REGISTERED

16

1220 S. St. Francis Dr., Santa Fg. NM 87505

State of New Mexico **1inerals and Natural Resources** Department Conservation Division

1220 South St. Francis Dr. AM 11 45 Santa Fe, NM 87505

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

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

Type of action:	Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
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	s, or proposed alternative method

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

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

1.	
Operator: XTO Energy, Inc.	OGRID #: 5380
Address: #382 County Road 3100, Aztec, NM 87410	
Facility or well name: Kutz Deep Test INC A #I	
API Number: <u>30-045-07128</u> OCD Perm	it Number:
U/L or Qtr/Qtr O Section 27 Township 28N Range	10W County: San Juan
Center of Proposed Design: Latitude <u>36.62876</u> Longitude	e107.87981 NAD: □1927 🖾 1983
Surface Owner: ☑ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment	
2. Pit: Subsection F or G of 19.15.17.11 NMAC	
Temporary: Drilling Workover	
Permanent ☐ Emergency ☐ Cavitation ☐ P&A	
Lined Unlined Liner type: Thickness mil LLDPE HD	PE PVC Other
String-Reinforced	
Liner Seams: Welded Factory Other Volu	me: hbl Dimensions: L x W x D
	del dimensional di National di
3. Closed-loop System: Subsection H of 19.15.17.11 NMAC	
Type of Operation: P&A Drilling a new well Workover or Drilling (Appintent)	lies to activities which require prior approval of a permit or notice of
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other	
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LUDPE ☐	HDPE PVC Other
Liner Seams: Welded Factory Other	
4.	
Below-grade tank: Subsection I of 19.15.17.11 NMAC	
Volume: 45 bbl Type of fluid: Produced Water	
Tank Construction material: Steel	
Secondary containment with leak detection Visible sidewalls, liner, 6-inch l	ift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other Visible sidew	
Liner type: Thickness mil HDPE PVC Other	
s. Alternative Method:	
The state of the s	

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6	
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, 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 Expanded metal or solid vaulted top	
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.	
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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district pproval.
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	⊠ Yes □ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ⊠ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ⊠ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ⊠ No
Within a 100-year floodplain FEMA map	☐ Yes ⊠ No

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:
Previously Approved Design (attach copy of design) Art 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: (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. □ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC □ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC □ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) □ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if m facilities are required.									
Disposal Facility Name: Disposal Facility Permit Number:									
Disposal Facility Name: Disposal Facility Permit Number:									
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations? Yes (If yes, please provide the information below) No									
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	C								
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 provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate districtions of acceptable source and exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justif demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	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; Data obtained from nearby wells	Yes No								
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA								
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA								
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No								
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No								
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No								
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No								
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No								
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	Yes No								
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	Yes No								
Within a 100-year floodplain FEMA map	Yes No								
18. On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards canno Soil Cover Design - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC	5.17.11 NMAC								

Operator Application Certification: I hereby certify that the information submitted with this application is	s true, accurate and complete to the	ne best of my knowledge and belief.
	Title:	Environmental Representative
Signature: Kim Manglin	Date:	2/02/2009
	Telephone:	(505) 333-3100
20.		
OCD Approval: Permit Application (including closure plan)	Closure Plan (only) OCD	Conditions (see attachment)
OCD Representative Signature:		Approval Date:
Title:	OCD Permit Num	ber:
Closure Report (required within 60 days of closure completion): Instructions: Operators are required to obtain an approved closure The closure report is required to be submitted to the division within section of the form until an approved closure plan has been obtained	plan prior to implementing any 60 days of the completion of the d and the closure activities have	closure activities and submitting the closure report. closure activities. Please do not complete this been completed.
	☐ Closure Comp	pletion Date:
22. Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain.	☐ Alternative Closure Method	☐ Waste Removal (Closed-loop systems only)
Closure Report Regarding Waste Removal Closure For Closed-los Instructions: Please indentify the facility or facilities for where the two facilities were utilized.		
Disposal Facility Name:	Disposal Facility Pe	ermit Nümber:
		ermit Number:
Disposal Facility Name:		
Were the closed-loop system operations and associated activities performed. Yes (If yes, please demonstrate compliance to the items below)		be used for future service and operations?
Required for impacted areas which will not be used for future service	and operations:	
Site Reclamation (Photo Documentation)		
☐ Soil Backfilling and Cover Installation ☐ Re-vegetation Application Rates and Seeding Technique		
24. Closure Report Attachment Checklist: Instructions: Each of the smark 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 points of poi		to the closure report. Please indicate, by a check
On-site Closure Location: Latitude	Longitude	NAD: □1927 □ 1983
25.		
Operator Closure Certification:		
I hereby certify that the information and attachments submitted with the belief. I also certify that the closure complies with all applicable closure.	his closure report is true, accurate ure requirements and conditions s	and complete to the best of my knowledge and pecified in the approved closure plan.
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	

