District I
2 1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenuc, Artesia, NM 88210
District III

State of New Mexico Energy Minerals and Natural Resources Department Oil Conservation Division

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

1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	1220 South St. Francis Dr Santa Fe, NM 87505	For nermanent pits and exceptions tubmit to								
	losed-Loop System, Below-C									
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										
Please be advised that approval of this request does no environment. Nor does approval relieve the operator of	ot relieve the operator of liability should operation	-loop system, below-grade tank or alternative request ons result in pollution of surface water, ground water or the plicable governmental authority's rules, regulations or ordinances.								
		GRID #:								
Facility or well name:		r:								
U/L or Qtr/Qtr P Section 06 Center of Proposed Design: Latitude 36.83692 Surface Owner: ☐ Federal ☐ State ☐ Private ☐	Longitude 108	V County: <u>San Juan</u> 3.24868 NAD: □1927 ⊠ 1983								
2. Pit: Subsection F or G of 19.15.17.11 NMAC Temporary:										
3. Closed-loop System: Subsection H of 19.15.17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other										
Subsection I of 19.15.16 Below-grade tank: Subsection I of 19.15.16 Volume: 120	fluid: Produced Water Visible sidewalls, liner, 6-inch lift and au valls only Other Visible sidewalls, vau	tomatic overflow shut-off lted, automatic high-level shut off, no liner								
Alternative Method: Submittal of an exception request is required.	sceptions must be submitted to the Santa Fe E	Environmental Bureau office for consideration of approval.								

Fencing: Subsection D of 19.15.17.11 NMAC (Ap	oplies to permanent pits, temporary pits, and below-grade tanks)		
	bed wire at top (Required if located within 1000 feet of a perman	ent residence, school, hospital,	
institution or church) Four foot height, four strands of barbed wire ev	enly spaced between one and four feet		
☐ Alternate. Please specify Four foot height, stee	el mesh field fence (hogwire) with pipe top railing	_	
7.			
· 	plies to permanent pits and permanent open top tanks)		
☐ Screen ☐ Netting ☒ Other <u>Expanded meta</u> ☐ Monthly inspections (If netting or screening is a			
Monthly hispections (if fielding of screening is a	not physically leastoic)		
Signs: Subsection C of 19.15.17.11 NMAC			
☐ 12"x 24", 2" lettering, providing Operator's na	me, 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	y are required. Please refer to 19.15.17 NMAC for guidance.		
	g <i>is requested, if not leave blank:</i> be submitted to the appropriate division district or the Santa Fe E	Environmental Bureau office for	
consideration of approval. Exception(s): Requests must be submitted	to the Santa Fe Environmental Bureau office for consideration of	Fapproval.	
10.			
Siting Criteria (regarding permitting): 19.15.17	7.10 NMAC ompliance for each siting criteria below in the application. Reco	mmendations of acceptable source	
material are provided below. Requests regarding	changes to certain siting criteria may require administrative ap	proval from the appropriate district	t
office or may be considered an exception which n	nust be submitted to the Santa Fe Environmental Bureau office	for consideration of approval.	
above-grade tanks associated with a closed-loop	Please refer to 19.15.17.10 NMAC for guidance. Siting criteria system.	does not apply to drying pads or	
Ground water is less than 50 feet below the bottom	n of the temporary pit, permanent pit, or below-grade tank. RS database search; USGS; Data obtained from nearby wells	☐ Yes ⊠	No
	urse, 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 (certi	;). fication) of the proposed site		
	ol, hospital, institution, or church in existence at the time of initial	l application. ☐ Yes ☒ ☐ NA	No
(Applies to temporary, emergency, or cavitation pi - Visual inspection (certification) of the pro			
	ool, hospital, institution, or church in existence at the time of initia	al application.	No
(Applies to permanent pits) - Visual inspection (certification) of the pro-	posed site; Aerial photo; Satellite image		
Within 500 horizontal feet of a private, domestic fi	resh water well or spring that less than five households use for do of any other fresh water well or spring, in existence at the time of	mestic or stock	No
- NM Office of the State Engineer - iWATE	ERS database search; Visual inspection (certification) of the propo	esed site	
Within incorporated municipal boundaries or with adopted pursuant to NMSA 1978, Section 3-27-3,	in a defined municipal fresh water well field covered under a mur	nicipal ordinance	No
in the second se	the municipality; Written approval obtained from the municipality	y	
Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification.	Tono amphila mana Winashi in angasina (anai Garaina) a Saba	☐ Yes ☑	No
- US Fish and Wildlife Wetland Identification Within the area overlying a subsurface mine.	on map; Topographic map; Visual inspection (certification) of the	e proposed site	Νa
	p from the NM EMNRD-Mining and Mineral Division		140
Society Topographic man	ne design; NM Bureau of Geology & Mineral Resources; USGS;	NM Geological Yes 🗵	No
		☐ Yes ☒	No
- FEMA map			No No No
Within a 100-year floodplain FEMA map Form C-144			
Form C-144	Oil Conservation Division	Page 2 of 5	

