Larson & Associates, Inc.
Environmental Consultants

RECEIVED OCD

2013 OCT 22 P 2:46

October 21, 2013

Mr. Brad Jones
Environmental Engineer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, New Mexico 87505

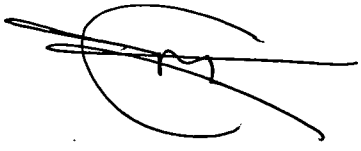
Re: Unlined Pit (Pit #1, #2 and #3) Signed C-144 and Closure Plans, XTO Energy, Inc., Grimes Lease, Lea County, New Mexico

Dear Mr. Jones:

On behalf of XTO Energy, Inc. (XTO) please find enclosed for your approval signed form C-144 and closure plan for three (3) unlined pits (Pit #1, #2 and #3) located at the Grimes Lease in Lea County, New Mexico. Please contact Mr. Dudley McMinn with XTO at (432) 688-8873 or me at (432) 687-0901 should have any questions.

Sincerely,

Larson & Associates, Inc.



Mark J. Larson, P.G.
Sr. Project Manager
Mark@laenvironmental.com

Enclosure

cc: Dudley McMinn – XTO
Rick Wilson - XTO

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☐ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☒ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: XTO Energy, Inc. (Subsidiary of ExxonMobil) OGRID #: 5380
Address: P.O. Box 700, Eunice, New Mexico 88231
Facility or well name: Unregistered/Unlined Pit (#3) Located 330' Northeast of Oxy Permain N. Hobbs Unit Well #331
API Number: ~~30-07472~~ 30-025-07472 OCD Permit Number: None
U/L or Qtr/Qtr J (NW/SE) Section 30 Township 18 South Range 38 East County: Lea
Center of Proposed Design: Latitude 32° 43' 04.94" Longitude 103° 11' 08.95" NAD: ☐1927 ☒ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment Surface Owner: OXY Permian Ltd.

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☒ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ 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_____

3.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☐ Alternate. Please specify_____

6.

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

☐ Screen ☐ Netting ☐ Other_____

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

7.

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 19.15.16.8 NMAC

8.

Variances 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:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

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

9.

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.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. **(Does not apply to below grade tanks)** - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.

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: _____

11.

Multi-Well Fluid Management Pit 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.

☐ 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
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ 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
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

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

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

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

13.
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 ☐ Multi-well Fluid Management Pit ☐ 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

14.
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 C 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 H of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

16.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

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

Name (Print): Dudley McMinn Title: EH&S Manager

Signature: Dudley McMinn Date: October 15, 2013

e-mail address: Dudley_McMinn@xtoenergy.com Telephone: (432) 682-8873

18.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: [signature] **Approval Date:** 10/22/13

Title: Environmental Engineer **OCD Permit Number:**

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

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

☐ **Closure Completion Date:**

20.
Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only)
- ☐ 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 _____ Longitude _____ NAD: ☐1927 ☐1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

ATTACHMENT A

UNLINED PIT (PIT #3) CLOSURE PLAN

OXY PERMIAN PROPERTY

Grimes Lease

Lea County, New Mexico

LAI Project No. 12-0148-01

October 15, 2013

Prepared for:

XTO Energy, Inc.

200 N. Loraine St., Ste. 800

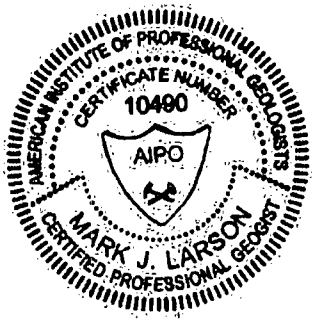
Midland, Texas 79701

Prepared by:

Larson & Associates, Inc.

507 North Marienfeld, Suite 200

Midland, Texas 79701



Mark J. Larson

Certified Professional Geologist No. 10490

Table of Contents

List of Exhibits

INTRODUCTION

in accordance with 19.15.17.13 C NMAC, this closure plan is submitted to the New Mexico Oil Conservation Division (OCD) for an unpermitted and unlined permanent pit (Pit #1). The pit (Site) reverted back to XTO Energy, Inc. (XTO), a subsidiary of ExxonMobil, after the U.S. Bureau of Land Management (BLM) was unable to locate the original operator believed to be Windmill Oil Company. The pit was used in conjunction with a tank battery and wells to recover crude oil (Windmill Oil Company). Documentation for well plugging was submitted by Exxon Mobil to the BLM on August 3, 2010. It is assumed that discharge into the pit ceased prior to June 2008. No tanks or equipment is present at the Site. A fence surrounds the pit.

