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 Officer—For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD DISTRICT PITCH P

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

| Proposed Alternative Method Permit or Closure Plan Application |
|--|
| BGT1 Type of action: Existing BGT Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method |
| Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request |
| Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances |
| Operator: XTO Energy, Inc. OGRID #: 5380 |
| Address: #382 County Road 3100, Aztec, NM 87410 |
| Facility or well name:Valencia Canyon Unit #43A |
| API Number: 3003926504 OCD Permit Number: |
| U/L or Qtr/Qtr P Section 27 Township 28N Range 4W County: Rio Arriba |
| Center of Proposed Design: Latitude 36.62585 Longitude 107.23175 NAD: 1927 1983 |
| Surface Owner: A Federal A State Private Tribal Trust or Indian Allotment |
| Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other String-Reinforced Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D String-Reinforced X W X D 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 String-Reinforced Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other |
| Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: 120 bbl Type of fluid: Produced Water Tank Construction material: Steel □ Secondary containment with leak detection □ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off □ Visible sidewalls and liner □ Visible sidewalls only □ OtherVisible sidewalls, vaulted, automatic high-level shut off, no liner Liner type: Thickness |
| 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. |

| Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) | |
|---|--------------------|
| Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church) | hospital, |
| Four foot height, four strands of barbed wire evenly spaced between one and four feet | |
| ☐ Alternate. Please specify Four foot height, steel mesh field fence (hogwire) with pipe top railing | |
| 7. | |
| Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) | |
| ☐ Screen ☐ Netting ☑ Other <u>Expanded metal or solid vaulted top</u> ☐ 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 of | office for |
| consideration of approval. | strice for |
| Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. | |
| Siting Criteria (regarding permitting): 19.15.17.10 NMAC | |
| Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accep material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate to the complex control of the control of the complex control of the control | |
| office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of ap | pproval. |
| Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dryi above-grade tanks associated with a closed-loop system. | ng pads or |
| Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ☐ Yes ⊠ No |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa | ☐ Yes ☒ No |
| lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | ☐ Yes ☑ No ☐ NA |
| (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | □ NA |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. | ☐ Yes ☐ No 図 NA |
| (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock | ☐ Yes ⊠ No |
| watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | ☐ Yes ⊠ No |
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality | |
| Within 500 feet of a wetland. | ☐ Yes ⊠ No |
| - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ☑ No |
| Within an unstable area. | ☐ Yes ⊠ No |
| Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | |
| Within a 100-year floodplain. | ☐ Yes ⊠ No |

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|---|--|
| | Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC |
| | and 19.15.17.13 NMAC |
| | Previously Approved Design (attach copy of design) API Number: or Permit Number: |
| | Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC |
| | Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| | Previously Approved Design (attach copy of design) API Number: |
| | Previously Approved Operating and Maintenance Plan API Number: |
| | |
| | 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 Quality Control/Quality Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC |
| | Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration) |
| | 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 |

| Waste Removal Closure For Closed-loop Systems That Utilize Above Ground | Steel Tanks or Haul-off Rins Only (19 15 17 13 I |) NMAC) |
|---|---|-----------------------|
| Instructions: Please indentify the facility or facilities for the disposal of liquids, | | |
| facilities are required. | 5 | |
| Disposal Facility Name: | Disposal Facility Permit Number: | |
| Disposal Facility Name: | Disposal Facility Permit Number: | |
| Will any of the proposed closed-loop system operations and associated activities of Yes (If yes, please provide the information below) No | ccur on or in areas that will not be used for future serv | vice and operations? |
| Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection | e requirements of Subsection H of 19.15.17.13 NMA(n I of 19.15.17.13 NMAC | С |
| Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may required an exception which must be submitted to the Santa Fe Environment demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC | re administrative approval from the appropriate dist al Bureau office for consideration of approval. Justi | rict office or may be |
| Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Da | ta 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; Da | ta 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; Da | ta obtained from nearby wells | ☐ Yes ☐ No ☐ NA |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other si lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | gnificant watercourse or lakebed, sinkhole, or playa | Yes No |
| Within 300 feet from a permanent residence, school, hospital, institution, or churc - Visual inspection (certification) of the proposed site; Aerial photo; Satelli | | ☐ Yes ☐ No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that le watering purposes, or within 1000 horizontal feet of any other fresh water well or NM Office of the State Engineer - iWATERS database; Visual inspection | spring, in existence at the time of initial application. | ☐ Yes ☐ No |
| Within incorporated municipal boundaries or within a defined municipal fresh wa adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written appro | | Yes No |
| Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visu | ual 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-Minir | g and Mineral Division | ☐ Yes ☐ No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geolog Society; Topographic map | gy & Mineral Resources; USGS; NM Geological | ☐ 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 by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Construction/Design Plan of Temporary Pit (for in-place burial of a drying Protocols and Procedures - based upon the appropriate requirements of 19. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection | quirements of 19.15.17.10 NMAC of Subsection F of 19.15.17.13 NMAC appropriate requirements of 19.15.17.11 NMAC pad) - based upon the appropriate requirements of 19. 15.17.13 NMAC quirements of Subsection F of 19.15.17.13 NMAC of Subsection F of 19.15.17.13 NMAC drill cuttings or in case on-site closure standards cannot H of 19.15.17.13 NMAC of 19.15.17.13 NMAC | 15.17.11 NMAC |