OIL CONSERVATION COMMISSION

ne of Producing Format Acres Dedicated to the cate Land Ownership St	Well	22	
SECTION 27			
		0 /	
		San ta	Fe 383)
		(0).	73237
		SI	5/
RU		No -1	1
OIL C 1955		•	160 acres
DIST. 3			

(over)

A			Client:	XTO Energy				
Lodestar Services, In		Pit Permit	Project:	Pit Permits				
PO Box 4465, Durane	-	Siting Criteria	Revised:	26-Jan-09				
	,	Sitting Criteria	Prepared by:	Brooke Herb				
,								
API#:		30-045-07128	USPLSS:	T28N,R10W,S270				
				25 52075 407 07024				
Name:	KUIZ	DEEP TEST INC A #1	Lat/Long:	36.62876, -107.87981				
Depth to groundwater:		< 50'	Geologic formation:	Nacimiento Formation				
Distance to closest continuously flowing watercourse:	4.70 mi	les S of San Juan River						
Distance to closest significant watercourse, lakebed, playa lake, or	Armenta	small secondary tributary of I Canyon Wash; 1545' W of nyon Wash; 2730' S of concrete						
sinkhole:	li	ined irrigation ditch						
			Soil Type:	Entisols				
Permanent residence, school, hospital, institution or church within 300'		No						
			Annual Precipitation:	8.71 inches (Bloomfield)				
Domestic fresh water well or spring within 500'		No	Precipitation Notes:	Historical Daily Max Bloomfield 4.19"				
Any other fresh water well or spring within 1000'		No						
Within incorporated municipal boundaries		No	Attached Documents:	Groundwater report and Data; FEMA Flood Zone Map				
Within defined municipal fresh water well field		No		Aerial Photo, Topo Map, Mines Mills and Quarries Map				
Wetland within 500'		No	Mining Activity:					
Within unstable area	- -	No		None Near				
Within 100 year flood plain	No - I	EMA Flood Zone 'X'						
Additional Notes:								

KUTZ DEEP TEST INC A #1 Below Ground Tank Hydrogeologic Report for Siting Criteria

General Geology and Hydrology

The San Juan Basin is a typical Rocky Mountain basin with a gently dipping southern flank and a steeply dipping northern flank. Asymmetrically layered Tertiary sandstones and shales, along with Quaternary alluvial deposits, dominate surficial geology (Dane and Bachman, 1965). The proposed pit location will be located in the southern Kutz Canyon region of the San Juan Basin. The predominant geologic formation is the Nacimiento 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 Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. Thickness of the Nacimiento ranges from 418 to 2232 feet (Stone et al., 1983). Aquifers within the coarser and continuous sandstone bodies of the Nacimiento Formation are between 0 and 1000' deep in this section of the basin (Stone et al., 1983). Groundwater within these aquifers flows toward the San Juan River.