LOCATION

The Site is located south of the intersection of Carr Lane and West Mahon Road about 0.5 miles west of city limits of Hobbs, New Mexico. The legal description is Unit J (NW/4, SE/4), Section 30, Township 18 South and Range 38 in Lea County, New Mexico. The geodetic position is north 32° 43' 04.94" and west 103° 11' 08.95". The nearest producing oil well is the Occidental Permian, North Hobbs G/SA Unit #331 with API# 30-025-07472. This well is located about 330 feet southwest of the Site. Exhibit A presents a topographic, aerial and Site maps.

GROUNDWATER

The average depth to groundwater in Unit J (NW/4, SE/4), Section 30, Township 18 South, Range 38 East, as reported by the Office of the New Mexico State Engineer (OSE), is approximately 36.54 feet below ground surface (bgs). Exhibit B presents the average depth to groundwater report.

SURFACE OWNER

Occidental USA, Inc. (Oxy Permian, Ltd.), located at 6 Desta Drive, Suite 6000, Midland, Texas 79705, was identified as the surface owner of record at the Lea County Tax Assessor in Lovington, New Mexico.

NOTIFICATION

In accordance 19.15.17.13E (3) NMAC, notification is hereby given to the OCD in Santa Fe, New Mexico, that closure of the pit will commence within 30 days following approval of the closure plan. In accordance with 19.15.17.13 E (1) NMAC, notification will be given to the surface owner by certified mail, return receipt requested, at least 72 hours but no more than 1 week prior to commencing closure

of the pit. The notice will include the nearest well and API number, unit letter, section, township and range of the pit.

SCHEDULE

The following is a schedule for closing the pit. The timeline will begin within 30 days following approval of the closure plan by the OCD in Santa Fe, New Mexico.

Week 1	Submit notification to landowner within 72 hours of initiating closure;
Week 2	Commence closure with removal of security fence for scrap or recycling, and debris (i.e., concrete, caliche, scrap wood, sludge) for disposal at an OCD permitted facility;
Week 3	In accordance with 19.15.17.13 C (a) NMAC collect a five point composite sample to include any obviously stained or wet soils, or other evidence of contamination from the bottom of the pit for delivery under preservation and chain of custody to the environmental laboratory;
Weeks 4 and 5	Perform laboratory analysis in accordance with Table 1 including chloride (E300.0), TPH (SW-846-418.1), BTEX (Sw-846-8021B);
Week 6	Report laboratory results to OCD in Santa Fe, New Mexico;

CLOSURE PLAN

The following closure plan is submitted for compliance with Subpart C of 19.15.17.13 NMAC.

Step 1	Remove security fence for scrap or recycling;
Step 2	Remove liquid for disposal at an OCD approved Class II commercial salt water disposal (SWD) well;
Step 3	Remove BS&W and hydrocarbon contaminated material (i.e., sludge, scrap wood, caliche, concrete, etc.) for disposal at Sundance Services, Inc. (operating under OCD permit number NM-1-0003), Lea Land Landfill, Inc., (operating under OCD permit number NM-1-035) or R360, formerly Controlled Recovery, Inc. (operating under OCD order number R-9166) based on waste acceptance criteria;

Step 4 Collecting 5 point composite sample to include any obviously stained or wet soils, or other evidence of contamination from bottom of the pit and submit samples under preservation and chain of custody to Permian Basin Environmental Lab (PBELAB) located in Midland, Texas, for analysis to include chloride by EPA method E300, TPH by EPA method SW-846-418.1 and BTEX by EPA method SW-846-8021B;

Step 5 Submit laboratory results to OCD in Santa Fe, New Mexico;

Step 6 Reclaim surface in accordance with reclamation plan assuming no delineation is required by OCD in Santa Fe;

Step 7 Within sixty (60) days following pit closure and surface reclamation submit final report to OCD in Santa Fe on form C-144.

Note: *Action levels for chloride, TPH, BTEX and benzene are as follows:*

Constituent	***Limit (mg/Kg)***
Chloride	*600*
TPH	*100*
Benzene	*10*
BTEX	*50*

RECLAMATION PLAN

In accordance with 19.15.17.13(3) (C) NMAC, If all contaminant concentrations are less than or equal to the parameters listed above, as referenced in Table I of 19.15.17.13 NMAC, then the pit will be backfilled with non-waste containing, uncontaminated, earthen material. The, the soil cover shall include either the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater (19.15.17.13H (3) NMAC).