| Operator Application Certification: | | |
|--|--|---|
| I hereby certify that the information submitted with this application is t | true, accurate and complete to | the best of my knowledge and belief. |
| Name (Print): Kim Champlin | Title: | Environmental Representative |
| Signature: Kim Mampain | Data | 11/12/2008 |
| e-mail address: kim_champlin@xtoenergy.com | | (505) 333-3100 |
| | | 10007 555 5100 |
| OCD Approval: X Permit Application (including closure plan) | Closure Plan (only) 🔲 OC | D Conditions (see attachment) |
| OCD Representative Signature: Victoria Venegas | | Approval Date: <u>07/07/2022</u> |
| Title: Environmental Specialist | OCD Permit Nu | mber:BGT1 |
| Closure Report (required within 60 days of closure completion): S Instructions: Operators are required to obtain an approved closure per The closure report is required to be submitted to the division within 60 section of the form until an approved closure plan has been obtained | lan prior to implementing an O days of the completion of th | y closure activities and submitting the closure report. ee closure activities. Please do not complete this |
| | Closure Con | mpletion Date: |
| 22. Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain. | Alternative Closure Metho | od Waste Removal (Closed-loop systems only) |
| 23. Closure Report Regarding Waste Removal Closure For Closed-loop | n Systems That Utilize Abox | e Ground Steel Tanks or Haul-off Bins Only: |
| Instructions: Please indentify the facility or facilities for where the li | | |
| two facilities were utilized. Disposal Facility Name: | Disposal Facility | Permit Number: |
| Disposal Facility Name: | | Permit Number: |
| Were the closed-loop system operations and associated activities perfor Yes (If yes, please demonstrate compliance to the items below) | | ot be used for future service and operations? |
| Required for impacted areas which will not be used for future service a | 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 fo | ollowing items must be attach | ed to the closure report. Please indicate, by a check |
| mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) | | |
| Proof of Deed Notice (required for on-site closure) | | |
| ☐ Plot Plan (for on-site closures and temporary pits) ☐ Confirmation Sampling Analytical Results (if applicable) | | |
| ☐ Waste Material Sampling Analytical Results (required for on-site | e closure) | |
| Disposal Facility Name and Permit Number | | |
| ☐ Soil Backfilling and Cover Installation ☐ Re-vegetation Application Rates and Seeding Technique | | |
| Site Reclamation (Photo Documentation) | |) |
| On-site Closure Location: Latitude | Longitude | NAD: ∐1927 ∐ 1983 |
| 25. Operator Closure Certification: | | |
| I hereby certify that the information and attachments submitted with thi belief. I also certify that the closure complies with all applicable closure | is closure report is true, accurre requirements and condition | ate and complete to the best of my knowledge and specified in the approved closure plan. |
| Name (Print): | Title: | |
| Signature: | Date: | |
| e-mail address: | | |

Oistrict I PO 80x 1980, Hobbs, NM 88241-1980

District II PO Drawer DO, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe. NM 87504-2088

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State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

| | | | WELL | | | CREAGE DEDI | | · | <i>.</i> ; | , |
|--|---------------|------------------|------------------------|---------------------|---------------------------|------------------------------|----------------------------|-----------|------------|---|
| 20.03 | PI Number | 6524 | | *Pool Cod 72319 | ł | В | Pool Nam. Pool Nam | - | E | |
| Property | | | | | Property VALENCIA | | | | | 11 Number 43A |
| '0GAID N 15705 | | | · CF | ROSS TI | 'Operator MBERS OP | | 1PANY | | | levation 7219 |
| | | | | | | · | | | | , |
| P 27 28N 4W 990 SOUTH 725 EAST ARRI 11 Bottom Hole Location If Different From Surface U. cr. lot ro. Section Township Range Lot Ion Feet from the North/South line Feet from the East/Hest line Coun | RIO ARRIBA | | | | | | | | | |
| <u> </u> | | 11 B | | | ocation I | | | | | |
| it or lot ro. | Section | Township | Range | Lat Ion | Feet from the | North/South line | Feet from the | East/ries | t line | County |
| "Cedicated Adres | 5/2 | Doint or In | ill ¹⁴ Cors | olidation Code | ¹⁵ Criter Na. | | | | | - |
| NO ALLOW | IABLE W | ILL BE A OR A | SSIGNEI S-NON | D TO THI CANDARD | IS COMPLETI UNIT HAS B | ON UNTIL ALL EEN APPROVED | INTERESTS H BY THE DIVI | AVE BEE | EN CON | ISOL IDATEO |
| 15 | | | 52 | 272.08 | SEP SEP | 2000 | 1 | elton | | FICATION contained herein is knowledge and telief |

