

NM2 -

1

APPROVALS

YEAR(S):

2009

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, August 05, 2009 4:57 PM
To: 'Martin_Nee@xtoenergy.com'
Cc: VonGonten, Glenn, EMNRD; Jones, Brad A., EMNRD; Powell, Brandon, EMNRD
Subject: RE: Request for temporary suspension of H₂S and D.O. testing for XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)

**RE: Request for temporary suspension of H₂S and D.O. testing for XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)
Temporary Approval of a Minor Modification to Permits (NM-02-0008) & (NM-02-0001)
Pond #1, Section 31, T32N, R8W NMPM & Pond #2, Section 26, T32N, R9W NMPM
San Juan County, New Mexico**

Dear Mr. Nee:

The New Mexico Oil Conservation Division (OCD) has received the additional information submitted for the request for temporary suspension of weekly ambient air testing for Hydrogen Sulfide (H₂S) and weekly pond water testing for dissolved oxygen (D.O.) at the XTO Evaporation Ponds #1 (NM-02-0008) & #2 (NM-02-0001), dated July 31, 2009. The request and additional information indicate that temporary suspension of H₂S and D.O. testing may be warranted. Therefore, the OCD conditionally approves the request:

1. If H₂S is detected during the weekly "general site inspections", then XTO must resume the weekly testing as stated in Condition #15 of each permit (NM-02-0008) & (NM-02-0001).
2. XTO must resume the weekly testing as stated in Condition #15 of each permit (NM-02-0008) & (NM-02-0001) upon acceptance of any produced water in the ponds from this approval date.

Please be advised that OCD approval of this minor modification to your permit does not relieve the owner/operator of responsibility should operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any OCD, federal, state, or local laws and/or regulations.

If you have any questions regarding this matter, please contact Brad Jones at 505-476-3487.

Edward J. Hansen
Hydrologist
Environmental Bureau

From: Hansen, Edward J., EMNRD
Sent: Thursday, May 14, 2009 4:25 PM
To: 'Martin_Nee@xtoenergy.com'
Cc: VonGonten, Glenn, EMNRD; Jones, Brad A., EMNRD
Subject: Request for temporary suspension of H₂S and D.O. testing for XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)

RE: Request for temporary suspension of H₂S and D.O. testing for

**XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)
Additional Information Requested**

Dear Mr. Nee:

The New Mexico Oil Conservation Division (OCD) has received your request for temporary suspension of weekly ambient air testing for Hydrogen Sulfide (H₂S) and weekly pond water testing for dissolved oxygen (D.O.) at the XTO Evaporation Ponds #1 (NM-02-0008) & #2 (NM-02-0001), dated April 28, 2009. The request lacks sufficient information for the OCD to evaluate the merits of your request. Therefore, the OCD cannot approve the request at this time. To continue with the review process, please provide the following additional information:

1. the date when each pond last received produced water;
2. the current depth of water in each pond;
3. the anticipated time for sufficient evaporation for XTO to proceed with cleaning and liner inspection at each pond;
4. the anticipated time for the cleaning and liner inspection of each pond;
5. all test results (from testing conducted by XTO) of the weekly ambient air testing for H₂S and weekly pond water testing for D.O.; and
6. justification for the suspension (especially, the H₂S notification and action levels requirements as specified under Condition #15 of each permit).

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau



July 31, 2009

RECEIVED

2009 AUG 5 AM 11 20

Mr. Edward Hansen
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for temporary suspension of H₂S and DO testing for XTO Evaporation Ponds #1 (NM-02-0008) and #2 (NM-02-0001)- Additional Information Requested-

Dear Mr. Hansen,

XTO Energy Inc. (XTO) submitted a written request dated April 28, 2009 to the New Mexico Oil Conservation Division (OCD) for a variance from our permit requirement of weekly dissolved oxygen and hydrogen sulfide testing of the above referenced evaporation ponds. The request for suspension was made with the intention of resuming testing following cleaning and testing of the pond liners. This letter is in response to your email dated May 14, 2009 requesting additional information for XTO's request.

Information requested:

1. The date when each pond last received produced water;
XTO purchased the properties on January 30, 2009 from El Paso Exploration and Production Co. (El Paso). XTO requested El Paso discontinue delivering produced water to the ponds in early January 2009. We began operating in March 2009 and have not delivered any produced water to the ponds since we took over. The last water disposal report XTO has is dated January 2004 and there are no records indicating that the previous operator delivered to the ponds between January 2004 and January 2009.
2. The current depth of water in each pond;
The current depth of water in Pond #1 is approximately 5 feet of standing water and the current depth of water in Pond #2 is 1' 8" of standing water.
3. The anticipated time for sufficient evaporation for XTO to proceed with cleaning and liner inspection at each pond;
Based on evaporation rate of 40-50 inches per year for this area Pond #1 will not evaporate until late next year. Pond #2 could possibly be dry by the end of summer. Both of these estimates do not take into consideration precipitation.