The prominent soil type at the proposed site are entisols 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. The sudden influx of water from storm events easily erodes the soils that cover the area and prohibits effective recharge to the underlying aquifers.

Dry and arid weather further prohibit active recharge. The climate of the region is arid, averaging 8 to 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). However, vegetation is very sparse and discontinuous.

Site Specific Hydrogeology

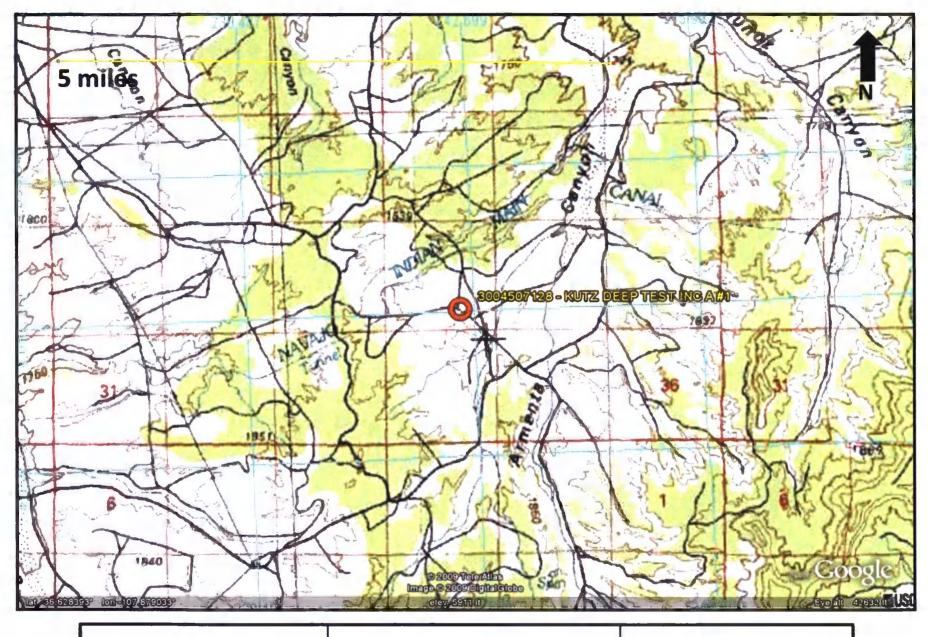
Depth to groundwater is estimated to be less than 50 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity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

Beds of water-yielding sandstone are present in the Nacimiento Formation, which are fluvial in origin and are interbedded with siltstone, shale and coal. Porous sandstones form the principal aquifers, while relatively impermeable shales form confining units between the aquifers (Stone et al., 1983). Local aquifers exist within the Nacimiento Formation at depths greater than 100 feet and thicknesses of the aquifer can be up to 3500 feet (USGS, Groundwater Atlas of the US).

The site in question is located near Armenta Canyon, where deeply eroded sandstone-capped mesas and slope-forming mudstones occur in a sparsely vegetated and arid badlands-type setting. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image.