Production Engineer Title 5280.00 5280.00 13 SURVEYOR CERTIFICATION I Perety certify that the well location shown on this littless plotted from field notes of actual surveys made by second or story and the same is the account to the best of my belief. MAY 18. 5000 Date of Sur `125 6857 990 Centificate Naciones 5 5266.80

| Lodestar Services, PO Box 4465, Durango, O | Siting Criteria | Client: Project: Revised: Prepared by: | XTO Energy Pit Permits 10/5/2008 Daniel Newman |
|---|--|--|--|
| API#: | 3003926504 | USPLSS: | T28N,R4W,27P |
| Name: | Valencia Canyon Unit#43A | Lat/Long: | 36.62585 / -10723175 |
| Depth to groundwater: | between 50' - 100' | Geologic formation: | San Jose Formation |
| Distance to closest continuously flowing watercourse: | 23.7 miles north west to the San Juan River | | |
| Distance to closest significant watercourse, lakebed, playa lake, or sinkhole: | 1,000 feet east of Valencia Canyon | | |
| playa lake, of Silikilole. | | Soil Type: | Entisols |
| Permanent residence, school, hospital, institution or church within 300' | No | | |
| | 20 A S TONE OF THE STREET | Annual Precipitation: | 10.88" Lybrook, NM |
| Domestic fresh water well or spring within 500' | No | Precipitation Notes: | 7.19" largest daily rainfall on record |
| Any other fresh water well or spring within 1000' | No | | |
| Within incorporated municipal boundaries | No | Attached Documents: | |
| Within defined municipal fresh water well field | No | | Topo map, ground water data map, ariel photo, mines and quarries map |
| Wetland within 500' | No | Mining Activity: | No |
| Within unstable area | No | na ing kapatan katalan Sasa | |
| Within 100 year flood plain | I NO FEMA data avallable I | | |
| Additional Notes | | ed School of the Control of the Cont | |

Valencia Canyon Unit#43A Below Grade Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping n0rthern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be located in the western Largo Canyon region of the San Juan Basin, near Valencia Canyon. The predominant geologic formation is the San Jose Formation of Tertiary age, which underlies surface soils and is often exposed (Dane and Bachman, 1965). Deposits of Quaternary alluvial and aeolian sands occur prominently near the surface of the area, especially near streams and washes.

Cretaceous and Tertiary sandstones, as well as Quaternary alluvial deposits serve as the primary aquifers in the San Juan basin (Stone et al., 1983). In most of the proposed area, the San Jose Formation lies at the surface and overlies the Nacimiento Formation. Thickness of the San Jose ranges from 200 to 2700 feet, thickening from west to east across the region of interest (Stone et al., 1983). Aguifers within the coarser and continuous sandstone bodies of the San Jose Formation are between 0 and 2700' deep in this section of the basin (Stone et al., 1983). Groundwater within these aguifers flows north, toward the San Juan River. Little specific hydrogeologic data is available for the San Jose Formation system, but "numerous well and springs used for stock and domestic supplies" draw their water from the San Jose Formation (Stone et al, 1983). The prominent soil type at the proposed site are rock lands and aridisols, which are defined as soils that exhibit little to no any profile development (www.emnrd.state.nm.us). Soils are basically unaltered from their parent rock. Miles of arroyos, washes and intermittent streams exist as part of the drainage network towards the San Juan River. These features often cut into soil and other unconsolidated materials, contributing to sedimentation downstream. The sudden influx of water from storm events easily erodes the soils that cover the area and prohibits effective recharge to the underlying aguifers.

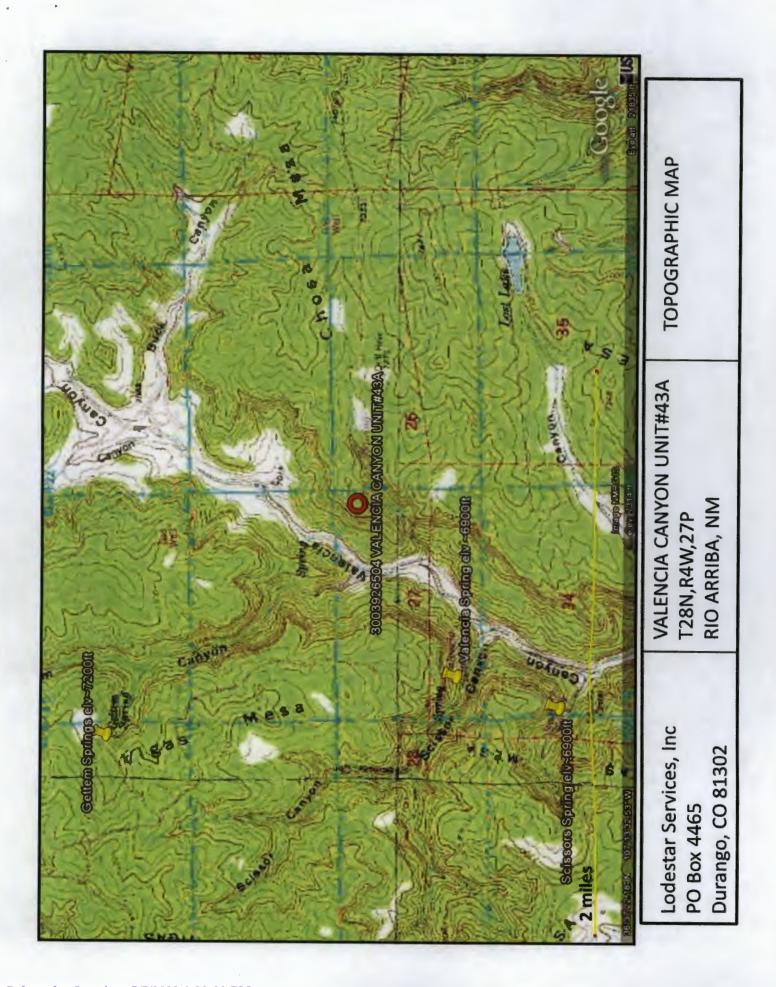
Dry and arid weather further prohibit active recharge. The climate of the region is arid, averaging just over 12 inches of rainfall annually. As is typical of the southwestern United States monsoonal weather patterns, most precipitation falls from August through October. The heaviest rainfall occurs in the summer in isolated, intense cloudbursts. November through June is relatively dry. Snow generally falls from December to mid-February and averages less than one half inch in depth. However, most recharge occurs during the winter months during snowmelt periods from the upper elevations (Western Regional Climate Center www.wrcc.dri.edu). The predominant vegetation is sagebrush and grasses with a more restricted pinon-juniper association (Dick-Peddie, 1993).