<u> </u>		
Temporary Pits, Emergency Pits, and Below-grade Tanks Instructions: Each of the following items must be attached attached.	Permit Application Attachment Checkli to the application. Please indicate, by a ch	st: Subsection B of 19.15.17.9 NMAC neck mark in the box, that the documents are
 ☐ Hydrogeologic Report (Below-grade Tanks) - based up ☐ Hydrogeologic Data (Temporary and Emergency Pits) ☐ Siting Criteria Compliance Demonstrations - based upo ☐ Design Plan - based upon the appropriate requirements ☐ Operating and Maintenance Plan - based upon the appropriate requirements 	 - based upon the requirements of Paragraph on the appropriate requirements of 19.15.17. of 19.15.17.11 NMAC opriate requirements of 19.15.17.12 NMAC 	(2) of Subsection B of 19.15.17.9 NMAC 10 NMAC
Closure Plan (Please complete Boxes 14 through 18, if and 19.15.17.13 NMAC	applicable) - based upon the appropriate rec	quirements of Subsection C of 19.15.17.9 NMAC
☐ Previously Approved Design (attach copy of design) A	API Number:	or Permit Number:
12.	AP 4 C. 1 2 . D . C10 15 17 0 ND 44 C	
Closed-loop Systems Permit Application Attachment Che Instructions: Each of the following items must be attached	to the application. Please indicate, by a cl	neck mark in the box, that the documents are
attached. ☐ Geologic and Hydrogeologic Data (only for on-site clo ☐ Siting Criteria Compliance Demonstrations (only for on-site clo ☐ Design Plan - based upon the appropriate requirements ☐ Operating and Maintenance Plan - based upon the appr ☐ Closure Plan (Please complete Boxes 14 through 18, if and 19.15.17.13 NMAC	on-site closure) - based upon the appropriate s of 19.15.17.11 NMAC ropriate requirements of 19.15.17.12 NMAC	requirements of 19.15.17.10 NMAC
Previously Approved Design (attach copy of design)		
Previously Approved Operating and Maintenance Plan		_ (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to imp	olement waste removal for closure)	
Hydrogeologic Report - based upon the requirements of Siting Criteria Compliance Demonstrations - based up Climatological Factors Assessment □ Certified Engineering Design Plans - based upon the a Dike Protection and Structural Integrity Design - based Leak Detection Design - based upon the appropriate re □ Liner Specifications and Compatibility Assessment - b □ Quality Control/Quality Assurance Construction and I □ Operating and Maintenance Plan - based upon the app □ Freeboard and Overtopping Prevention Plan - based upon the app □ Nuisance or Hazardous Odors, including H₂S, Prevent □ Emergency Response Plan □ Oil Field Waste Stream Characterization □ Monitoring and Inspection Plan □ Erosion Control Plan □ Closure Plan - based upon the appropriate requirement	appropriate requirements of 19.15.17.11 NM d upon the appropriate requirements of 19.15.17.11 NMAC passed upon the appropriate requirements of 19.15.17.11 NMAC passed upon the appropriate requirements of installation Plan propriate requirements of 19.15.17.12 NMAC pon the appropriate requirements of 19.15.17.12 NMAC pon the appropriate requirements of 19.15.17.12 NMAC pon the appropriate requirements of 19.15.11.11	7.10 NMAC FAC 5.17.11 NMAC 19.15.17.11 NMAC C 7.11 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes		
Type: Drilling Workover Emergency Cavita Alternative Proposed Closure Method: Waste Excavation and Remo	oval op systems only)	
☐ In-place Burial	nly for temporary pits and closed-loop system On-site Trench Burial	E- Environmental Durant for actual densition
Alternative Closure Method	(Exceptions must be submitted to the Santa	Fe Environmental Bureau for consideration)
15. Waste Excavation and Removal Closure Plan Checklist: closure plan. Please indicate, by a check mark in the box, ☐ Protocols and Procedures - based upon the appropriate ☐ Confirmation Sampling Plan (if applicable) - based up ☐ Disposal Facility Name and Permit Number (for liquider Soil Backfill and Cover Design Specifications - based ☐ Re-vegetation Plan - based upon the appropriate requider Site Reclamation Plan - based upon the appropriate re	that the documents are attached. e requirements of 19.15.17.13 NMAC pon the appropriate requirements of Subsect ds, drilling fluids and drill cuttings) I upon the appropriate requirements of Subsect irements of Subsection I of 19.15.17.13 NM	ion F of 19.15.17.13 NMAC ection H of 19.15.17.13 NMAC AC
Form C-144	Oil Conservation Division	Page 3 of 5

