District 1 1220 S. St. Francis Dr., Santa Fe, NM 87505 COON 1 2 13

State of New Mexico rals and Natural Resources Department servation Division buth St. Francis Dr. 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.

	Propo	sed Alternative M	ethod Permit or Closu	re Plan	Application	
	Type of action: Existing BGT below-grade tan	Closure of a pit, closed Modification to an e	abmitted for an existing permitt	ink, or pr	oposed alternative me	thod
Instruct	ions: Please submi	t one application (Form C-	144) per individual pit, closed-loop	system, be	elow-grade tank or alter	native request
			erator of liability should operations re lity to comply with any other applical			
ı. Operator: XT	O Energy, Inc.		OGRIE	#:	5380	

Address: #382 County Road 3100, Aztec, NM 87410 Facility or well name: Fred Feasel H #1F API Number: 30-045-33367 OCD Permit Number: U/L or Qtr/Qtr B Section 33 Township 28N Range 10W County: San Juan NAD: □1927 🛛 1983 Center of Proposed Design: Latitude 36.624194 Longitude 107.898028 Surface Owner:

| Federal | 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 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 _ mil LLDPE HDPE PVC Other Lined Unlined Liner type: Thickness Liner Seams: Welded Factory Other Below-grade tank: Subsection I of 19.15.17.11 NMAC bbl Type of fluid: Produced Water Volume: 120 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 ☒ Other Visible sidewalls, vaulted, automatic high-level shut off, no liner mil HDPE PVC Other Liner type: Thickness 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 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 the Santa Fe En	office for									
consideration of approval.										
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.										
10.										
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptance.	otable source									
material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appro	priate district									
office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a	pproval.									
Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drylabove-grade tanks associated with a closed-loop system.	ing paus or									
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.	☐ Yes ☒ No									
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells										
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									
(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									
(Applies to permanent pits)	⊠ NA									
- 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 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. - 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.	☐ Yes ⊠ No									
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division										
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									
- FEMÁ map										