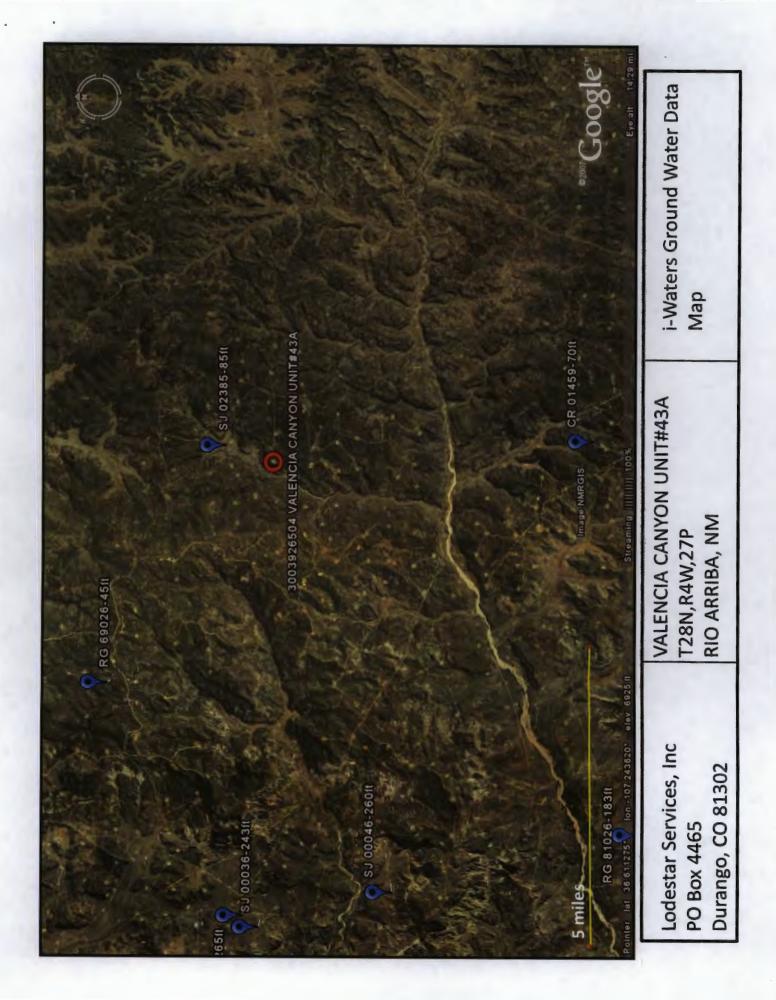
Site Specific Hydrogeology

Depth to groundwater is estimated to be 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.

Beds of water-yielding sandstone are present in the San Jose Formation, which are fluvial in origin and are interbedded with mudstone, siltstone, shale. "Extensive intertonguing" of different members of this formation is reported. (Stone et al, 1983). Porous sandstones form the principal aquifers, while relatively impermeable shales and mudstones form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the San Jose Formation at depths greater than 100 feet and thicknesses of the aquifer can be up to several hundred feet (USGS, Groundwater Atlas of the US) (Stone et al, 1983). The site in question is located on top of Chosa Mesa at an elevation of approximately 7300 feet. This region is deeply incised by canyons, washes, gullies and arroyos, with large, flat-topped mesas the predominant topographic feature. The mesas are composed of cliff-forming sandstone, and systems of dry washes and their tributaries composed of alluvium are evident on the attached aerial image. Groundwater is expected to be shallow within Valencia Canyon. However, an elevation difference between the site and the base of Valencia Canyon of approximately three hundred feet suggests groundwater at the proposed site is considerably deeper. The nearest tributary is over three hundred feet lower in elevation. There is one spring within one mile of the proposed site, Chosa Springs to the southeast.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the location of wells in reference to the proposed pit location is attached. Water drops show locations of wells and the labels for each water drop indicates depth to groundwater in feet, while springs are indicated by pinpoints. Wells are scattered throughout the surrounding canyons. These sites contain shallow groundwater. The closest well that exists within the surrounding canyons is approximately two hundred feet lower in elevation and approximately one mile to the northwestthan the proposed site. The well indicates groundwater at 85 feet in depth. However the spring being at the same elevation as the proposed site suggests that groundwater is between 50 and 100 feet deep at the proposed location.





