



P.O. Box 1613
703 East Clinton Street
Hobbs, New Mexico 88240
Phone 575/397-0510
Fax 575/393-4388
www.sesi-nm.com

Safety & Environmental Solutions, Inc.

December 27, 2010

Mr. Geoffrey Leking
New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, New Mexico 88240

Dear Mr. Leking:

This letter of acknowledgement is to confirm the approval of the closure report for the XTO Energy, Inc. EMSU B #923 dated November 1, 2010.

The following is a brief summary of all work performed as well as the final C-141 you requested:

- On October 8, 2009, SESI was onsite with Diamondback Disposal Services Inc. to install seven (7) test trenches from excavated area to determine vertical extent. The area has already been excavated to a depth of 6 to 8 ft. below ground surface (bgs). The test trenches were installed to depths ranging from 8 to 18 ft. bgs.
- Samples were retrieved at depths ranging from 3 feet to 5 feet intervals and were properly preserved and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), and Total Petroleum Hydrocarbons (EPA method 8015 M). The results of the analysis are as follows:

Sample ID	GRO (C6-C10) (mg/kg)	DRO (>C10-C28) (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
TT#1 8'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
TT #2 9'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
TT #3 10'	11.6	440	<0.050	<0.050	<0.050	0.368
TT #3 14'	11.6	545	0.060	0.145	0.283	0.946
TT #3 18'	459	1,890	<0.050	0.249	<0.050	2.94
TT #4 11'	1,120	2,620	0.763	0.878	1.94	6.21
TT #4 15'	971	1,690	0.439	0.876	1.61	4.95
TT #5 10'	30.0	720	<0.050	0.137	<0.050	1.39
TT #5 15'	109	2,200	<0.050	<0.050	<0.050	0.936
TT #5 18'	41.8	1,160	<0.050	<0.050	<0.050	0.491
TT #6 10'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
TT #6 12'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300
TT #7 9'	<10.0	25.8	<0.050	<0.050	<0.050	<0.300
TT #7 12'	77.4	1,260	<0.050	<0.050	<0.050	1.02
TT #7 15'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300

- On December 9, 2009, SESI was onsite to obtain an 11 point composite on floor bottom. The sample was analyzed for Chlorides (EPA Method 4500-Cl-B) sample was taken at a depth of 8 ft. bgs. The results of the analysis are as follows:

Sample ID	Cl- (mg/kg)
Bottom 8' Composite	<16

- On December 18, 2009, SESI was onsite with Mr. Gene Hudson, XTO Energy, Inc. representative, Mr. David Boyer, Hydro-geologist, and Diamondback Disposal. There were three areas with standing water (labeled N, E, S see figure 2).
- The north area puddle (N) between TT#2 and TT#6 is located slightly away from the north end of the excavation and shows no sign of another source of water other than runoff from the excavation sides. Slightly elevated bottom areas were observed adjacent to the puddle.
- The south area puddle (S) is located against the south edge of the excavation with ice covering a portion. It is close to TT#7. Erosion channels in the bottom of the excavation can be seen leading to the puddle and indicate it receives snowmelt and runoff from the higher portion of the excavation. No other source of water was observed.
- The northeast area puddle (E) was excavated to a depth of 3 ½ ft bgs to determine if shallow groundwater was present as a source of the puddle. The excavations were dry and left open for several hours to see if water would seep into the trench. At the end of this time, it remained dry with no sidewall or bottom seepage and was backfilled.
- On January 11, 2010, Dave Boyer, Hydro-geologist with SESI was onsite. Mr. Boyer observed that the puddles had decreased in size (as evidenced by higher elevation "bathtub rings") and stated that the remaining fluid in these areas is no more than precipitation/runoff water ponded by the clayey sediments at the bottom of the excavation. These will evaporate with decreasing precipitation and warmer weather.
- Test trench #4 was re-excavated December 18 to determine to depth of hydrocarbon impacts, especially BTEX. The trench was excavated by a trackhoe to a depth of 22 ft. bgs. Samples were retrieved at 2 ft. bgs intervals and were properly preserved and transported under Chain-of-Custody to Cardinal Laboratories of Hobbs, New Mexico for analysis. The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), Total Petroleum Hydrocarbons (EPA method 8015 M), and a Chloride (EPA Method 4500-Cl-B) sample was taken at a depth of 22 ft. bgs. The results of the analysis are as follows:

Sample ID	Cl- (mg/kg)	GRO (C6-C10) (mg/kg)	DRO (>C10-C28) (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
TT #4 16'	-	<10.0	76.4	<0.050	0.127	0.058	0.556
TT #4 18'	-	398	1,730	<0.050	0.559	0.535	3.77
TT #4 20'	-	282	1,520	<0.050	0.573	0.435	3.17
TT #4 22'	<16	563	2,190	<0.050	0.433	0.433	3.74

- On May 7, 2010, Mr. Boyer (SESI) was onsite with Mr. Geoffrey Leking, New Mexico Oil Conservation Division (NMOCD), Mr. David Paschal, XTO Energy, Inc., and Mr. Clay Tom Cooper, land owner, to install three (3) test trenches in the north and southeast corners of the excavated area.
- Test trench #1 was installed in the southeast corner to five (5) feet inside excavated area, two (2) samples were retrieved from soil pile and one (1) sample was retrieved from a clod of soil from excavation. Test trench #2 was installed in the northeast corner at four feet eight inches (4'8") inside excavated area; one (1) sample was retrieved from soil pile. Test trench #3 was installed sixty-five (65) feet west of test trench #2 to a depth of four feet eight inches (4'8") inside excavated area; one (1) sample was retrieved from soil pile.
- The samples were analyzed for Benzene, Toluene, Ethyl benzene, and Xylenes (BTEX) (EPA method 8021B), Total Petroleum Hydrocarbons (EPA method 8015 M), and Chloride (EPA Method 4500-Cl-B). The results of the analysis are as follows:

Sample ID	Cl- (mg/kg)	GRO (C6-C10) (mg/kg)	DRO (>C10-C28) (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
TT #1 Soil Pile Bottom	16	<10.0	173	<0.050	<0.050	<0.050	<0.300
TT #1 Soil Clod	32	67.2	1,100	<0.050	0.559	0.075	0.460
TT #1 Soil Pile Bottom	32	<10.0	254	<0.050	<0.050	0.166	1.20
TT #2 Soil Pile Bottom	<16	87.5	1,560	<0.050	<0.050	0.119	0.706
TT #3 Soil Pile Bottom	<16	64.3	463	<0.050	<0.050	<0.050	<0.300

- Each of the three (3) test trenches were left opened until 3 pm. Mr. Bob Allen and Mr. Boyer (SESI), Mr. Rick Wilson with XTO Energy, Inc., Mr. Cooper, landowner, and Mr. Leking, NMOCD were onsite to verify no standing water in the test trenches.
- On June 25, 2010, SESI was onsite with Eco/Enviro Drilling to install a monitor well on the south side of the location area. The first foot of the area has been excavated and from 1' to 8' is backfill soil from inside excavated area to build a ramp to set drilling rig.
- Mr. Leking, NMOCD, Mr. Cooper, landowner, and Mr. David Paschal, XTO, Energy Inc., were onsite to witness drilling. Mr. Cooper and Mr. Paschal were in and offsite throughout the day.
- The borehole was drilled to a depth of seventy-six (76) feet bgs; water was not encountered at that depth. Mr. Leking requested to leave the well open over the weekend to determine if any water comes in. The monitor well was left open with tape around auger and sample labels to show if any signs of tampering. On Monday, no water had come into the borehole. The monitor well was plugged with thirty-eight (38) bags of bentonite and hydrated. (See Appendix B Site Photographs)
- On August 18, 2010, SESI was onsite with Eco Enviro Drilling to delineate the affected area. A total of three (3) boreholes were installed from depths of 38' to 43' below ground surface

(bgs). Samples were collected in intervals of 5'. The samples were properly preserved and transported under chain of custody to Cardinal Labs of Hobbs, New Mexico.

- The samples were analyzed for Total Petroleum Hydrocarbons (EPA Method 8015M) and BTEX (EPA Method SW-846-8021B) and Chloride (EPA Method 4500-Cl-B). The results of the analysis are as follows:

Sample ID	Cl- (mg/kg)	GRO (C6-C10) (mg/kg)	DRO (>C10-C28) (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
BH #1 18'	48.0	642	2260	1.41	8.66	3.87	16.0
BH #1 23'	-	1500	4500	1.09	10.8	5.01	21.5
BH #1 28'	-	1810	5020	1.09	17.7	7.92	34.5
BH #1 33'	-	1880	5030	0.396	8.04	2.41	17.9
BH #1 38'	-	<10.0	42.3	<0.050	<0.050	<0.050	<0.150
BH #1 43'	368	<10.0	17.5	<0.050	0.143	<0.050	0.347
BH #2 13'	-	14.3	414	<0.050	0.314	0.107	0.754
BH #2 18'	-	32.9	490	<0.050	0.204	0.081	0.613
BH #2 23'	-	110	921	<0.050	0.706	0.277	1.77
BH #2 28'	-	71.4	403	<0.050	1.66	0.592	3.63
BH #2 33'	-	<10.0	52.6	<0.050	0.319	0.125	0.853
BH #2 38'	-	<10.0	<10.0	<0.050	0.085	<0.050	0.229
BH #2 43'	<16.0	<10.0	<10.0	<0.050	<0.050	<0.050	<0.150
BH #3 13'	-	<10.0	62.7	<0.050	0.158	<0.050	0.557
BH #3 18'	-	23.2	443	<0.050	0.477	0.254	1.21
BH #3 23'	-	79.3	958	<0.050	0.403	0.206	1.34
BH #3 28'	-	<10.0	111	<0.050	<0.050	0.195	1.57
BH #3 33'	-	<10.0	<10.0	<0.050	<0.050	<0.050	<0.150
BH #3 38'	<16.0	<10.0	<10.0	<0.050	0.066	<0.050	0.258

- After samples are retrieved the soil borings were backfilled from total depth to surface with bentonite and hydrated.
- On September 28, 2010, SESI was onsite with Parker Energy Support Services to excavate a 20' X 20' area around BH #1 to a depth of 23' below ground surface. Mr. Leking, NMOCD, required this excavation to be performed. The northwest, northeast, and southeast walls have been excavated to clean up areas. Approximately 480 yards of contaminated soils were transported to South Monument Surface Waste Facility for disposal.
- Supervisor spoke with Mr. Leking, NMOCD in regards to excavation. Mr. Leking stated that he wanted a 4 point composite sample of the side walls at 11'bgs and 23'bgs and a bottom hole sample at 23'bgs.
- The results of the analysis are as follows:

Sample ID	GRO (C6-C10) (mg/kg)	DRO (>C10-C28) (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
Bottom 23' BGS	1,430	4,870	<0.500	4.13	2.07	14.3
Sidewall 11' BGS	395	1,790	0.031	1.20	0.865	4.52
Sidewall 23' BGS	970	3,840	0.487	4.46	2.21	12.0

- Based on the results of the analytical results, Mr. Leking granted approval to contour the location.
- October 25, 2010 Parker Energy Support Services pushed in sidewalls to contour location area then ripped bottom floor to aerate any remaining hydrocarbons left in place.

These activities were commenced in a timely manner after receipt of your written approval. If you have further questions, please contact me at (575) 397-0510.

Sincerely,



Bob Allen, CHMM, REM, CET, CES
President

Acknowledged by: _____ Date: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	XTO Energy, Inc	Contact:	Jeff Raines
Address	200 N. Lorraine, Suite 800 Midland Texas 79701	Telephone No.	432.557.3159
Facility Name	Eunice Monument South Unit B # 923	Facility Type:	Historic Spill
Surface Owner	Mineral Owner	Lease No.	API 30-025-04304

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	24	20 S	36 E	660	FSL	1980	FWL	Lea

Latitude: 32° 33' 17.8" N Longitude: 103° 18' 20.8" W

NATURE OF RELEASE

Type of Release unknown	Volume of Release N/A	Volume Recovered: N/A
Source of Release -	Date and Hour of Occurrence N/A	Date and Hour of Discovery N/A
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? -	
By Whom? -	Date and Hour -	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. -	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

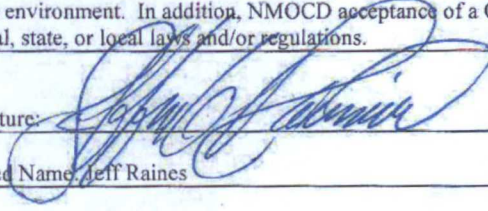
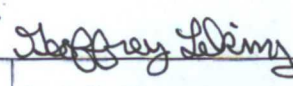
Abandoned historical tank battery site. Delineation was completed.

Describe Area Affected and Cleanup Action Taken.*

Attached is the summary of the work performed by Safety and Environmental Solutions, Inc.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: 	Approved by ENV ENGINEER: District Supervisor 	
Printed Name: Jeff Raines	Approval Date: <u>12/30/10</u>	Expiration Date: <u>—</u>
Title: Construction Foreman	Conditions of Approval:	Attached <input type="checkbox"/>
E-mail Address: Jeff_Raines@xtoenergy.com		IRP-10-1-2385
Date: 12/22/10 Phone: 432.557.3159		

* Attach Additional Sheets If Necessary