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Su Instructions: Each of the following items must be attached to the application. Please indicate, by a check m attached.	absection B of 19.15.17.9 NMAC ark in the box, that the documents are
 ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NM ☐ 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 	Subsection B of 19.15.17.9 NMAC IAC
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirement and 19.15.17.13 NMAC	
Previously Approved Design (attach copy of design) API Number: or Perr	nit Number:
12. Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check m attached.	
Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph Siting Criteria Compliance Demonstrations (only for on-site closure) - 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 requirement and 19.15.17.13 NMAC	ements of 19.15.17.10 NMAC
Previously Approved Design (attach copy of design) API Number:	
Previously Approved Operating and Maintenance Plan API Number: (Apparabove ground steel tanks or haul-off bins and propose to implement waste removal for closure)	lies only to closed-loop system that use
above ground steet tanks or natit-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 mattached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NM Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NM 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 Climatological Factors 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 N 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	IAC MAC I NMAC 7.11 NMAC MAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade 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 Env	e Tank Closed-loop System
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the ficiosure 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 □ 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 F of □ Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	following items must be attached to the f 19.15.17.13 NMAC H of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground St. Instructions: Please indentify the facility or facilities for the disposal of liquids, dr. facilities are required.								
Disposal Facility Name: D	Disposal Facility Permit Number:							
	Disposal Facility Permit Number:							
Will any of the proposed closed-loop system operations and associated activities occur. 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 re Re-vegetation Plan - based upon the appropriate requirements of Subsection I compared to the second se	equirements of Subsection H of 19.15.17.13 NMAC 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 cleprovided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental Edemonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	administrative approval from the appropriate disti 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; Data of	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								
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 of	obtained from nearby wells	☐ Yes ☐ No ☐ NA						
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signilake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	ficant watercourse or lakebed, sinkhole, or playa	Yes No						
Within 300 feet from a permanent residence, school, hospital, institution, or church in Visual inspection (certification) of the proposed site; Aerial photo; Satellite in		☐ Yes ☐ No						
Within 500 horizontal feet of a private, domestic fresh water well or spring that less t watering purposes, or within 1000 horizontal feet of any other fresh water well or spr - NM Office of the State Engineer - iWATERS database; Visual inspection (ce	ring, in existence at the time of initial application.	☐ Yes ☐ No						
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval		☐ 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 a	nd Mineral Division	Yes No						
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Society; Topographic map	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No						
Within a 100-year floodplain FEMA map		☐ Yes ☐ No						
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the Joby a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of S Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of S Construction/Design Plan of Temporary Pit (for in-place burial of a drying pac Protocols and Procedures - based upon the appropriate requirements of 19.15.1 Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection Disposal Facility Name and Permit Number (for liquids, drilling fluids and dri Soil Cover Design - based upon the appropriate requirements of Subsection H Re-vegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection	rements of 19.15.17.10 NMAC Subsection F of 19.15.17.13 NMAC ropriate requirements of 19.15.17.11 NMAC d) - based upon the appropriate requirements of 19. 17.13 NMAC rements of Subsection F of 19.15.17.13 NMAC ubsection F of 19.15.17.13 NMAC Il cuttings or in case on-site closure standards canno 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 applica	tion is true, accurate and complete to t	he best of my knowledge and belief.
Name (Print): Kim Champlin	Title:	Environmental Representative
Signature: him Champlin	Date:(01/23/09
e-mail address: kim_champlin@xtoenergy.com	Telephone:	(505) 333-3100
20.		
OCD Approval: Permit Application (including closure plan	n) Closure Plan (only) OCE	Conditions (see attachment)
OCD Representative Signature:		Approval Date:
Title:	OCD Permit Num	ber:
Closure Report (required within 60 days of closure completionstructions: Operators are required to obtain an approved closure report is required to be submitted to the division we section of the form until an approved closure plan has been ob	osure plan prior to implementing any ithin 60 days of the completion of the tained and the closure activities have	closure activities and submitting the closure report. closure activities. Please do not complete this
44		
22. Closure Method: Waste Excavation and Removal ☐ On-Site Closure Meth If different from approved plan, please explain.	nod Alternative Closure Method	☐ Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Clos Instructions: Please indentify the facility or facilities for wher two facilities were utilized.	sed-loop Systems That Utilize Above the liquids, drilling fluids and drill	Ground Steel Tanks or Haul-off Bins Only: cuttings were disposed. Use attachment if more than
Disposal Facility Name:	Disposal Facility P	ermit Number:
Disposal Facility Name:		Permit Number:
Were the closed-loop system operations and associated activities Yes (If yes, please demonstrate compliance to the items b	s performed on or in areas that will not	
Required for impacted areas which will not be used for future set Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ervice and operations:	
Closure Report Attachment Checklist: Instructions: Each of 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 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)	
On-site Closure Location: Latitude	Longitude	NAD: □1927 □ 1983
25.		
Operator Closure Certification: I hereby certify that the information and attachments submitted to	with this closure report is true, accurate	e and complete to the best of my knowledge and
belief. I also certify that the closure complies with all applicable		
Name (Print):		
Signature:	Date:	
e-mail address:	Telephone:	

Page 5 of 5

State of New Mexico
Energy, Minerals & Natural Resources Department DISTRICT | P.C. Rose 1980, Hobbs, N.M. 88241-1980 Form C-102 Revised February 21, 1994 2005 SEP 28 DOM 1 23 Instructions on back Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies DISTRICT & P.O. Drower DO. Artesia, H.M. 88211-0719 OIL CONSERVATION DIVISION DIŞTRÜÇT IB. 1900 Rio Brazos Rd., Aztec, H.M. 87419 RECEIVED P.O. Box 2088 Santo Fa, NM 87504-2088070 FARMINGTON NET AMENDED REPORT DISTRICT IV PO Box 2085, Sonto Fe, MM 87504-2086 WELL LOCATION AND ACREAGE DEDICATION PLAT ⁹Property Herri FRED FEASEL H 1F Operator Name Elevation XTO ENERGY INC. 6144 ¹⁰ Surface Location Ut or lat ria Township Range Feet from the Morth/South lim Fool from the Enst/West thee SAN JUAN NORTH 10-W 665 EAST 8 33 28-N "Bottom Hole Location II Different From Surface Ut or lot no. Feet from the North/South the Feet from the Ecst/West fro Section Younship Range Codecoled Acres U John or frill * Consolidation Code Grider No. NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION N 89-61-52 W CALC'S CORNER 2 OTR. CORNER FD 2 1/2" BC 1913 C.LO. OPERATOR CERTIFICATION WITNESS COR. 2631.6 I haraby certify that the information contained herein is true and complete to the best of any knowledge and belief 1913 C.L.O. 13.2" SOUTH OF COR POS. LAT: 36'37'27.1" N. (NAD 27) LONG: 107'53'52.9" W. (NAD 27) 1965 SURVEYOR CERTIFICATION