New Mexico Office of the State Engineer POD Reports and Downloads

| Feet) | | | | |
|----------|-------|-----|-----|--|
| Water in | Max | 186 | 260 | |
| (Depth | Min | 186 | 260 | |
| ; | Wells | 1 | 1 | |
| | × | | | |
| | × | | | |
| | Zone | | | |
| | Sec | 27 | 04 | |
| - | Kng | 05W | 05W | |
| - | TAS | 27N | 27N | |
| | Bsn | RG | 35 | |

N

Record Count:

AVERAGE DEPTH OF WATER REPORT 10/04/2008

New Mexico Office of the State Engineer POD Reports and Downloads

| | Feet) | Avg | 750 |
|--------------|----------|-----------|-----|
| | Water in | Max 1 | 750 |
| 80 | | Min | |
| 10/04/2008 | | Y Wells | 1 |
| WATER REPORT | | X | |
| WATER | | × | |
| DEPTH OF | | Zone | |
| | | Sec | 34 |
| AVERAGE | | 8 Rng Sec | 04W |
| | | TWS | 27N |
| | | Bsn | 91 |

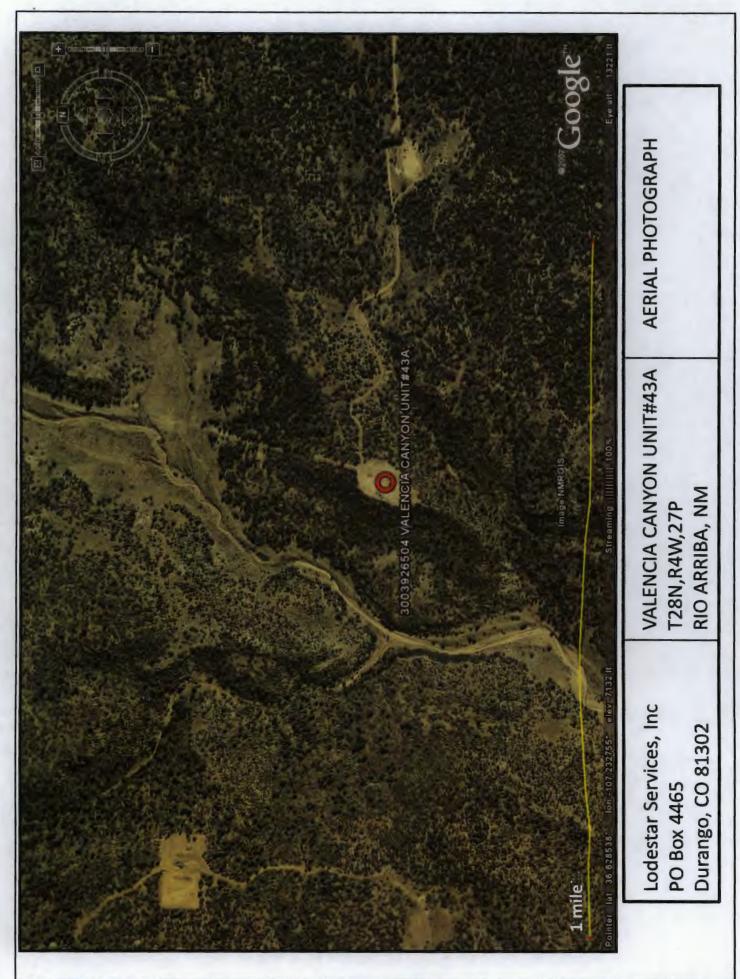
New Mexico Office of the State Engineer POD Reports and Downloads