NIM (AC)									
NMAC) ore than two									
Disposal Facility Name: Disposal Facility Permit Number:									
e material are ct office or may be ications and/or									
☐ Yes ☐ No ☐ NA									
Yes No									
☐ Yes ☐ No ☐ NA									
☐ Yes ☐ No									
☐ Yes ☐ No									
☐ Yes ☐ No									
Yes No									
☐ Yes ☐ No									
☐ Yes ☐ No									
Yes No									
Yes No									
Within a 100-year floodplain. FEMA map Yes No									

9.	
Operator Application Certification: I hereby certify that the information submitted with this application is true, accu	rate and complete to the best of my knowledge and belief.
Name (Print): Kim Champlin	Title: Environmental Representative
Signature: Kim Champlin	Date: 11.20.08
e-mail address: kim_champlin@xtoenergy.com	Telephone: (505) 333-3100
20	
OCD Approval: Permit Application (including closure plan) Closure	Plan (only) OCD Conditions (see attachment)
OCD Representative Signature:	Approval Date: 3/26/2021
OCD Approval: Permit Application (including closure plan) Closure OCD Representative Signature: Title: Environmental Specialist	OCD Permit Number: BGT 1
Closure Report (required within 60 days of closure completion): Subsection Instructions: Operators are required to obtain an approved closure plan prior The closure report is required to be submitted to the division within 60 days of section of the form until an approved closure plan has been obtained and the	on K of 19.15.17.13 NMAC The to implementing any closure activities and submitting the closure report. The completion of the closure activities. Please do not complete this
	Closure Completion Date:
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alter If different from approved plan, please explain.	native Closure Method Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, di two facilities were utilized.	ns That Utilize Above Ground Steel Tanks or Haul-off Bins Only: rilling fluids and drill cuttings were disposed. Use attachment if more than
Disposal Facility Name:	Disposal Facility Permit Number:
Disposal Facility Name:	
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not be used for future service and operations?
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ations:
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 closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude	
25. Operator Closure Certification:	
I hereby certify that the information and attachments submitted with this closur belief. I also certify that the closure complies with all applicable closure requir	rements and conditions specified in the approved closure plan.
Name (Print):	2100
Signature:	Date:
e-mail address:	Telephone:
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Page 5 of 5

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DISTRICT L 1625 M. Fench Dr., H	obbs, H.M.	ं 86240	Ener	St rgy Minero	ote of New Is & Natural R	Mexico Bources Departmen	nt		Res	Form C-102 Revised October 12, 2005 Instructions on back		
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DISTRICT IV 1220 South St. From	cie Or., Ser	: to Fa, HM 87 W	: 506 /ELL L(REAGE DEDI				AMEND	ED REPORT	
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		1	" Botte	om Hole	Location I	f Different From	m Su	rface				
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		u	DIC 36'50'	16.6" N. (22.5" W. (NAD 27) NAD 27)		200	-	(15)	The same		

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38C. CORNER TD 3 1/4" B.L.M. 8C. 1952

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S 89-19-26 W 2645-2 (M)

