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 Department

Oil Conservation Division 1220 South St. Francis Dv. 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

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

## <u>Pit, Closed-Loop System, Below-Grade Tank, or</u> <u>Proposed Alternative Method Permit or Closure Plan Application</u>

Type of action:

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, 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

	Operator: X10 Energy, Inc. OGRID #: 5380
	Address: #382 County Road 3100, Aztec, NM 87410
	Facility or well name:CANYON # 1
1	API Number: 30-045-21247 OCD Permit Number:
	U/L or Qtr/Qtr O Section 10 Township 25N Range 11W County: San Juan
	Center of Proposed Design: Latitude <u>36.41125</u> Longitude <u>107.98788</u> NAD: □1927 ⋈ 1983
	Surface Owner:  Federal State Private Tribal Trust or Indian Allotment
ĺ	2.
١	Pit: Subsection F or G of 19.15.17.11 NMAC
ı	Temporary:  Drilling  Workover
ı	☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
ı	Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other
I	☐ String-Reinforced
	Liner Seams:    Welded   Factory   Other   Volume:   bbl Dimensions: L x W x D
ĺ	3,
l	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)
l	☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
l	☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
l	Liner Seams:    Welded    Factory    Other
Ì	4.
	Below-grade tank: Subsection I of 19.15.17.11 NMAC
	Volume: 120 bbl Type of fluid: Produced Water
	Tank Construction material: Steel
	☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
l	☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other _Visible sidewalls, vaulted, automatic high-level shut off, no liner
l	Liner type: Thicknessmil
	5.
	Alternative Method:
	Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Form C-144

Oil Conservation Division

Page I of 5

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	
A signed in compnance with 19.19.3.103 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.	
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 appro-	
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 dryi above-grade tanks associated with a closed-loop system.	ng paus or
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	☐ 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) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	⊠ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock	☐ Yes 🖾 No
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.	☐ Yes ⊠ No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	
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
<ul> <li>✓ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC</li> <li>✓ 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</li> </ul>
Previously Approved Design (attach copy of design) API Number: or Permit 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:
above ground steet tanks or natil-off bins and propose to implement waste removal for closure)  13.
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   Treeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC   Nuisance or Hazardous Odors, including H <sub>2</sub> 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 19.15.17.13 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 G 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. Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if 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 ser    Yes (If yes, please provide the information below)   No	vice and operations?
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 sou provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate disting considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Just 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
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
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> </ul>	☐ 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 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. 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 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 cann Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	15.17.11 NMAC

Operator Application Certification:  I hereby certify that the information submitted with this application is true, accura	ite and complete to the	he best of my knowledge and belief
Name (Print): Kim Champlin	-	Environmental Representative
1.11.1		
Signature: Kim Champin		11/25/08
e-mail address: kim_champlin@xtoenergy.com	Telephone:	(505) 333-3100
OCD Approval: Permit Application (including closure plan) Closure Plan OCD Representative Signature:  Title: Engineer		Approval Date: 10/14/15
	OCD FEFINIC NUM	Del:
21. <u>Closure Report (required within 60 days of closure completion)</u> : Subsection leads to the closure plan prior to the closure report is required to be submitted to the division within 60 days of the section of the form until an approved closure plan has been obtained and the closure plan has been obtained.	implementing any ie completion of the	ciosure activities and submitting the closure report. closure activities. Please do not complete this been completed.
Closure Method:  Waste Excavation and Removal On-Site Closure Method Alternated If different from approved plan, please explain.	tive Closure Method	☐ Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop Systems Instructions: Please Indentify the facility or facilities for where the liquids, drill two facilities were utilized.	ing fluids and drill o	cuttings were disposed. Use attachment if more than
Disposal Facility Name:		ermit Number:
Disposal Facility Name: Were the closed-loop system operations and associated activities performed on or	•	be used for future service and operations?
□ Yes (If yes, please demonstrate compliance to the items below)    □ No  Required for impacted areas which will not be used for future service and operation  Site Reclamation (Photo Documentation)  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique	ons;	
Closure Report Attachment Checklist: Instructions: Each of the following lite 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 on-site closure)  Disposal Facility Name and Permit Number  Soil Backfilling and Cover Installation  Re-vegetation Application Rates and Seeding Technique  Site Reclamation (Photo Documentation)  On-site Closure Location: Latitude  Longita	ems must be attached	NAD: 1927   1983
Operator Closure Certification:  I hereby certify that the information and attachments submitted with this closure rebelief. I also certify that the closure complies with all applicable closure requirem		
Name (Print):	Title:	MANUSCRIPTOR OF THE PROPERTY O
Signature;	Date:	
e-mail address:	Telephone:	

## NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section : Well No I Leose CANYON TENNECO OIL COMPANY Section Tewnship Range County 11 WEST SAN JUAN 25 NORTH 10 Actual Footage Location of Well: EAST 1800 SOUTH feet from the tent from the line Diffe Lat.

BASIN DAKOTA

ı	Outline the acerdae dedicates	I to the subject v	ell by colored	pencil or bachure	marks on the plat below

L Pool

- 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),
- 3. If more than one lease of different ownership is decidated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

If answer is "yes," type of consolidation ( ) Yes ( ) No

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this "form if

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forcedpooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

## CERTIFICATION

Dedicated Avereage

320

Acres

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name W. L. Shaver Position Sr. Production Clerk Company TENNECO OIL CO Date 2/26/73

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



ī Sec. N  $( \circ )$ 1800'1

SAN JUAN ENGINEERING COMPANY,

SCALE-4 INCHES EQUALS 1 MILE

Operator

Unit Letter

1100

Producing Formation

DAKOTA

Ground Level Elev

6356.0

0

FARMINGTON, N. M.

A	. 1	Pit Permit	Client:	XTO Energy
Lodestar Service	es, Inc.		Project:	Pit Permits
PO Bex 4465, Duran		Siting Criteria	Revised:	11/11/2008
V		Information Sheet	Prepared by:	Daniel Newman
API#:		3004521247	USPLSS:	T25N,R11W,10O
Name:		Canyon #1	Lat/Long:	36.41125 / -107.98788
Depth to groundwater:		>100'	Geologic formation:	Nacimiento Formation
Distance to closest continuously flowing watercourse:	19.83 mile	es south of the San Juan River		
Distance to closest significant watercourse, lakebed, playa lake, or sinkhole:	1,342'	west of an unnamed arroyo		
			Soil Type:	Entisols & Aridisols
Permanent residence, school, hospital, institution or church within 300'		No		
			Annual Precipitation:	8.71 inches average
Domestic fresh water well or spring within 500'		No	Precipitation Notes:	no significant precipatation events
Any other fresh water well or spring within 1000'		No		
			No. of the last of	
Within incorporated municipal boundaries		No	Attached Documents:	
Within defined municipal fresh water well field		No		Topo map, ground water data map, ariel photo, mines and quarries map, FEMA map
Wetland within 500'		No	Mining Activity:	No
Within unstable area		No		
Within 100 year flood plain		Zone X		
Additional Notes:				

## Canyon #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 southernmost Bisti region of the San Juan Basin within an area dominated by irrigated fields of the Navajo Indian Irrigation Project. 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 climate of the region is arid, averaging just over 8 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).