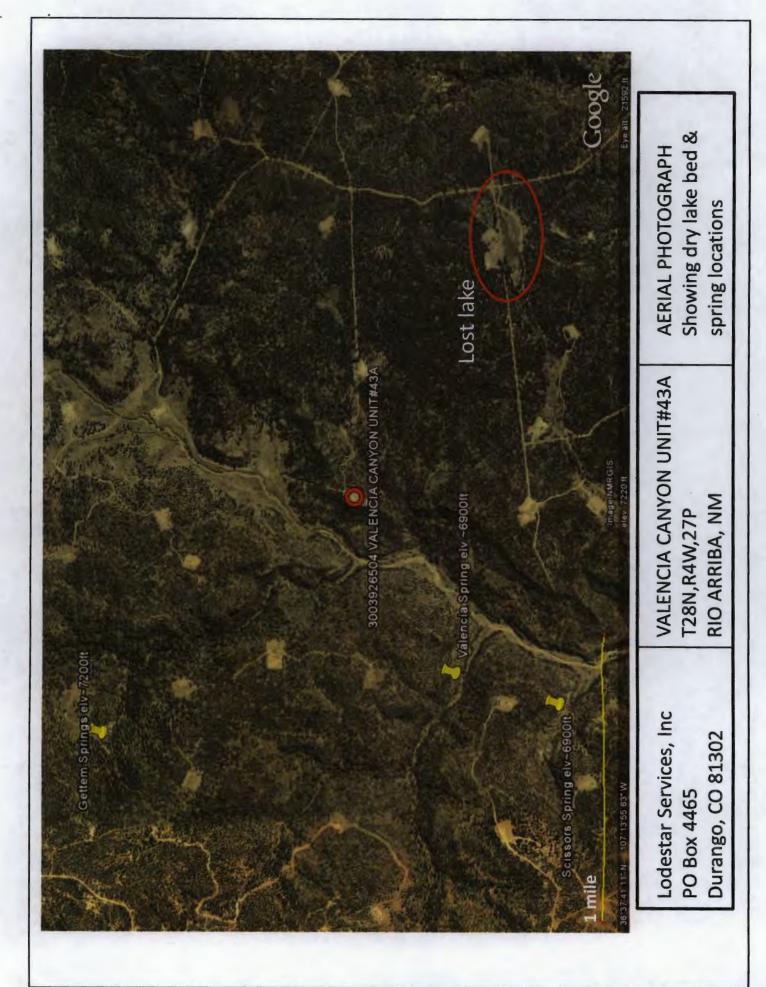
| | | | | | | | | (Depth | Water in | Feet) |
|------|---------------|------|--------|------|---|---|-------|--------|----------|-------|
| Bsn | TWS | Rng | Sec | Zone | × | × | Wells | Min | Max | Avg |
| 93 | 28N | 05W | 05W 18 | | | | 1 | 290 | 290 | 290 |
| 500 | 28N | 05W | 28 | | | | 2 | 243 | 265 | 254 |
| | | | | | | | | | | |
| Reco | Record Count: | unt: | m | | | | | | | |

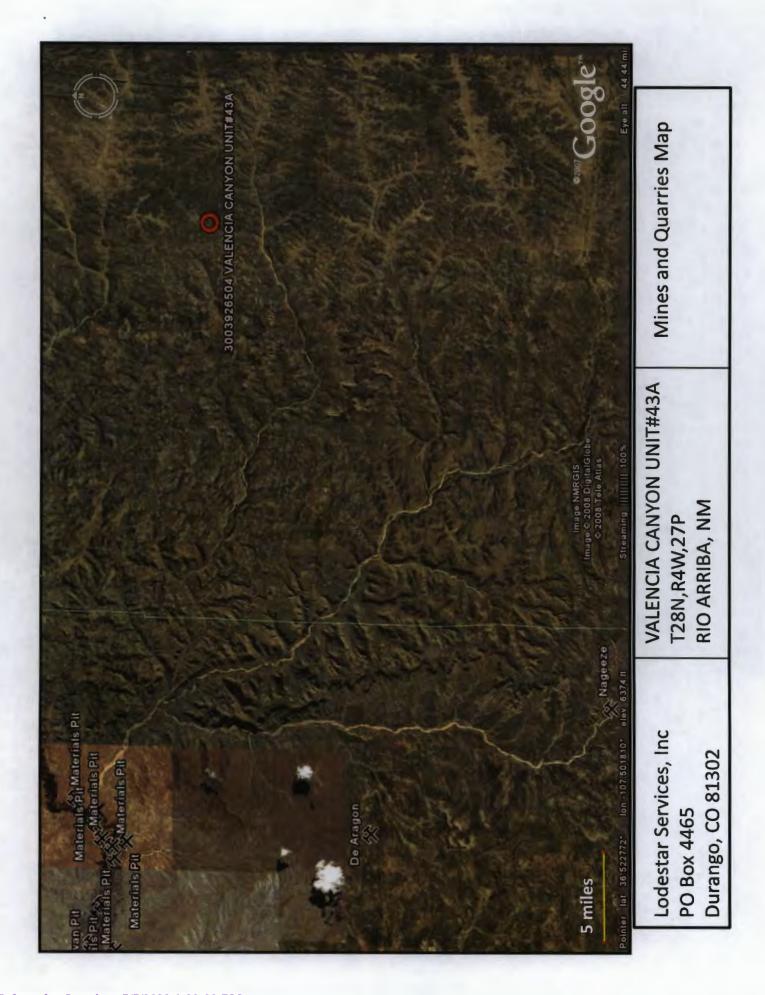
AVERAGE DEPTH OF WATER REPORT 10/04/2008

New Mexico Office of the State Engineer POD Reports and Downloads

| | Feet) | Avg | 8 25 | |
|--|-----------------------|---------|---------------|-----------------|
| | (Depth Water in Feet) | Max | 85 | |
| 8 | (Depth | Min | 80 | |
| 0/04/200 | | Y Wells | 1 | |
| REPORT 1 | | X | | |
| WATER | | × | | |
| AVERAGE DEPTH OF WATER REPORT 10/04/2008 | | Zone | | |
| GE | | Sec | 26 | - |
| AVERA | | Rng | 9J 28N 04W 26 | Record Count: 1 |
| | | TWB | 28N | rd C |
| | | Bsn | 500 | Reco |







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.