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A Lodestar Services	. Inc.	Pit Permit		Client: XTO Energy Project: Pit Permits				
PO Box 4465, Durango	•	Siting Criteria		Revised:	10/26/2008			
V		Information She	et	Prepared by:	Daniel Newman			
API#:		3004534033		USPLSS:	T30N,R13W,06P			
Name:		LUNT FC #6		Lat/Long:	36.83692 / -108.24868			
Depth to groundwater:	bet	ween 50' and 100'		Geologic formation:	Animas Formation			
Distance to closest continuously flowing watercourse:		est of the La Plata River						
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	wit	hin Coyne Arroyo						
	2707, 20			Soil Type:	Entisols			
Permanent residence, school, hospital, institution or church within 300'		No						
Tive				Annual Precipitation:	8.08 inches average			
Domestic fresh water well or spring within 500'		No		Precipitation Notes:	no significant precipatation events			
Any other fresh water well or spring within 1000'	wit	hin Coyne Arroyo						
Within incorporated		No		Attached				
municipal boundaries		No		Documents:				
Within defined municipal fresh water well field		No			Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map			
Wetland within 500'		No		Mining Activity:	No			
Within unstable area		No						
Within 100 year flood plain		Zone A						
Additional Notes:								

LUNT FC #6 Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits dominate surficial geology (Dane and Bachman, 1965). The proposed below ground tank location will be located in the northwest corner of the San Juan Basin, where the Hogback monocline ends and the topographically flatter sandstones and shales of the Nacimiento/Animas Formations are exposed. The stratigraphic section reflects the Late Cretaceous transition of shallow marine depositional environment to Tertiary terrestrial fluvial depositional environment.

Major stratigraphic units, in ascending order, are the Ojo Alamo Sandstone, the Nacimiento and Animas Formations and the San Jose Formation (Brister and Hoffman, 2002). Also, deposits of Quaternary alluvial and aeolian sands occur prominently near the surface, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aguifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aguifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aguifers flows toward the nearby La Plata River, which is a tributary of the San Juan River.

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

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

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

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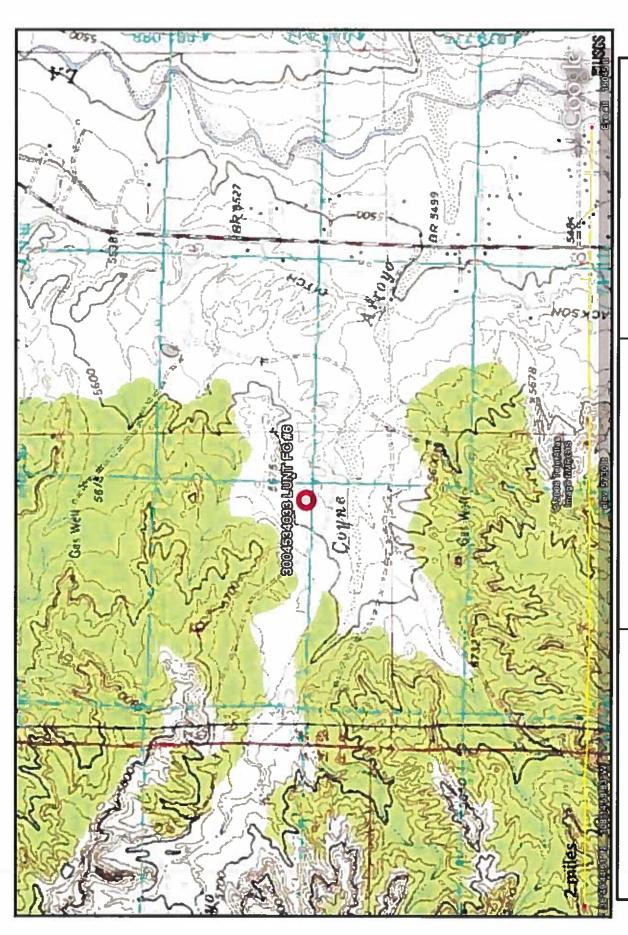
Site Specific Hydrogeology