CALC'D CORNER

Pit Permit Siting Criteria 30-045-33367 ASEL FRED H #1F > 100' es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch No	Project: Revised: Prepared by: USPLSS: Lat/Long: Geologic formation: Soil Type: Annual Precipitation:	Pit Permits 21-Jan-09 Brooke Herb T28N,R10W,S33B 36.624194, -107.898028 Nacimiento Formation Entisols 8.71 inches (Bloomfield)
asel FRED H #1F > 100' es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz as; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	Prepared by: USPLSS: Lat/Long: Geologic formation: Soil Type: Annual Precipitation:	Brooke Herb T28N,R10W,S33B 36.624194, -107.898028 Nacimiento Formation Entisols
asel FRED H #1F > 100' es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz as; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	USPLSS: Lat/Long: Geologic formation: Soil Type: Annual Precipitation:	T28N,R10W,S33B 36.624194, -107.898028 Nacimiento Formation Entisols
ASEL FRED H #1F > 100' es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	Lat/Long: Geologic formation: Soil Type: Annual Precipitation:	36.624194, -107.898028 Nacimiento Formation Entisols
> 100' es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	Geologic formation: Soil Type: Annual Precipitation:	Nacimiento Formation Entisols
es S of San Juan River W of Armenta Canyon; 1.15 secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	formation: Soil Type: Annual Precipitation:	Entisols
W of Armenta Canyon; 1.15 secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	Annual Precipitation:	
secondary tributary of Kutz n; 3.15 miles E of Kutz Canyon S of concrete lined irrigation ditch	Annual Precipitation:	
	Annual Precipitation:	
No	Precipitation:	8.71 inches (Bloomfield)
	Precipitation:	8.71 inches (Bloomfield)
No	Precipitation Notes:	Historical Daily Max Bloomfield 4.19"
No		
No	Attached Documents:	Groundwater report and Data; FEMA Flood Zone Map
No		Aerial Photo, Topo Map, Mines Mills and Quarries Map
No	Mining Activity:	
No		None Near
		
	No	No Documents: No Mining Activity:

FEASEL FRED H #1F 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

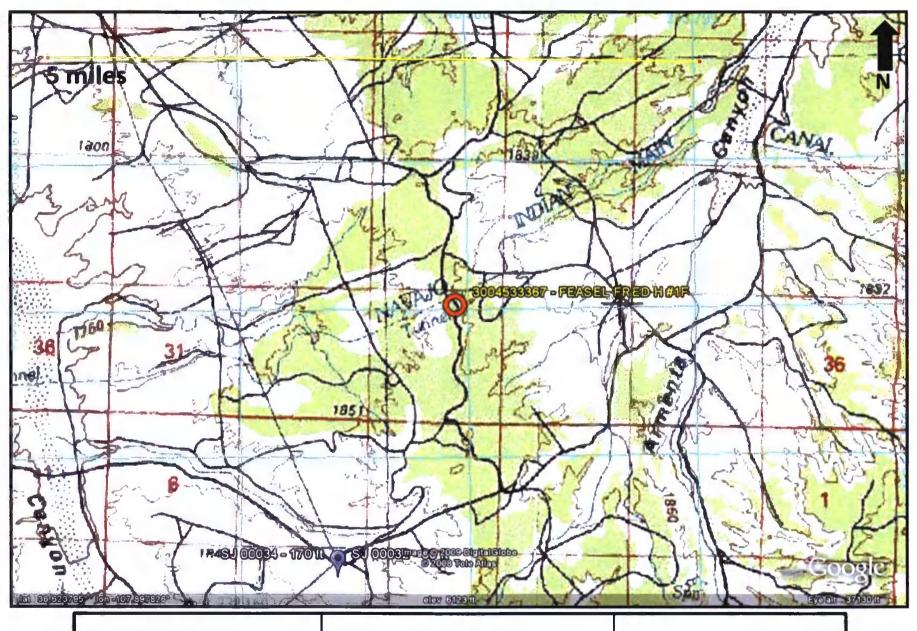
Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity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

Beds of water-yielding sandstone are present in the 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 Kutz 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.