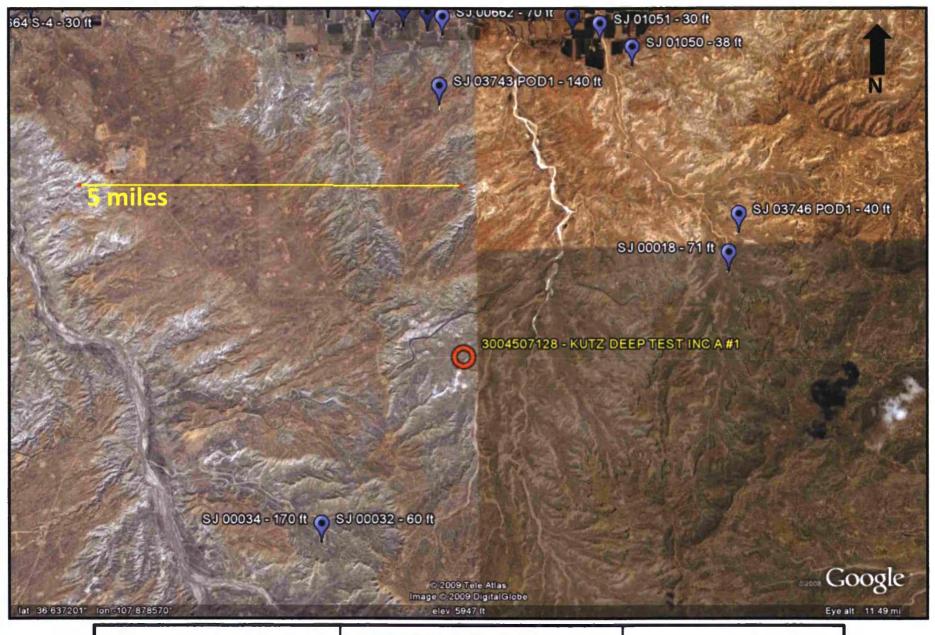
The pit will be located on a relatively flat mesa top at an elevation of approximately 5888 feet. It will be approximately 466 feet from the Armenta Canyon tributary system and 1545 feet west of Armenta Wash. Groundwater is expected to be shallow within Armenta Wash. The small distance between the Canyon and the site, as well as an elevation difference of about 44 feet suggests groundwater is less than 50 feet at the proposed site.

State iWaters data points are sparsely distributed in this region, but there is an iWaters data point approximately 3.29 miles to the north of the site. Depth to groundwater within the well is 140 feet below ground surface. A map showing the location of wells in reference to the proposed pit location is attached (SJ 03743 POD 1).



KUTZ DEEP TEST INC A #1 T28N, R10W, S27O San Juan County, NM

Topographic Map



KUTZ DEEP TEST INC A #1 T28N, R10W, S27O San Juan County, NM

iWaters Groundwater Data Map

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 29N Range: 10V Sections:

WATER COLUMN REPORT 10/27/2008

				3=SW 4=SE)			Dombh	Donth	Water	(in feet)
POD Number	(quarcer Tws	Rng Sec		smallest) Zone	x	Υ	Depth Well	Depth Water	Column	(III Ieec)
RG 36732 DCL	29N	10W 25	2	BOILE		•	500	450	50	
SJ 00785 S	29N	10W 04	2 4 2				20	.00	•	
SJ 00680	29N	10W 13	2 2				40	10	30	
SJ 00785 NEW	29N	10W 13	4				60	20	40	
SJ 00785 S-2	29N	10W 13	4				60	20	40	
SJ 03023	29N	10W 18	1 3 1				90	€5	25	
SJ 03502	29N	10W 18	1 3 1				150			
SJ 03081	29N	10W 18	3 1 4				20			
SJ 02078	29N	10W 19	3 1 1				40	9	31	
SJ 00303	29N	10W 19	3 3				20	5	15	
SJ 02860	29N	10W 19	4 4 4				21	2	19	
SJ 02900	29N	10W 20	3 1 2				70			
SJ 01140	29N	10W 20	3 2 2				25	ć	19	
SJ 01990	29N	10W 20	4 1				40	12	28	
SJ 02548	29N	10W 20	4 4				12	2	10	
SJ 02547	29N	10W 20	4 4				12	2	10	
SJ 03535	29N	10W 21	3 2 3				15			
SJ 03455	29N	10W 21	3 3 1				20	17	3	
SJ 03456	29N	10W 21	3 3 2				20	17	3	
SJ 03441	29N	10W 21	4 3 3				40	30	10	
SJ 03470	29N	10W 21	4 3 4				20	7	13	
SJ 01474	29N	10W 21	4 4				25			
SJ 03180	29N	10W 21	4 4 4				50	15	35	
SJ 03713 POD1	29N	10W 22	2 3				265	20	245	
SJ 02820	29N	10W 23	4 1 1				82	16	ćć	
SJ 02896	29N	10W 24	1 4 1				110	34	76	
SJ 02275	29N	10W 24	1 4 2				40	20	20	