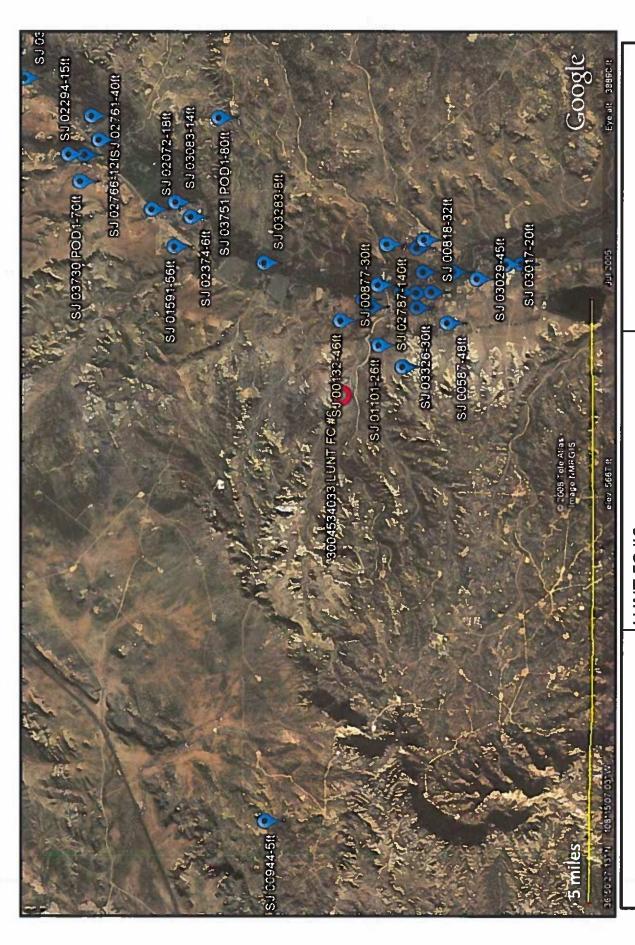
Depth to groundwater is estimated to be between 50 and 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity to surface hydrologic features are also taken into consideration.

Local aquifers include sandstones within the Nacimiento and Animas Formations, which range from 0 to 1000 feet deep in this area (Stone et al., 1983). This depth range covers an area over 20 miles wide and depth decreases towards the margin of the San Juan Basin, where sandstones outcrop at the surface. The site in question is located on a slope a few miles away from outcropping sandstones. The slope is composed of shale and alluvium which, taken together, are expected to be at least 50 feet thick.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. Wells located within the area contain groundwater at depths ranging from 9 to 140 feet. The site in question is located within Coyne Arroyo at an elevation of approximately 5600 feet. The closest well to the proposed site sits at an elevation of approximately 5546 feet at a distance if approximately 2,945 feet to the east. This site puts groundwater at a distance of 26 feet below the ground surface.

Exposures of shale at the surface and within channel cuts of arroyos suggest groundwater is restricted to deeper sandstone units. However, proximity of the site to the La Plata River should also be considered. Groundwater data recorded from wells drilled with the immediate vicinity of the proposed site put groundwater depth at less than 50 feet. An elevation difference of approximately 50 feet exists between this well and the proposed site. Therefore, depth to groundwater is estimated to be between 50 and 100 feet.





Мар SAN JUAN COUNTY, NM T30N,R13W,06P FONT FC #6 Lodestar Services, Inc Durango, CO 81302 PO Box 4465

i-Waters Ground Water Data Map

New Mexico Office of the State Engineer POD Reports and Downloads

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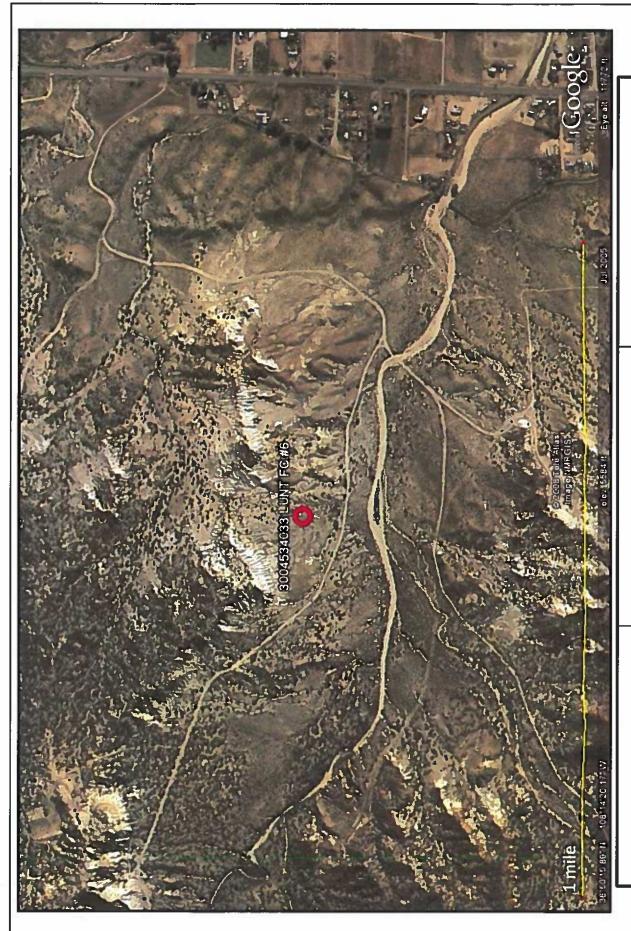
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AERIAL PHOTOGRAPH