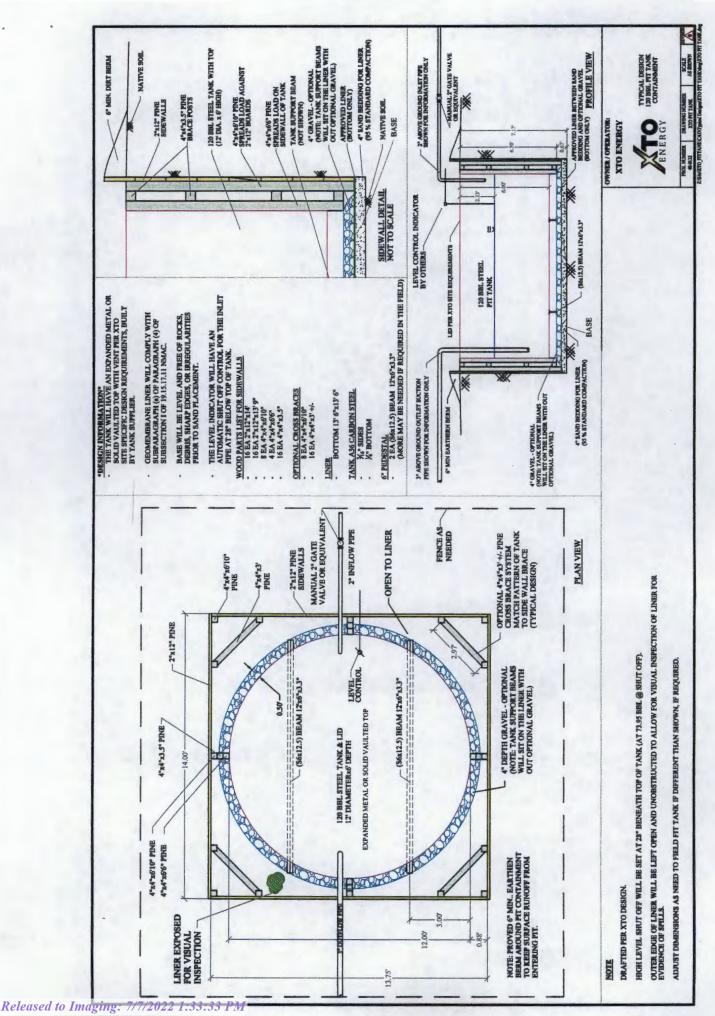
General Plan

- 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.
- 2. 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 \(\frac{1}{2} \) 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).

- 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 liner 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 acidics 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

- 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.
- 3. 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.
 - 4. 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.
- XTO will not discharge into or store any hazardous waste in any below-grade tank.
- 7. 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,

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

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.

| | | MONT | ILY BELO | MONTHLY BELOW GRADE TANK INSPECTION FORM | NSPECTIC | N FORM | | |
|--------------------|------------|-------------------------------|-------------------|--|-----------------------|---------------|------------------------|-----------|
| Well Name: | | | | | API No.: | | | |
| | i | | | | | | | |
| Legals | Sec: | | Township: | | Range: | | | |
| XTO Inspector's | Inspection | ق ا | Any visible liner | Any visible signs of | Collection of surface | Visible layer | Any visible signs | Freeboard |
| Name | Date | Ime | tears (Y/N) | tank overnows (1/N) | run on (T/N) | 01 011 (1/14) | טו מ נמווא ופמא (ד/וא) | LSt. (11) |
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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

- 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.
- 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.
- 4. XTO will remove liquids and sludge from below-grade tanks prior to implementing a closure 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

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.
- 6. XTO will remove any on-site equipment associated with a below-grade tank unless the equipment is required for some other purpose.
- 7. XTO will test the soils beneath the below-grade tank to determine whether a release has occurred. At a minimum 5 point composite sample will be collected along with individual grab samples from any area that is wet, discolored or showing other evidence of a release. Samples will be

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

- 8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
- 9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, XTO will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; recontour and re-vegetate the site.
- 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:
 - 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:
 - i. 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.

District II 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**

QUESTIONS

Action 95975

QUESTIONS

| Operator: | OGRID: |
|------------------------|--|
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 95975 |
| | Action Type: |
| | [C-144] Legacy Below Grade Tank Plan (C-144LB) |

QUESTIONS

| Facility and Ground Water | Facility and Ground Water | |
|--|---------------------------|--|
| Please answer as many of these questions as possible in this group. More information will help us identify the appropriate associations in the system. | | |
| Facility or Site Name | VALENCIA CANYON UNIT 43A | |
| Facility ID (f#), if known | Not answered. | |
| Facility Type | Below Grade Tank - (BGT) | |
| Well Name, include well number | VALENCIA CANYON UNIT 43A | |
| Well API, if associated with a well | 30-039-26504 | |
| Pit / Tank Type | Not answered. | |
| Pit / Tank Name or Identifier | Not answered. | |
| Pit / Tank Opened Date, if known | Not answered. | |
| Pit / Tank Dimensions, Length (ft) | Not answered. | |
| Pit / Tank Dimensions, Width or Diameter (ft) | Not answered. | |
| Pit / Tank Dimensions, Depth (ft) | Not answered. | |
| Ground Water Depth (ft) | Not answered. | |
| Ground Water Impact | No | |
| Ground Water Quality (TDS) | Not answered. | |