In accordance with 19.15.17.13 H (4) NMAC the surface will be graded and crowned slightly to prevent ponding of water and erosion of cover material.
In accordance with 19.15.17.13 H (5) (a) NMAC, all areas disturbed by the closure of the pit, except areas reasonably needed for production operations or for subsequent drilling operations, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use and shall be maintained to control dust and minimize erosion to the extent practicable.

In accordance with 19.15.17.13 H (5) (b), topsoil and subsoil will be replaced to their original relative positions and contoured so as to achieve erosion control, long-term stability and preservation of

surface water flow patterns. The surface will be seeded in the first favorable growing season following closure. Re-vegetation shall be considered complete when all ground surface disturbing activities have been completed and a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels and a total plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds. XTO shall notify the OCD in Santa Fe when reclamation and re-vegetation are complete.

CLOSURE REPORT

Within 60 days following completion of closure activities a closure report will be submitted on form C-144 to the OCD in Santa Fe, as required by 19.15.17.13 (F) NMAC. The report will include all necessary attachment to document all closure activities including sampling results and details on closure and reclamation activities. The report will certify that all information in the report and attachments is correct to comply with all applicable requirements specified in the approved closure plan.

EXHIBIT A

Topographic, Aerial and Site Maps

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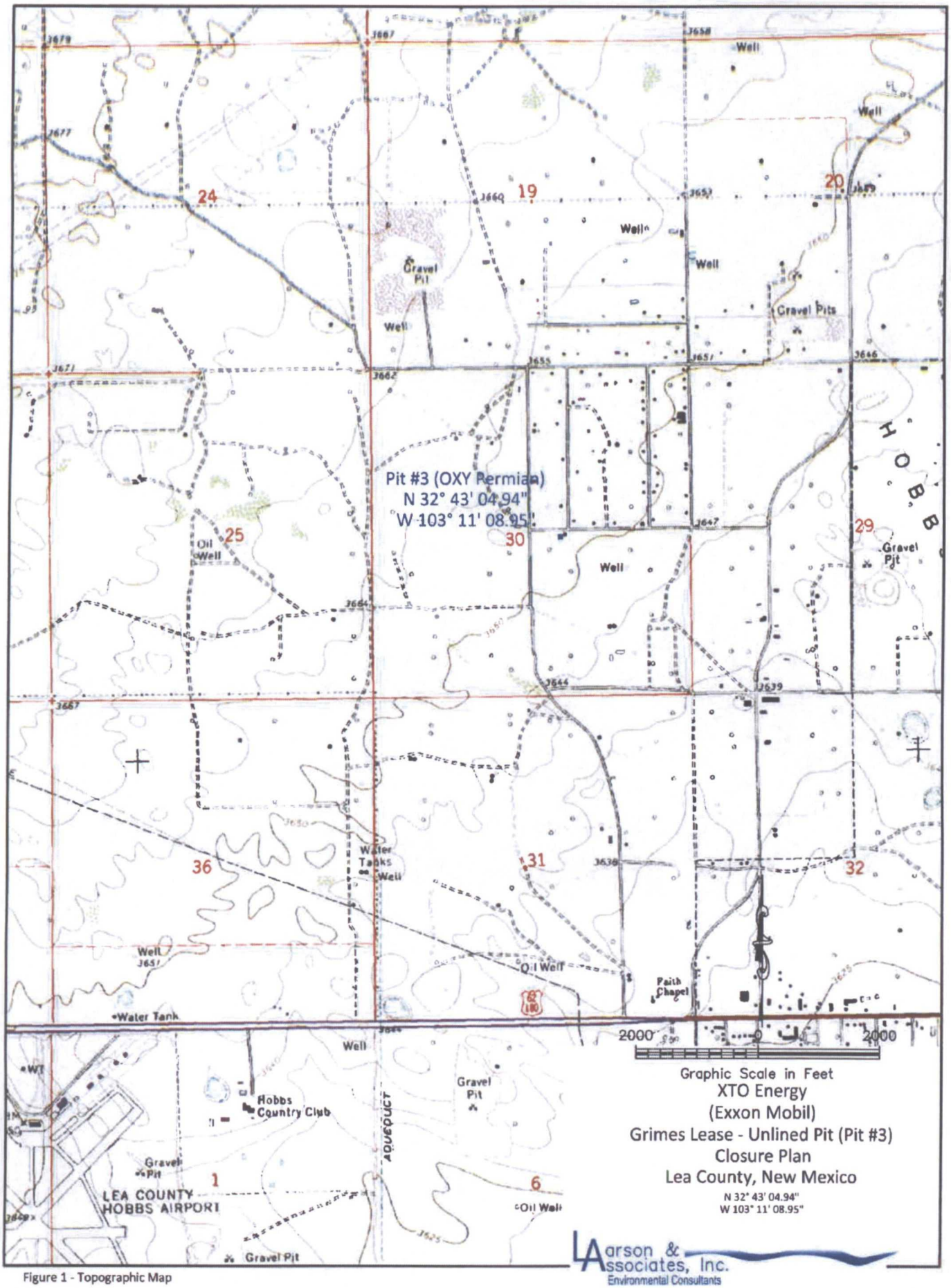
BSK