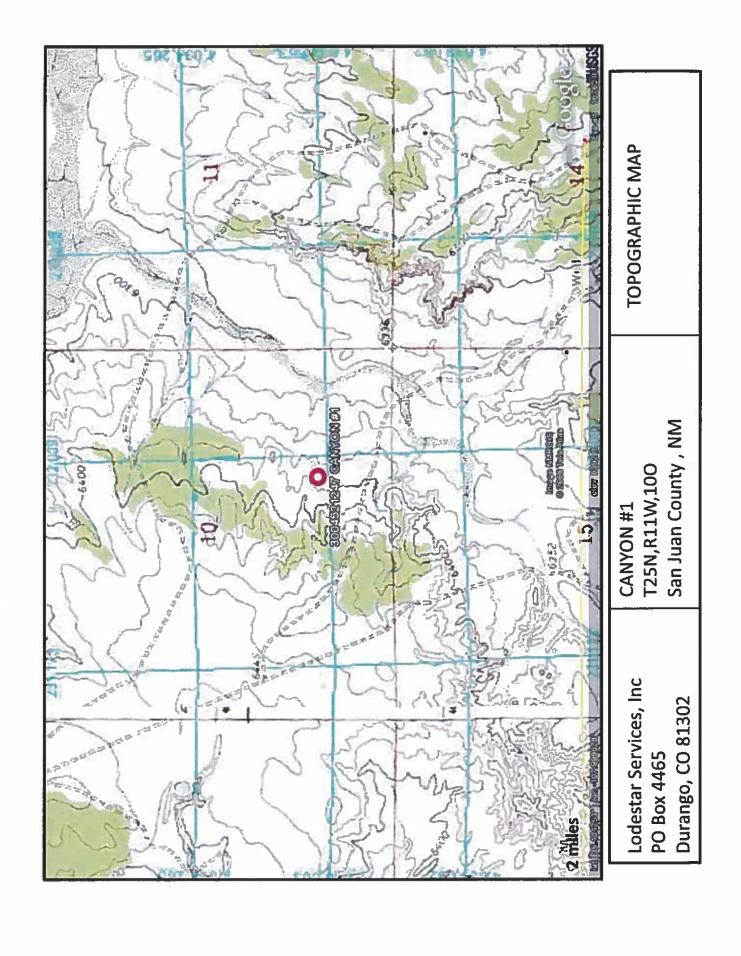
## Site Specific Hydrogeology

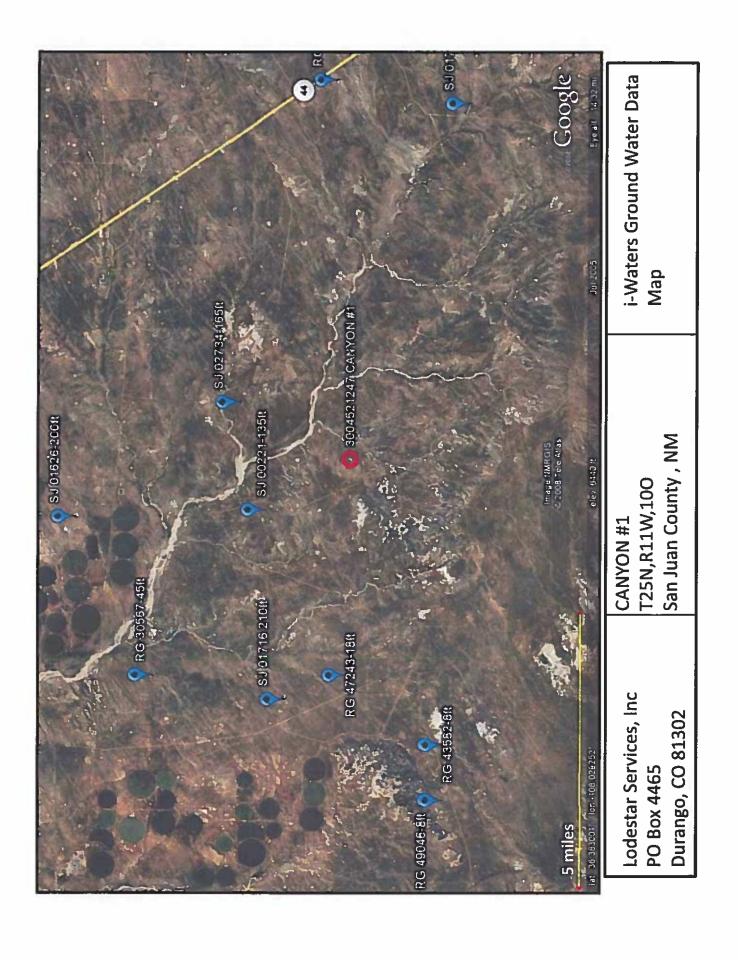
Depth to groundwater is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), the USGS Groundwater Atlas of the United States and depth to groundwater data published on the New Mexico State Engineer's iWaters Database website. Local topography and proximity 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 depth s 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 1.342 feet west of an unnamed arroyo, at an elevation of approximately 6,378 feet and approximately 4.897 feet south of the Gallegos Canyon. Broad shalely hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are evident on the attached aerial image. Groundwater is expected to be shallow within Gallegos Canyon. The floor of the Gallegos Canyon is at an elevation of approximately 6,262 feet approximately 100 feet lower in elevation.