| Below-Grade Tank | |
|---|----------------|
| Subsection I of 19.15.17.11 NMAC | |
| Volume / Capacity (bbls) | 120 |
| Type of Fluid | Produced Water |
| Pit / Tank Construction Material | Steel |
| Secondary containment with leak detection | Not answered. |
| Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off | Not answered. |
| Visible sidewalls and liner | Not answered. |
| Visible sidewalls only | Not answered. |
| Tank installed prior to June 18. 2008 | True |
| Other, Visible Notation. Please specify | Not answered. |
| Liner Thickness (mil) | Not answered. |
| HDPE (Liner Type) | Not answered. |
| PVC (Liner Type) | Not answered. |
| Other, Liner Type. Please specify (Variance Required) | Not answered. |

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

QUESTIONS (continued)

QUESTIONS, Page 2

| Action | 95975 |
|--------|-------|
| | |

| Operator: | OGRID: |
|---|--|
| HILCORP ENERGY COMPANY 1111 Travis Street | 372171 |
| Houston, TX 77002 | Action Number: 95975 |
| 110000011, 1777002 | Action Type: |
| | [C-144] Legacy Below Grade Tank Plan (C-144LB) |
| QUESTIONS | |
| Fencing | |
| Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tank | (s) |
| 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) | Not answered. |
| Four foot height, four strands of barbed wire evenly spaced between one and four feet | Not answered. |
| | |
| Alternate Foreign Diseas analify (Variance Regulined) | |
| Alternate, Fencing. Please specify (Variance Required) | 4' steel mesh |
| | |
| | |
| Netting | |
| Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) | |
| Screen | Not answered. |
| Netting | Not answered. |
| | |
| | |
| Other, Netting. Please specify (Variance May Be Needed) | expanded metal or solid vaulted top |
| Carol, Housing. Floudo specify (Variation May 20 Hooded) | expanded metal of solid vadited top |
| | |
| | |
| Signs | |
| Subsection C of 19.15.17.11 NMAC (If there are multiple operators at a site, each operator must have | e their own sign in compliance with Subsection C of 19 15 17 11 NMAC) |
| 12"x 24", 2" lettering, providing Operator's name, site location, and emergency | and our sign in compliance with cassession of the restriction of the r |
| telephone numbers | Not answered. |
| Signed in compliance with 19.15.16.8 NMAC | True |
| | <u> </u> |
| Variances and Exceptions | |
| Justifications and/or demonstrations ofequivalency are required. Please refer to 19.15.17 NMAC for Please check a box if one or more of the following is requested, if not leave blank: | guidance. |
| Variance(s): | |
| Requests must be submitted to the appropriate division district for consideration of approval. | Not answered. |
| Exception(s): | |
| Requests must be submitted to the Santa Fe Environmental Bureau office for | Not answered. |
| consideration of approval | |

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

QUESTIONS, Page 3

Action 95975

| QUESTIONS (continued) | |
|------------------------|--|
| Operator: | OGRID: |
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 95975 |
| | Action Type: |
| | [C-144] Legacy Below Grade Tank Plan (C-144LB) |

QUESTIONS

| 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. Siting criteria does not apply to drying pads or above-grade tanks.

| Siting Criteria, General Siting | |
|--|---------------|
| Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank | No |
| NM Office of the State Engineer - iWATERS database search | True |
| USGS | Not answered. |
| Data obtained from nearby wells | Not answered. |

| Siting Criteria, Below Grade Tanks | |
|---|----|
| Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark) | No |
| Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption | No |

| Proposed Closure Method | |
|--|--------------------------|
| Below-grade Tank | Below Grade Tank - (BGT) |
| Waste Excavation and Removal | Not answered. |
| Alternate Closure Method. Please specify (Variance Required) | Not answered. |

| Operator Application Certification | |
|------------------------------------|------------|
| Registered / Signature Date | 11/12/2008 |

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ACKNOWLEDGMENTS

Action 95975

ACKNOWLEDGMENTS

| Operator: | OGRID: |
|------------------------|--|
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 95975 |
| | Action Type: |
| | [C-144] Legacy Below Grade Tank Plan (C-144LB) |

ACKNOWLEDGMENTS

| V | I acknowledge that I have received prior approval from the OCD to submit documentation of a legacy below-grade tank on behalf of my operator. |
|---|--|
| V | I hereby certify that the information submitted with this documentation is true, accurate and complete to the best of my knowledge and belief. |

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CONDITIONS

Action 95975

CONDITIONS

| Operator: | OGRID: |
|------------------------|--|
| HILCORP ENERGY COMPANY | 372171 |
| 1111 Travis Street | Action Number: |
| Houston, TX 77002 | 95975 |
| | Action Type: |
| | [C-144] Legacy Below Grade Tank Plan (C-144LB) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|-------------------|
| vvenegas | None | 7/7/2022 |