Larson & Associates, Inc.
Environmental Consultants

Figure 1 - Topographic Map

BSK

Graphic Scale in Feet

XTO Energy
(Exxon Mobil)
Grimes Lease - Unlined Pit (Pit #3)
Closure Plan
Lea County, New Mexico

N 32° 43' 04.94"
W 103° 11' 08.95"

Larson & Associates, Inc.
Environmental Consultants

Figure 2 - Aerial Map

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BSK

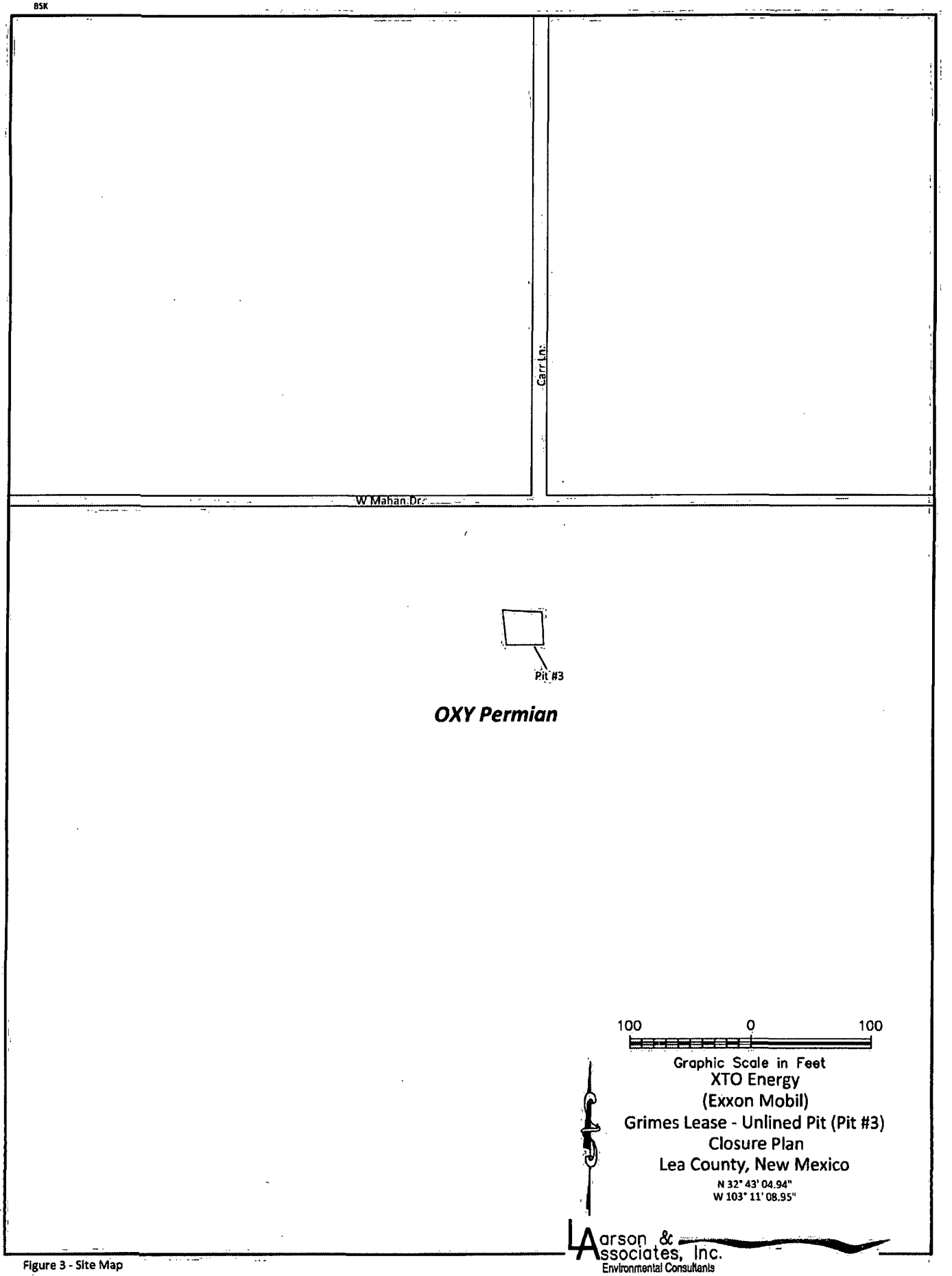

Figure 3 - Site Map

EXHIBIT B

Average Depth to Groundwater Report

Summary of Well Depth and Depth to Groundwater
Unit J (NW1/4, SE1/4), Section 30, Township 18 South, Range 38 East
Lea County, New Mexico