Lodestar Services, Inc PO Box 4465 Durango, CO 81302

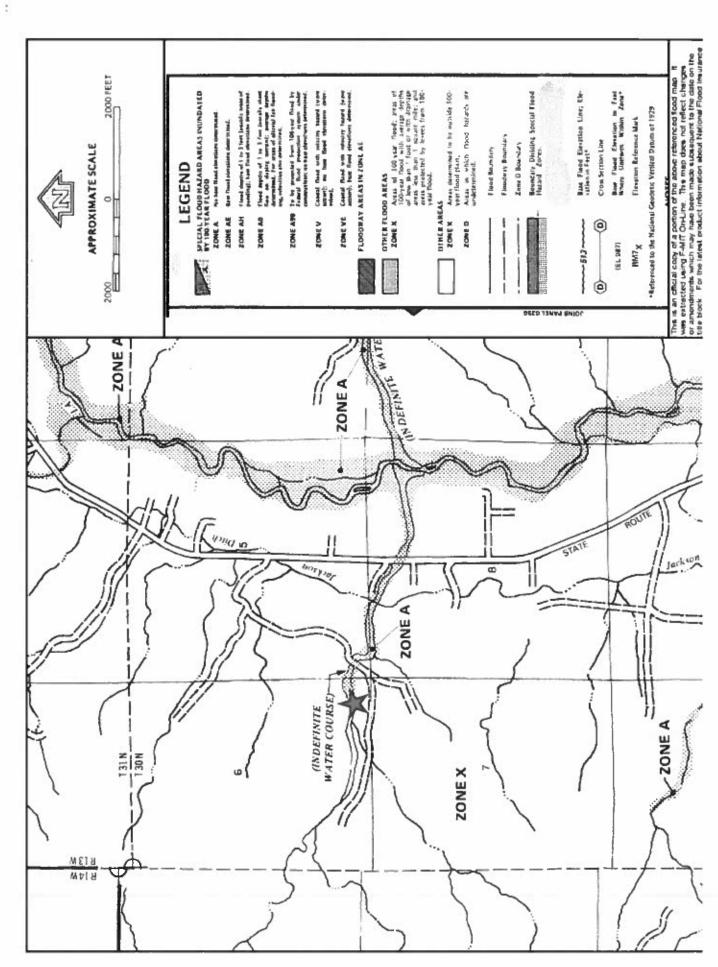
LUNT FC #6 T30N,R13W,06P SAN JUAN COUNTY, NM



Lodestar Services, Inc PO Box 4465 Durango, CO 81302

LUNT FC #6 T30N,R13W,06P SAN JUAN COUNTY, NM

Mines and Quarries Map



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XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Design and Construction Plan For Below-Grade Tanks

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 which does not conform to this plan.