Groundwater data available from the NM State Engineer's iWaters Database for wells near the proposed site are attached. A map showing the locations of wells in reference to the proposed pit location is also attached. Water drops show locations of wells and the labels for each water drop indicate depth to groundwater in feet. The closest well to the site is an elevation of approximately of 6,329 feet and is located 1.99 miles to the northwest this well puts groundwater at 135 feet below the surface. The observations made within this report suggest that groundwater is greater than 100 feet at the proposed location.





New Mexico Office of the State Engineer POD Reports and Downloads

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1/2008	1)
117	
11,	
REPORT	
WATER	
OF	
DEPTH	
AVERAGE	

								(pepth	Water 11	r Feet)
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3,7	25N	10%	22				1	250	250	250

	Feet)	Avg	135
	(Depth Water in	Max	135
80	(Depth	Min	135
1/11/20(		Wells	ıΗ
PORT 1		Ħ	
OF WATER REPORT 11/11/2008		×	
OF		Ů.	
DEPTH		Zone	
AGE		Sec	11W 04
AVERAGE		Rng	1179
		INS	25N
		Bsn	30

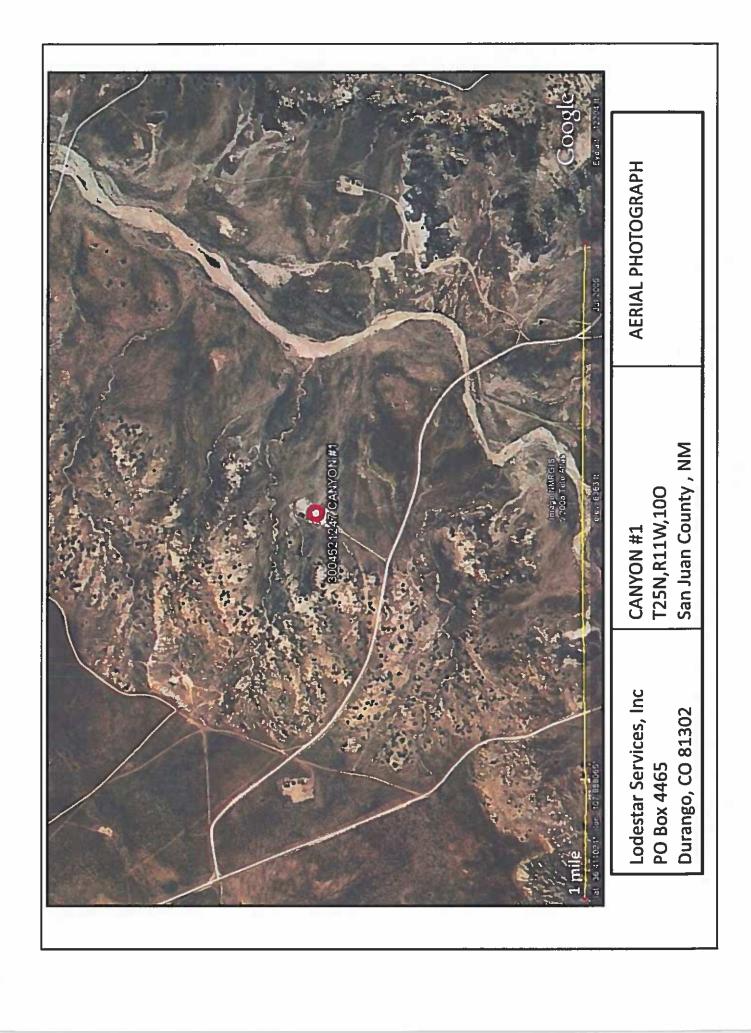
# AVERAGE DEPTH OF WATER REPORT 11/09/2008 (Depth Way