SJ 00092	29N	10W 24	2	4	2				33		
SJ 02802	29N	10W 24	3	1	2				132	30	102
SJ 02907	29N	10W 24	3	2	3				60		
SJ 02122	29N	10W 25	1	1					60	12	48
SJ 01019	29N	10W 2€	4	3	3				50	4	4€
SJ 01056	29N	10W 27	3	2					50	31	19
SJ 02216	29N	10W 28	1	2					30	7	23
SJ 03582	29N	10W 28	1	3	3				10	4	ε
SJ 02151	29N	10W 28	2	1	2	W	484600	2075600	37	20	17
SJ 03652	29N	10W 28	2	2	1				34	6	28
SJ 03142	29N	10W 28	2	2	2				38	22	16
SJ 03637	29N	10W 28	2	3	1				21	10	11
SJ 03582 POD2	29N	10W 28	2	3	3				28	5	23
SJ 02840	29N	10W 28	3	4	1				55	32	23
SJ 00506	29N	10W 28	4	3					78	55	23
SJ 00662	29N	10W 28	4	4	3				93	70	23
SJ 00497	29N	10W 29	3	2	3				35	35	50
SJ 03777 POD1	29N	10W 29	4	4	2		270344	2071311	100	50	50
SJ 00473	29N	10W 30	2	4					58	10	48
SJ 03743 POD1	29N	10W 33	19	4	3				490	140	350
SJ 01051	29N	10W 35	2	2	2				90	30	60
SJ 01050	29N	10W 36	1	4					85	38	47

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 29h Range: 09V Sections: 3.4.5.6.7.8.9.10

WATER COLUMN REPORT 10/24/2008

	(quarter	s are	1=	NW	2=	NE	3=SW 4=SE)							
	(quarter	s are	e bi	gge	st	to	smallest)			Depth	Depth	Water	(in	feet)
POD Number	Tws	Rng	Sec	q	P	P	Zone	X	Y	Well	Water	Column		
SJ 02369 CLW	29N	0.997	03	1	2	4				13	10	3		
SJ 02376	29N	09W	03	1	2	**				13	10	3		
SJ 02369	29N	0 9 W	03	1	2	4				23				
SJ 02103	29%	097	03	1	3					21	4	17		
SJ 01494	29N	0.9W	03	2	2					12	8	7		
SJ 03300	29%	0 9W	03	2	2	2				21	4	17		
SJ 03362 POD2	29N	09W	03	2	2	4				21	€	15		
SJ 03362	29N	0 9W	03	2	2	4				3 8	12	26		
SJ 02567	29%	0.9W	0.3	2	4	<u>*</u>				14	2	12		
SJ 03200	29N	0.90		3	1	-				2.9	13	15		
SJ 02946	29%	099		4	2	1				95	40	55		
SJ 03490	29N	0.9%		1	1	3				42	20	22		
SJ 03491	29%	0 9W		1	1	3				70				
SJ 03566	29N	0.9W		1	3	4				3.0				
SJ 03531	29N	0 9W		1	4	1				3.0				
SJ 03530	29N	0.9W		1	4	1				3.0				
SJ 03466	29N	0.97		2	1	3				40				
SJ 02554	29N	0 9W	-	2	1	4				13	5	8		
SJ 03118	29N	0.97		2	2	3				250				
SJ 03092	29N	0.5W		4	1	1				40	1€	24		
SJ 03182	2 9 N	097		4	1	1				42	18	24		
SJ 03599	29N	0.97		4	1	1				42	20	22		
SJ 00584	29N	0 9W		3	킾					143	4.0	103		
SJ 00785	29N	0 9W	07	3	4	2				€0				
SJ 03389	2910	0 9W	07	4	4	2.				2.6				
SJ 03536	29N	0 9W		4	4	2				19	ϵ	13		
SJ 01176	29N	0 97	08	1	1					150	76	30		