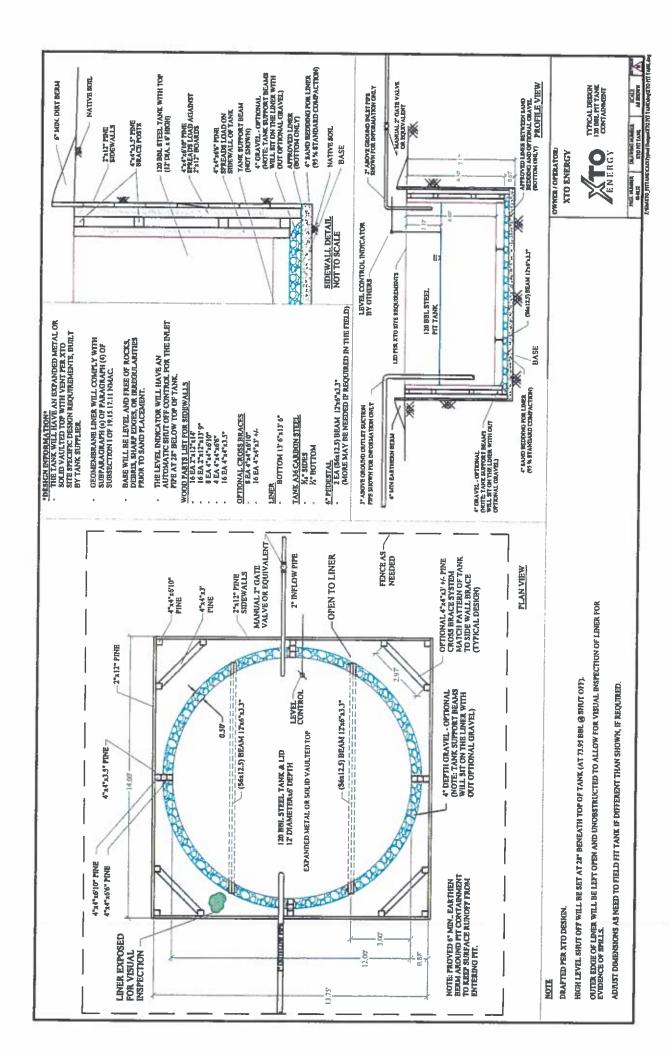
General Plan

- XTO will design and construct below-grade tanks to contain liquids and solids and prevent contamination of fresh water and protect public health and environment.
- XTO will post a well sign, in compliance with 19.15.3.103 NMAC, on the existing well site
 operated by XTO where the existing below-grade tank is located. 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.
- 3. XTO is requesting approval of an alternative fencing to be used on below-grade tank locations. Below-grade tank locations will be fenced utilizing 48" steel mesh field-fence (hogwire) with pipe railing along the top. A 6' chain link fence will be utilized around the well pad if the well site is within a city limits or ¼ mile of a permanent residence, school, hospital, institution or church. Below-grade tanks located within 1000° of a permanent residence, school, hospital, institution or church will be fenced by 6' chain link fence with at least two strands of barbed wire at the top. All gates associated with below-grade tanks will remain closed and locked when responsible individuals are not on site.
- 4. XTO shall construct below-grade tanks with an expanded metal covering or solid vaulted top on the top of the below-grade tank.
- 5. XTO will ensure that below-grade tanks are constructed of materials resistant to the below-grade tank's particular contents and resistant to damage from sunlight. Tanks will be constructed of A36 carbon steel with 3/16" sides and ¼" bottom. (See attached drawing).
- 6. The below-grade tank 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. Sand bedding (4") will be placed on top of a level foundation to ensure prevention of punctures, cracks or indentations of the liner or tank bottom.
- 7. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on. Below-grade tanks will be equipped with automatic high level shut-off devices as well as manually operated shut-off valves. (See attached drawing).
- 8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Design and Construction Plan For Below-Grade Tanks Page 2

> bottom will be elevated a minimum of 6" above the underlying ground surface and the belowgrade tank will be underlain with a geomembrane liner to divert leaked liquid to a location that can be visually inspected. (See attached drawing).

- 9. XTO will equip below-grade tanks designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows. (See attached drawing).
- 10: XTO will demonstrate to the OCD that the geomembrane finer complies with the specifications of Subparagraph (a) of Paragraph (4) of Subsection I of 19.15.17.11 NMAC and obtain approval from OCD prior to the installation of the design. The geomembrane liner shall have a hydraulic conductivity no greater than 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 acidies and alkaline solutions. The liner material shall be resistant to ultraviolet light. Liner compatibility shall comply with EPA SW-846 method 9090A. (See attached drawing).
- 11. The general specifications for design and construction are attached.



XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Maintenance and Operating Plan For Below-Grade Tanks

In accordance with Rule 19.15.17.12 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 which does not conform to this plan.

General Plan

- t. XTO will operate and maintain below-grade tanks to contain liquids and solids, maintain the integrity of the liner and secondary containment system, prevent contamination of fresh water and protect public health and the environment. Fluid levels will be monitored weekly and high levels will be removed as necessary. Monthly inspections will be conducted to monitor integrity of below-grade tank systems and below-grade tanks will be equipped with automatic high-level shut-off devices.
- 2. XTO will not allow below-grade tanks to overflow and will use berms and/or diversion ditch to prevent surface run on to enter the below-grade tank. Below-grade tanks will be equipped with automatic high-level shut-off control devices as well as manually operated shut-off valves. See attached drawing for vault design and placement of diversion berms and shut-off devices.
- XTO will continuously remove any visible or measurable layer of oil from the fluid surface of below-grade tanks in order to prevent significant accumulation of oil.
 - XTO will inspect the below-grade tank monthly and maintain written records for five years.
 Monthly inspections will consist of documenting the following: (see attached template),