4. The anticipated time for cleaning and liner inspection of each pond;
Based on the amount of sludge that is expected to be on the bottom of the ponds we are anticipating 2-3 weeks per pond.
5. All test results (from testing conducted by XTO) of the weekly ambient air testing for H₂S and weekly pond water testing for D.O.;

Date	Time	DO (ppm)	H ₂ S (4 perimeter readings)	Water Temp °C	Wind Speed (MPH)	Wind Direction From	Comments
POND #1							
5/21/09	0810	3.6	0-0-0-0	13.9	Calm		
5/28/09	1120	10.2	0-0-0-0	22.0	Calm		5'± water
6/3/09	0945	5.5	0-0-0-0	16.0	2-4	45°	
6/11/09	0850	2.0	0-0-0-0	16.6	4-8	180°	
6/15/09	0915	8.7	0-0-0-0	16.0	Calm		
6/25/09	1415	13.9	0-0-0-0	28.0	Calm		
6/29/09	1130	16.9	0-0-0-0	27.9	2-4	135°	
7/13/09	1540	16.8	0-0-0-0	28.5	10-15	270°	Dis. Sulfide = 0 ppm
POND #2							
5/21/09	0715	4.5	0-0-0-0	14.8	Calm		
5/28/09	1015	3.4	0-0-0-0	19.3	Calm		2'0" water
6/3/09	0830	0.52	0-0-0-0	15.6	3-5	75°	2'1" water
6/11/09	0755	0.55	0-0-0-0	16.8	2-4	90°	2'2" water
6/15/09	0830	0.60	0-0-0-0	14.0	Calm		1'11" water
6/25/09	1330	0.51	0-0-0-0	26.8	Calm		1'11" water
6/29/09	1045	0.61	0-0-0-0	27.4	1-3	225°	1'11" water
7/13/09	1500	0.78	0-0-0-0	29.0	5-10	270°	1'8" water Dis. Sulfide = 0 ppm

6. Justification for the suspension (especially, the H₂S notification and action levels requirements as specified under Condition #15 of each permit;

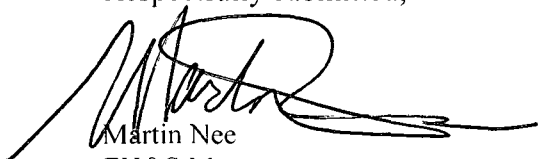
A records review of weekly inspections for each pond was conducted of weekly inspection reports beginning in August 2003 and ending April 2008. These inspection reports were included in the well files which XTO obtained after the acquisition of the ponds. Review of those records along with current weekly testing show no indications of the presence of H₂S within the last 6 years. There has been no notification or action level required as specified under Condition #15 of each permit.

General site inspections are conducted weekly by XTO personnel equipped with 4 gas monitors and have not detected any signs of H₂S at either pond.

These inspections will continue throughout the entire process of evaporation, cleaning, repairs and operation.

Based on the included information XTO would appreciate consideration of the original request to temporarily suspend weekly testing for H₂S and DO. Should you have any questions or require additional information feel free to contact me. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Martin Nee', with a long horizontal flourish extending to the right.

Martin Nee
EH&S Manager
XTO Energy Inc.
San Juan Division

Cc: Chuck Freier, XTO
Lyndon Harrison, XTO
Sam Montoya, XTO
Kim Champlin, XTO
File

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Thursday, May 14, 2009 4:25 PM
To: 'Martin_Nee@xtoenergy.com'
Cc: VonGonten, Glenn, EMNRD; Jones, Brad A., EMNRD
Subject: Request for temporary suspension of H₂S and D.O. testing for XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)

**RE: Request for temporary suspension of H₂S and D.O. testing for XTO Evap. Ponds #1 (NM-02-0008) & #2 (NM-02-0001)
Additional Information Requested**

Dear Mr. Nee:

The New Mexico Oil Conservation Division (OCD) has received your request for temporary suspension of weekly ambient air testing for Hydrogen Sulfide (H₂S) and weekly pond water testing for dissolved oxygen (D.O.) at the XTO Evaporation Ponds #1 (NM-02-0008) & #2 (NM-02-0001), dated April 28, 2009. The request lacks sufficient information for the OCD to evaluate the merits of your request. Therefore, the OCD cannot approve the request at this time. To continue with the review process, please provide the following additional information:

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5. all test results (from testing conducted by XTO) of the weekly ambient air testing for H₂S and weekly pond water testing for D.O.; and
6. justification for the suspension (especially, the H₂S notification and action levels requirements as specified under Condition #15 of each permit).

If you have any questions regarding this matter, please contact me at 505-476-3489.

Edward J. Hansen
Hydrologist
Environmental Bureau



RECEIVED

2009 MAY 12 AM 11 31

April 28, 2009

Edward Hansen
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

RE: **Permit NM-02-0008 for Pond #1**
NE/4, NW/4, Section 31, Township 32 North, Range 8 West, NMPM,
San Juan County, New Mexico

Permit NM-02-0001 for Pond #2
SE/4, NW/4, Section 26, Township 32 North, Range 9 West, NMPM,
San Juan County, New Mexico

Dear Mr. Hansen.

XTO Energy Inc.(XTO) is in receipt of the New Mexico Oil Conservation Division (OCD) March 23, 2009 approval to transfer the permits for the above referenced evaporation ponds from Coronado Energy E&P Company, LLC to XTO. XTO has not placed produced water in the ponds and is allowing the existing water to evaporate for cleaning and liner inspection as part of our routine operations and maintenance program.

XTO herein requests a variance from our permit requirement of weekly dissolved oxygen and hydrogen sulfide testing. XTO requests that the dissolved oxygen and hydrogen sulfide testing be temporarily suspended then resumed following cleaning and testing of the pond liners.

Should you have any questions or require any further information please to contact me at (505) 333-3100.

Respectfully submitted,

Martin Nee

by me

Martin Nee
EH&S Manager
XTO Energy Inc.
San Juan Division

Cc: Kim Champlin, XTO
Lyndon Harrison, XTO
Chuck Freier, XTO
File