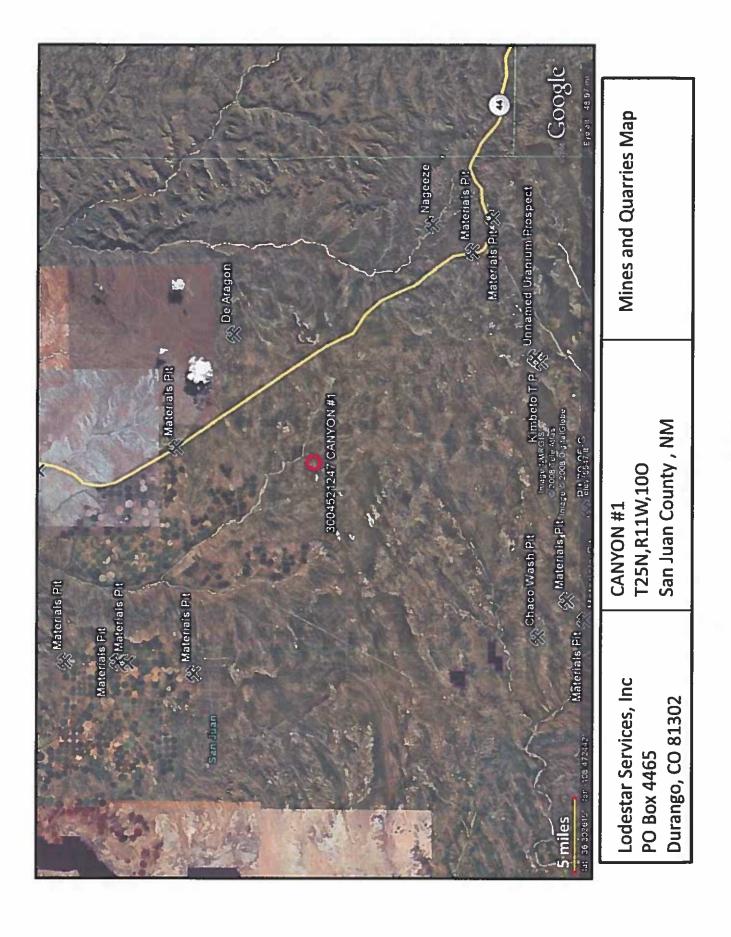
							(Deptu		reet)
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	12W	22				æ	8	89	œ
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	129	31	ບ	689100	1949800	r=1	30	30	30
	12%	01				H	210	210	210

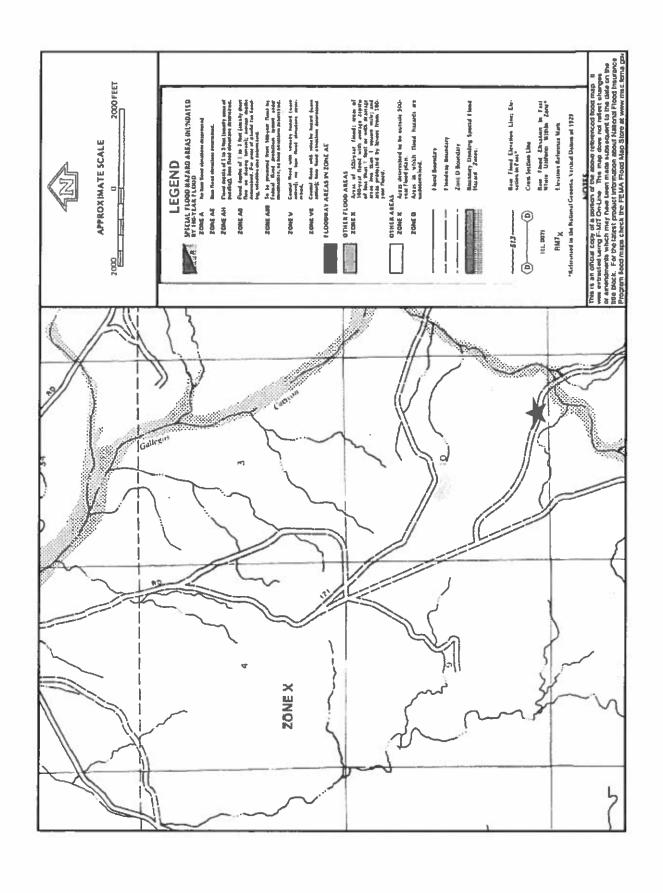
# AVERAGE DEPTH OF WATER REPORT 11/04/2008

Y Wells	X Y Well	Zone X Y Wel.	Zone X Y	Sec Zone X I	Rng Sec Zone X Y
×	X	×	Zone X Y	Sec Zone X I	Sec Zone X I
,	×	Zone X		Sec	Rng Sec
	×	Zone X	•••	Rng Sec Zone X	Rng Sec