Water Right Number	Quarter Section	Quarter Section	Section	Township	Range	Depth Well	Depth Water
L 05627	NW	SE	30	18 South	38 East	50	28
L 05628	NW	SE	30	18 South	38 East	50	28
L 05629	NW	SE	30	18 South	38 East	50	28
L 05630	NW	SE	30	18 South	38 East	50	28
L 05871	NW	SE	30	18 South	38 East	43	27
L 06005	NW	SE	30	18 South	38 East	50	40
L 06006	NW	SE	30	18 South	38 East	50	40
L 06011	NW	SE	30	18 South	38 East	50	40
L 06012	NW	SE	30	18 South	38 East	50	40
L 06013	NW	SE	30	18 South	38 East	50	40
L 06014	NW	SE	30	18 South	38 East	50	40
L 06992	NW	SE	30	18 South	38 East	50	35
L 06993	NW	SE	30	18 South	38 East	50	35
L 06994	NW	SE	30	18 South	38 East	50	35
L 06995	NW	SE	30	18 South	38 East	50	35
L 06996	NW	SE	30	18 South	38 East	50	35
L 09936	NW	SE	30	18 South	38 East	50	41
L 10093	NW	SE	30	18 South	38 East	50	42
L 10094	NW	SE	30	18 South	38 East	50	42
L 10095	NW	SE	30	18 South	38 East	50	42
L 10096	NW	SE	30	18 South	38 East	50	42
L 10097	NW	SE	30	18 South	38 East	50	41
					Total:	**1093**	**804**
					Average:	**49.68**	**36.54**

Source: New Mexico State Engineer, Santa Fe, New Mexico
Depth is in feet below ground

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 05627		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	28	22
L 05628		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	28	22
L 05628 POD2		L	LE	1	1	4	30	18S	38E	669936	3621418*	55		
L 05629 POD2	C	L	LE	2	1	4	30	18S	38E	670136	3621418*	50	28	22
L 05630		L	LE	2	1	4	30	18S	38E	670136	3621418*	50	28	22
L 05630 POD2		L	LE	2	1	4	30	18S	38E	670136	3621418*		55	
L 05655		L	LE	1	1	4	30	18S	38E	669936	3621418*	50		
L 05656		L	LE	1	1	4	30	18S	38E	669936	3621418*	50		
L 05657		L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 05657	C	L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 05871		L	LE	1	1	4	30	18S	38E	669936	3621418*	43	27	16
L 06005		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06006		L	LE	2	1	4	30	18S	38E	670136	3621418*	50	40	10
L 06006 POD2		L	LE	2	1	4	30	18S	38E	670136	3621418*	55		
L 06011		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06012		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06012	C	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06013		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06013	C	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06014		L	LE	1	1	4	30	18S	38E	669936	3621418*	50	40	10
L 06971		L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 06972		L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 06973		L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 06974		L	LE	2	1	4	30	18S	38E	670136	3621418*	50		
L 06975		L	LE	1	1	4	30	18S	38E	669936	3621418*	50		
L 06992		L	LE	2	1	4	30	18S	38E	670136	3621418*	50	35	15

***UTM location was derived from PLSS - see Help**

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-basin Code	County	Q64	Q16	Q4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 06993	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	35	15
L 06994	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	35	15
L 06995	L	LE	2	1	4	30	18S	38E	670136	3621418*	50	35	15
L 06996	L	LE	2	1	4	30	18S	38E	670136	3621418*	50	35	15
L 09936	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	41	9
L 10093	L	LE	2	1	4	30	18S	38E	670136	3621418*	50	42	8
L 10094	L	LE	2	1	4	30	18S	38E	670136	3621418*	50	42	8
L 10095	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	42	8
L 10096	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	42	8
L 10097	L	LE	1	1	4	30	18S	38E	669936	3621418*	50	41	9

Average Depth to Water: **37 feet**

Minimum Depth: **27 feet**

Maximum Depth: **55 feet**

Record Count: 36

PLSS Search:

Q16: NW **Q4:** SE **Section(s):** 30 **Township:** 18S **Range:** 38E

***UTM location was derived from PLSS - see Help**