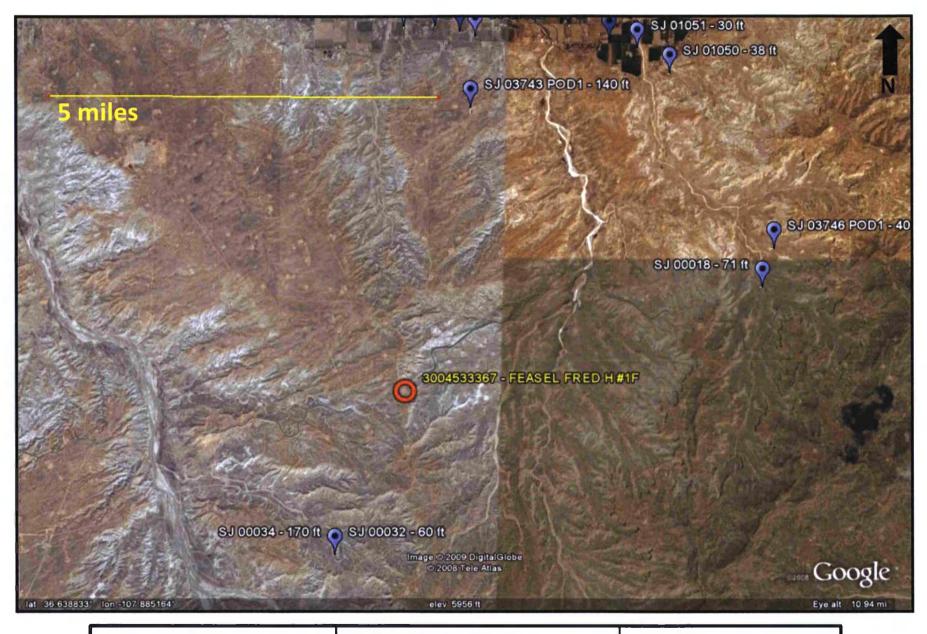
The pit will be located on a relatively flat mesa top at an elevation of approximately 6147 feet. It will be approximately 1.15 miles from the Kutz Canyon tributary system and 3.15 miles east of Kutz Wash. Groundwater is expected to be shallow within Kutz Wash. However, the significant distance between the Canyon and the site, as well as an elevation difference of around 500 feet suggests groundwater is greater than 100 feet at the proposed site.

State iWaters data points are sparsely distributed in this region, but there is an iWaters data point approximately 2.20 miles to the south-southwest of the site. Depth to groundwater within the well is 170 feet below ground surface. A map showing the location of wells in reference to the proposed pit location is attached (SJ00034).



FEASEL FRED H #1F T28N, R10W, S33B San Juan County, NM

Topographic Map



FEASEL FRED H #1F T28N, R10W, S33B San Juan County, NM

iWaters Groundwater Data Map

New Mexico Office of the State Engineer POD Reports and Downloads

10V Sections: Township: 29h Range:

WATER COLUMN REPORT 10/27/2008

				3=SW 4=SE) to smallest)			Depth	Depth	Water	(in feet)
POD Number	Tws	Rng Sec			X	Y	Well	Water	Column	(III ICCC)
RG 36732 DCL	29N	10W 25	2			_	500	450	50	
SJ 00785 S	29N	10W 04	2 4 2				20			
SJ 00680	2.9N	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	65	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	E	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	66	
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	4	1					60	12	48
SJ 01019	29N	10W	26	4	3	3				50	4	46
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	ē
SJ 02151	29N	10W	28	2	1	2	W	484600	2075600	37	20	17
SJ 03652	29N	.10W	28	2	2	1				34	€	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	10%	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	4	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: 09W Sections: 3.4.5.6.7.8.9.10