SJ 02822	29N	0 9W	0.8	1	1	3	100		
SJ 00436	29%	0.9W	08	1	3		150	100	50
SJ 03534	29N	0 9W	08	3	1	3	41	24	17
SJ 02279	29N	09W	09	1	1	4	30	6	24
SJ 00102	29N	0 9W	09	1	2	1	20	5	15

New Mexico Office of the State Engineer POD Reports and Downloads

Township	Range: 10V Sections:		
NAD27 X:	Y: Zone:	Search Radius:	
County:	Basin	Number: Suffix:	_
Owner Name: (First)	(Last)	Non-Domestic Domestic	All
POD / Surface	Data ReportAvg Depth to Wat	ter ReportWater Column Report	

WATER COLUMN REPORT 10/30/2008

(quarters are 1=nm 2=nm 3=5m 4=5m) (quarters are biggest to smallest)								Depth	Depth	Water	(in feet)		
POD Number	Tws	Rng	Sec	q	q	q	Zone	x	Y	Well	Water	Column	
SJ 00032	27N	100	0.8	2	2	3				235	60	175	
SJ 00033	27M	100	0.8	2	2	3				204			
SJ 00034	27N	7.0M	0.8	2	2	3				235	170	68	

Record Count: 3

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 27h Range: 11V Sections:

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WATER COLUMN REPORT 10/30/2008

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

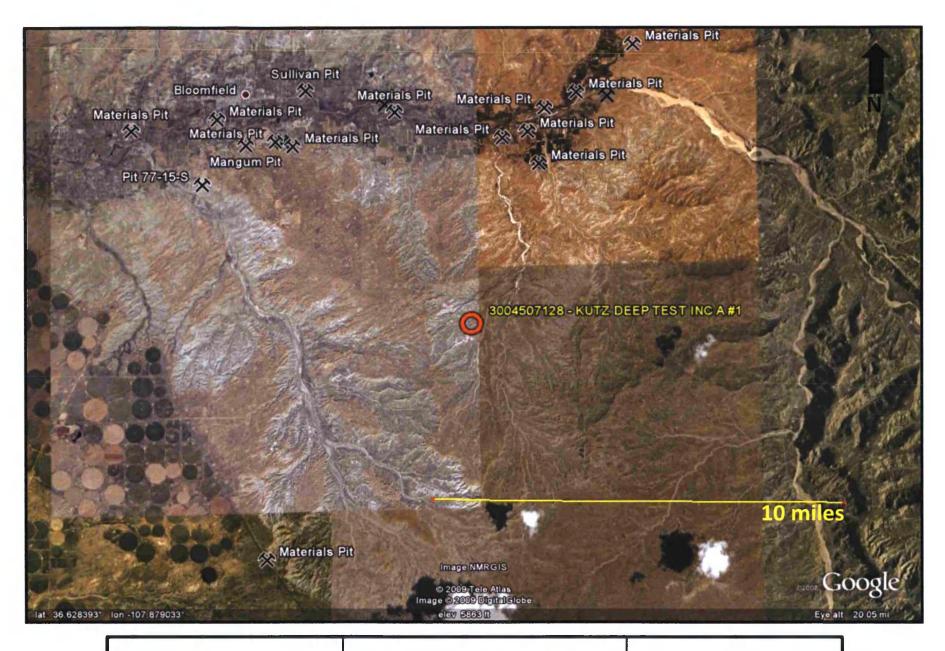
(quarters are biggest to smallest) Depth Depth Water (in feet) Tws Rng Sec q q q Zone POD Number Y Well Water Column SJ 01787 SJ 00077 27N 11W 07 2 2 630 27N 11W 26 2 1 3 1102 552 5.50