Well Name
API #
Sec., Twn., Rng.
XTO Inspector's name
Inspection date and time
Visible tears in liner
Visible signs of tank overflow
Collection of surface run on
Visible layer of oil
Visible signs of tank leak
Estimated freeboard

- 5. XTO will maintain adequate freeboard to prevent over topping of the below-grade tank. High level shut-off devices control the freeboard at an average of 28" beneath the top of the tank.
- 6. XTO will not discharge into or store any hazardous waste in any below-grade tank.
- If a below-grade tank develops a leak, or if any penetration of a below-grade tank occurs below the liquids surface, XTO will remove all liquids above the damage or leak line within 48 hours,

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notify the appropriate division district office within 48 hours of the discovery and repair the damage or replace the below-grade tank. If an existing below-grade tank does not meet current requirements of Paragraphs 1-4 of Subsection I of 19.15.17.11 NMAC the tank will be modified or retrofitted to comply. If compliance can not be achieved XTO will implement the approved closure plan

		MONTH	1LY BELO	MONTHLY BELOW GRADE TANK INSPECTION FORM	INSPECTIC	N FORM		
Well Name:	100				API No.:			
Legals	Sec:		Township:		Range:			
XTO	Inspection	Inspection	Any visible	Anv visible signs of	Collection of	Visible laver	Any weible eigne	Frooboard
Name	Date	-	tears (Y/N)	tank overflows (Y/N)	run on (Y/N)	of oil (Y/N)	of a tank leak (Y/N)	Est. (ft)
Notes:	Provide De	Provide Detailed Description:	otion:					
				i.				
- Salar					:			

XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Closure Plan For Below-Grade Tanks

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

General Plan

- 1. XTO will close below-grade tanks within the time periods provided in 19.15.17.13 NMAC, or by an earlier date that the division requires because of imminent danger to fresh water, public health or the environment.
- 2. XTO will close a below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008, if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
- 3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
- XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure 4. method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:

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

Basin Disposal Permit No. NM01-005 Produced water

- 5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per-19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.
- XTO will remove any on-site equipment associated with a below-grade tank unless the equipment 6. is required for some other purpose.
- XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. 7. 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

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XTO Energy Inc.
San Juan Basin (Northwest New Mexico)
General Closure Plan
For Below-Grade Tanks
Page 2

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 100 mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250 mg/kg, or the background concentration, whichever is greater. XTO will notify the division of its results on form C-141.

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

The surface owner shall also be notified prior to the implementation of any closure operations of below-grade tanks as per the approved closure plan using certified mail, return receipt requested.

- 11. Re-contouring of location will match fit, shape, line, form and texture of the surrounding area. Re-shaping will include drainage control, prevent ponding, and prevent erosion. Natural drainages will be unimpeded and water bars and/or silt traps will be placed in areas where needed to prevent erosion on a large scale. Final re-contour shall have a uniform appearance with smooth surface, fitting the natural landscape.
- 12. A minimum of 4 feet of cover shall be achieved and the cover shall include 1 foot of suitable material to establish vegetation at the site, or the background thickness of topsoil, whichever is greater. Soil cover will be constructed to the site's existing grade and ponding of water and erosion of the cover material will be prevented with drainage control, natural drainages and silt traps where needed.
- 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.

XTO Energy Inc. San Juan Basin (Northwest New Mexico) General Closure Plan For Below-Grade Tanks Page 3

- 14. All closure activities will include proper documentation and be available for review upon request and will be submitted in closure report form to OCD within 60 days of closure of the below-grade tank. Closure report will be filed on form C-144 and incorporate the following:
 - Proof of closure notice to division and surface owner.
 - ii. Details on capping and covering, where applicable,
 - iii. Inspection reports,
 - iv. Confirmation sampling analytical results;
 - v. Disposal facility name(s) and permit number(s);
 - vi. Soil backfilling and cover installation;
 - vii. Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
 - viii. Photo documentation of the site reclamation.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 22005

CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
HILCORP ENERGY COMPANY	1111 Travis Street	Houston, TX77002	372171	22005	C-144LB

OCD Reviewer	Condition
csmith	Closure Plan Only Approved,