WATER COLUMN REPORT 10/24/2008

	(quarter	s are	1=1	NW	2=	NB	3=SW	4=SE)							
	(quarter	s are	e bi	gge	est	: to	smal	llest)			Depth	Depth	Water	(in	feet)
POD Number	Tws	Rng	Sec	q	q	q	Zone	9	X	Y	Well	Water	Column		
SJ 02369 CLW	29N	0.90	03	1	2	4					13	10	3		
SJ 02376	29N	0 9W	03	1	2	4					13	10	3		
SJ 02369	29N	0.9W	03	1	2	4					23				
SJ 02103	29N	0.9W	03	1	3						21	4	17		
SJ 01494	29N	0.9W	03	2	2						12	5	7		
SJ 03300	29N	0.97	03	2	2	2					21	4	17		
SJ 03362 POD2	29N	0 9W	03	2	2	4					21	€	15		
SJ 03362	29N	0.9W	03	2	2	4					3 8	12	26		
SJ 02567	29N	0.97/	03	2	4	2					14	2	12		
SJ 03200	29N	0 9W	03	3	1	1					2.8	13	15		
SJ 02946	29N	0.9W	03	4	2	1					95	40	5.5		
SJ 03490	29N	0.9W	04	1	1	3					42	20	22		
SJ 03491	29N	0.9%	0.4	1	1	3					70				
SJ 03566	29N	0.9W	04	1	3	4					30				
SJ 03531	29N	0.9W	04	1	4	3					30				
SJ 03530	29N	0 9W	0.4	Ţ	4	2					3.0				
SJ 03466	29N	0.97	0.4	2	1	3					40				
SJ 02554	2 9 N	0.9W	04	2	1	4					13	5	8		
SJ 03118	29N	0 9W	08	2	2	3					250				
SJ 03092	29N	0.9W	0.5	4	1	3					40	1€	24		
SJ 03102	29%	0 9W	05	4	1	1					42	18	24		
SJ 03599	29N	097	05	4	1	-					42	20	22		
SJ 00584	29N	0.97	0.6	3	4						143	40	103		
SJ 00785	29N	857	07	3	4	2					60				
SJ 03389	29N	0 9 W	07	4	4	2					20				
SJ 03536	29N	0.9W	07	4	4	2					19	€	13		
SJ 01176	29N	0 9 W	08	1	I						150	70	90		

SJ 02822	29N	09W 08	1 1	3	100		
SJ 00436.	29N	80 We0	1.3		150	100	50
SJ 03534	29N	09W 08	3: 1	3	4.1	24	1.7
SJ 02279	29N	09W 09	1 1	4	30	6	24
SJ 00102	29N	090 09	1.2	<u>3</u>	20	5:	15

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 27h 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 Wa	ater ReportWater Column Report

WATER COLUMN REPORT 10/30/2008

							3=SW 4=S smalles	-		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Well	Water	Column	
SJ 00032	27N	10W	08	2	2	3				235	60	175	
SJ 00033	27N	LOW	0.8	2	2	3				204			
SJ 00034	27N	10W	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:

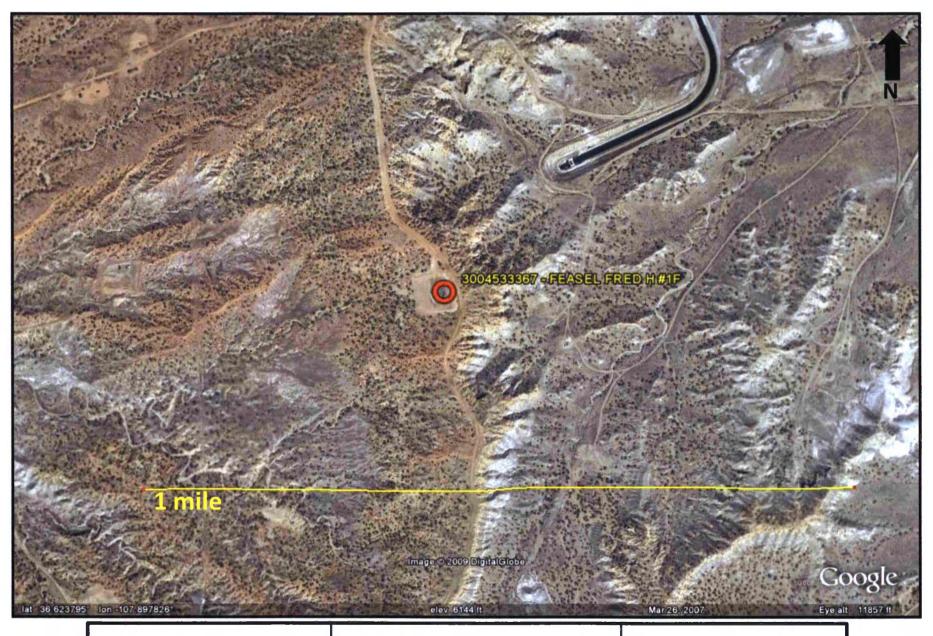
POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WATER COLUMN REPORT 10/30/2008

