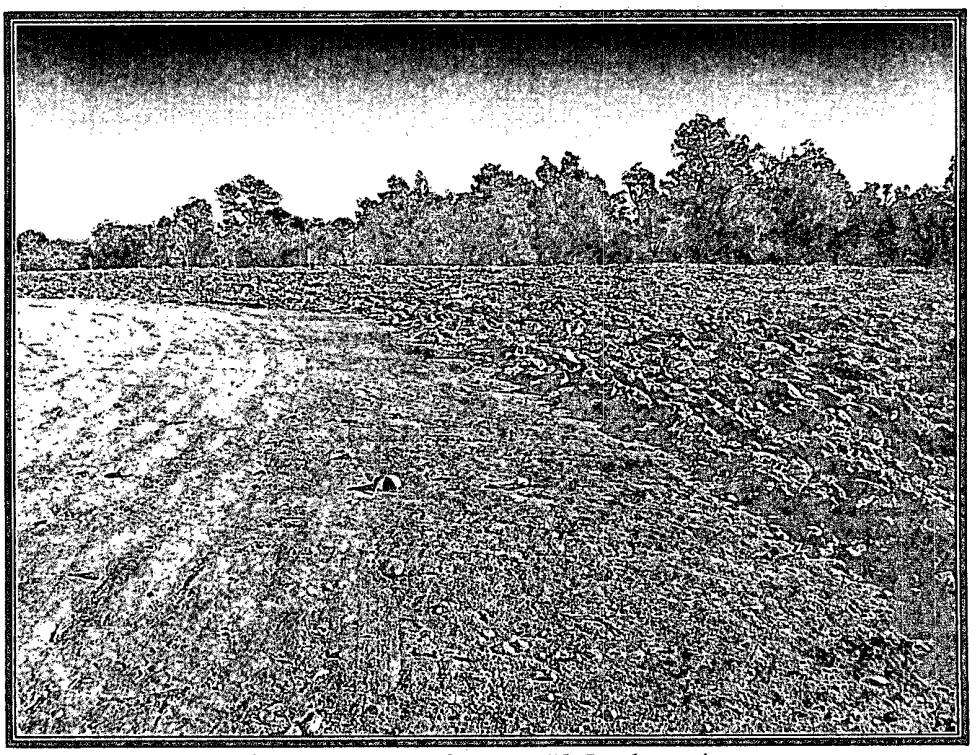

Photo 2: Grassy Canyon #8 Reclamation