Record Count: 2



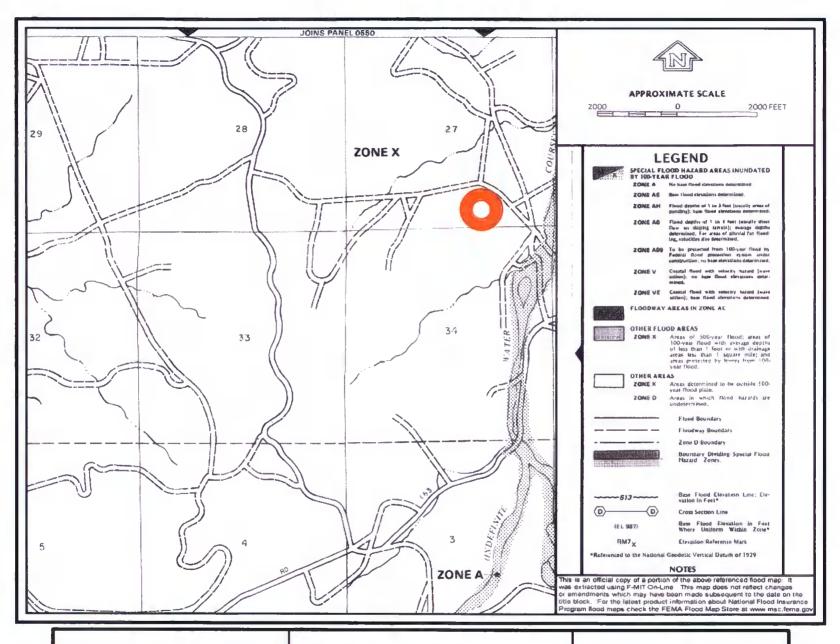
KUTZ DEEP TEST INC A #1 T28N, R10W, S27O San Juan County, NM

Aerial Photograph



KUTZ DEEP TEST INC A #1 T28N, R10W, S27O San Juan County, NM

Mines, Mills, and Quarries Map



KUTZ DEEP TEST INC A #1 T28N, R10W, S27O San Juan County, NM

FEMA Flood Zone Map

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.