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

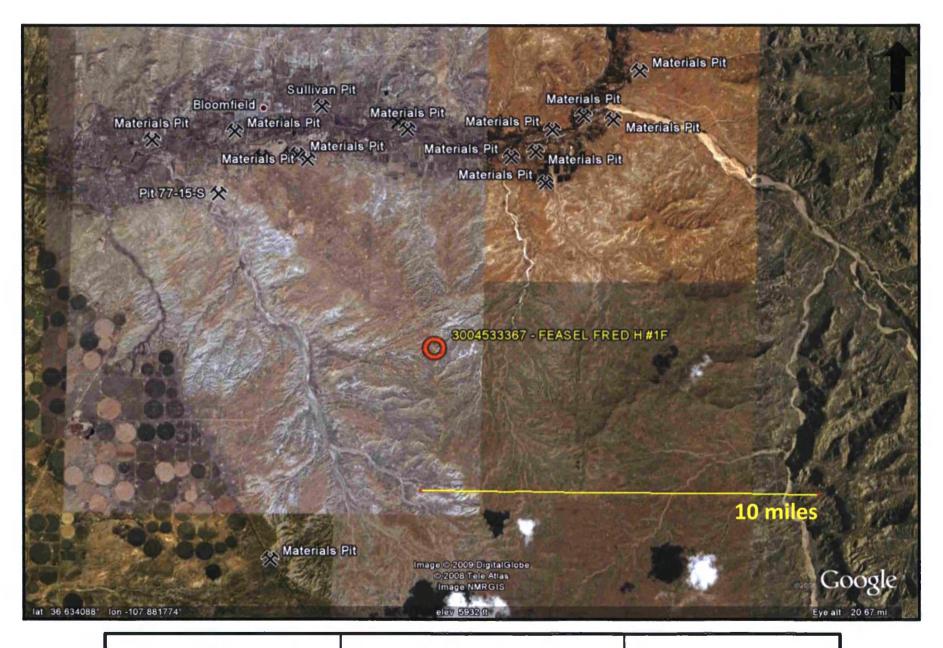
	(quarters are biggest to						smallest)			Depth	Depth	Water	(in feet)
POD Number	Tws	Rng	Sec	P	P	q	Zone	X	Y	Well	Water	Column	
SJ 01787	27N	111	07	2	2					650			
SJ 00077	27N	110	26	2	I	3				1102	5.50	552	

Record Count: 2



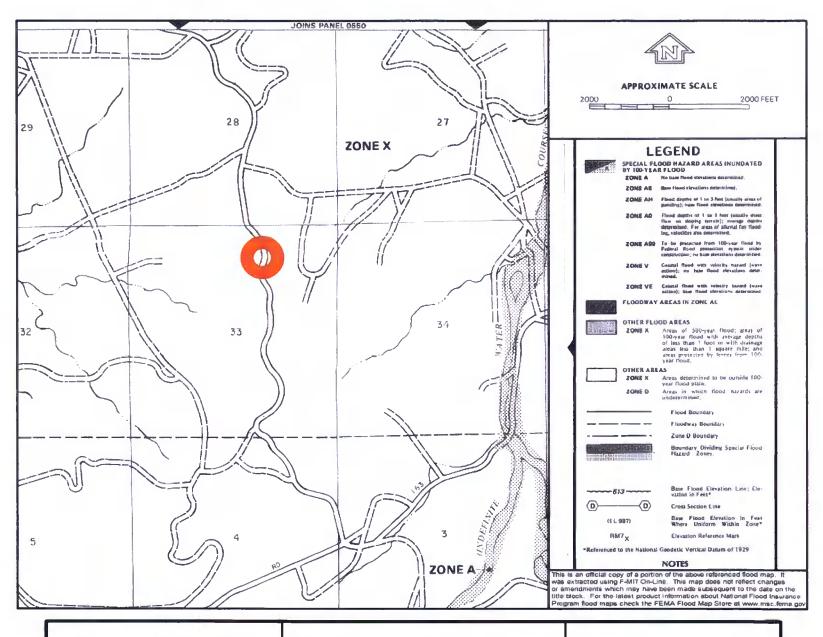
FEASEL FRED H #1F T28N, R10W, S33B San Juan County, NM

Aerial Photograph



FEASEL FRED H #1F T28N, R10W, S33B San Juan County, NM

Mines, Mills, and Quarries Map



FEASEL FRED H #1F T28N, R10W, S33B 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.

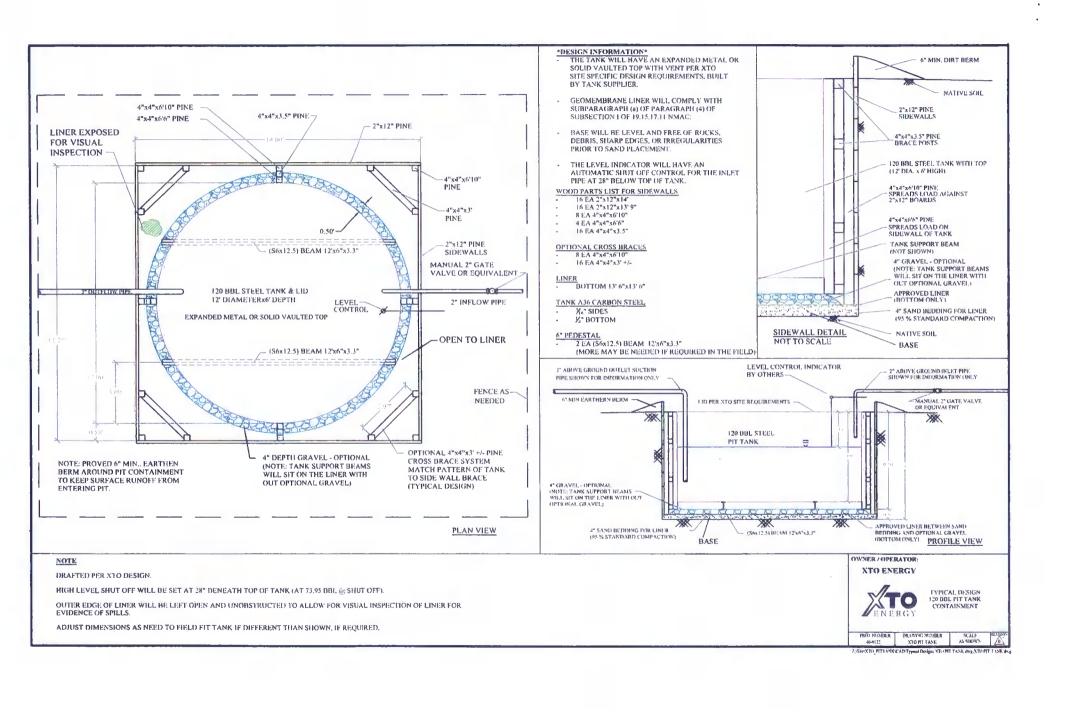
General Plan

- 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.
- 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.

		MONT	HLY BELO	W GRADE TANK	INSPECTIO	N FORM				
Well Nam	ne:				API No.:					
_egals	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	Any visible signs of a tank leak (Y/N)	Freeboard Est. (ft)		
-										
Notes:	Provide De	tailed Descri	ption:							
								·		
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

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