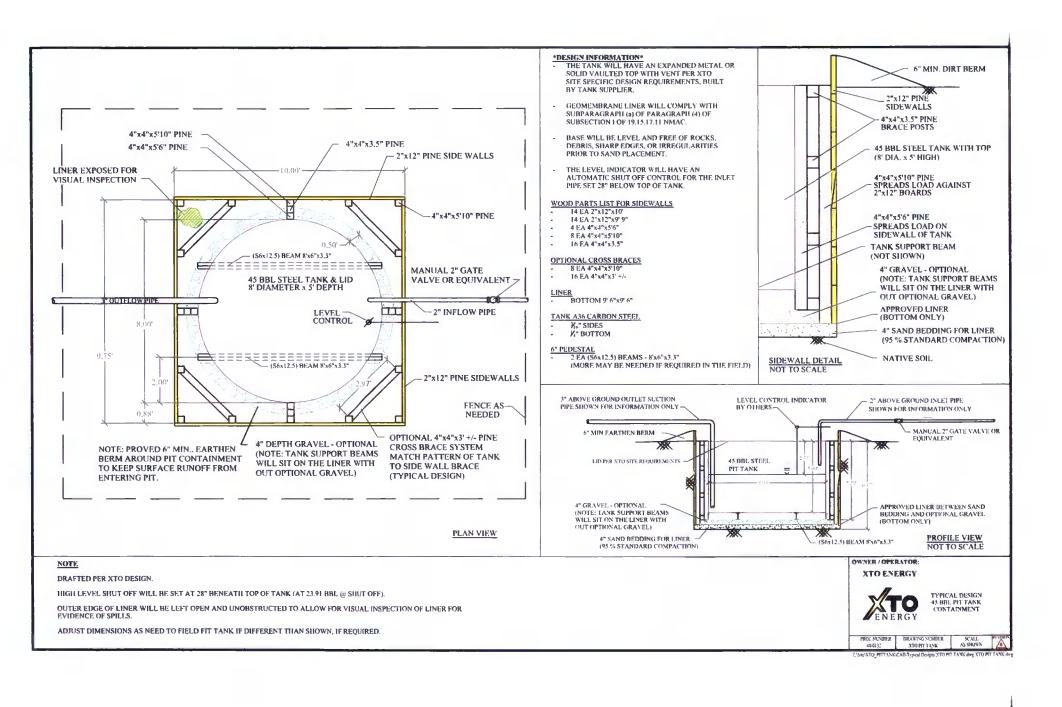
General Plan

- 1. 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 ¼" bottom. (See attached drawing).
- 6. The below-grade tank system will have a properly constructed foundation consisting of a level base free of rocks, debris, sharp edges or irregularities to prevent punctures, cracks or indentations of the liner or tank bottom. Sand bedding (4") will be placed on top of a level foundation to ensure prevention of punctures, cracks or indentations of the liner or tank bottom.
- 7. XTO will construct a berm and/or diversion ditch in a manner that prevents the collection of surface water run-on. Below-grade tanks will be equipped with automatic high level shut-off devices as well as manually operated shut-off valves. (See attached drawing).
- 8. XTO will construct and use below-grade tanks that do not have double walls. The below-grade tank sidewalls will be open for visual inspection for leaks. The sidewalls of the cellar will be constructed with 2" X 12" pine sidewalls and 4" X 4" pine brace posts. The below-grade tank

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

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

- 9. XTO will equip below-grade tanks designed in this manner with a properly functioning automatic high-level shut-off control device and manual controls to prevent overflows. (See attached drawing).
- 10. XTO will demonstrate to the OCD that the geomembrane 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.
- 6. 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.

MONTHLY BELOW GRADE TANK INSPECTION FORM											
Well Name:											
Legals	Sec:		Township:	Range:							
XTO Inspector's Name	Inspection Date	Inspection Time	Any visible liner tears (Y/N)	Any visible signs of tank overflows (Y/N)	Collection of surface run on (Y/N)	Visible layer of oil (Y/N)	Any visible signs of a tank leak (Y/N)	Freeboard Est. (ft)			
		1,1,112		tarik ovomovo (1714)	1311 311 (1714)	01011(1714)	or a tarik leak (1714)	L3t. (it)			
						·					
								· · · · · · · · · · · · · · · · · · ·			
		•									
Notes:	Provide De	tailed Descri	ption:								
							<u> </u>				
Misc:											
						· · · · · · · · · · · · · · · · · · ·					
								-			

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.
- 3. XTO will close a permitted below-grade tank within 60 days of cessation of the below-grade tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on form C-144.
- 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 wastes

Basin Disposal Permit No. NM01-005 Produced water

- 5. XTO will remove the below-grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office has approved prior to removal. Any associated liners will be removed, properly cleaned and disposed of per 19.15.9.712 NMAC at San Juan County Landfill. Documentation of the final disposition will be included in the closure report.
- 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.

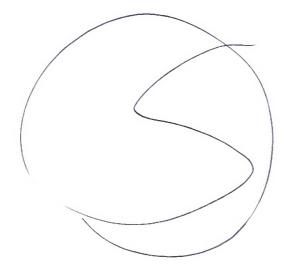
- 8. If XTO or the division determines that a release has occurred, XTO will comply with 19.15.3.116 NMAC and 19.15.1.19NMAC as appropriate.
- 9. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection 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.
- 10. Notice of Closure operations will be given to the Aztec Division District III office between 72 hours and one week prior to the start of closure activities via email or verbally. The notification will include the following:
 - i. Operator's name
 - ii. Well Name and API Number
 - iii. Location by Unit Letter, Section, Township, and Range

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

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



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