	Feet)	Avg	180	45	220
	Water in		180		
8	(Depth	Min	180	45	220
1/04/200		Y Wells	H	H	<b>H</b>
WATER REPORT 11/04/2008		Ħ			
WATER		×			
VERAGE DEPTH OF		Zone			
GE I		Sec	04	25	03
VER		Rng	127	12%	12%
		TWS	26N	26N	26N
		Bsn	RG	RG	<b>B</b>







## 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.

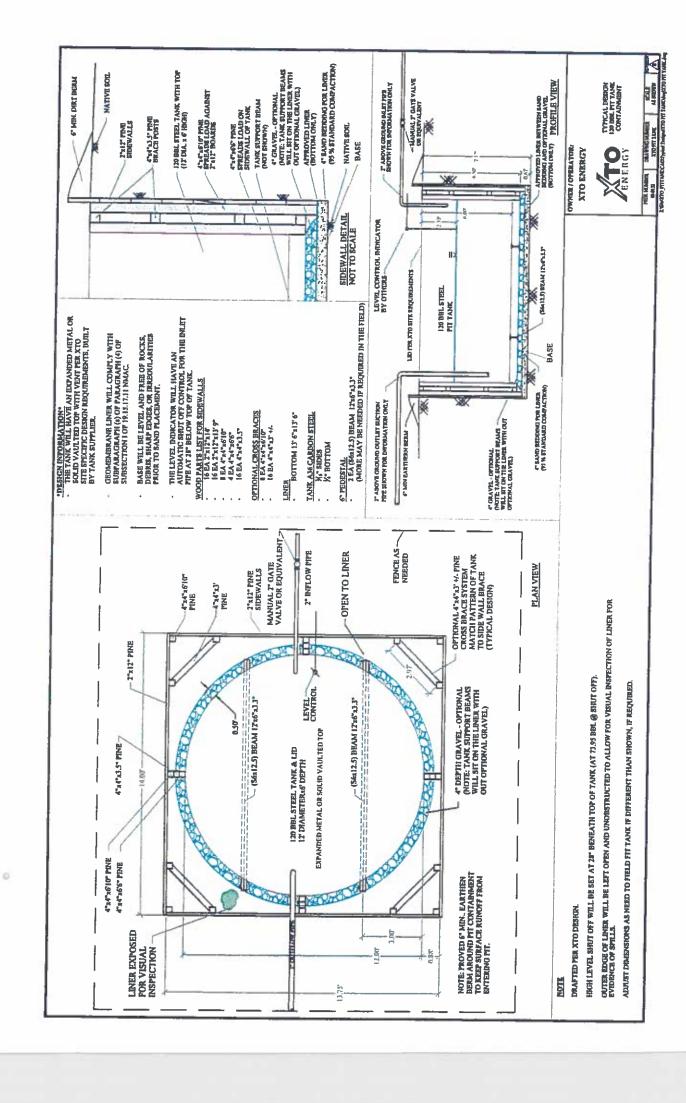
## General Plan

- 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 \( \lambda'' \) 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).
- 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

- 1. 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.
- 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.
- XTO will not discharge into or store any hazardous waste in any below-grade tank.
- 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

		MONTH	ILY BELO	MONTHLY BELOW GRADE TANK INSPECTION FORM	NSPECTIO	N FORM		
Well Name:					API No.:			
		•			8			
Legals	Sec:		Township:		Range:			•
XTO Inspector's	Inspection	Inspection	Any visible liner	Any visible sions of	Collection of	Vicinity of the state of the st	V	31
Name	Date	1 1	tears (Y/N)	tank overflows (Y/N)	run on (Y/N)	of oil (Y/N)	of a tank leak (Y/N)	Freeboard Est. (ft)
					*			
2								
Notes:	Provide De	Provide Detailed Description:	stion:					
æ				Q				
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.
- 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.

- 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.
  - Re-vegetation application rates and seeding techniques, (or approved alternative to re-vegetation requirements if applicable);
  - viii. Photo documentation of the site reclamation.

From: Lowe, Leonard, EMNRD

To: "Hixon, Logan"; Smith, Cory, EMNRD

Cc: McDaniel, James; Hoekstra, Kurt; Naegele, Otto; Farnsworth, Rex

 Subject:
 APPROVEDC-144\_ 2015-10-8 Closure Plans

 Date:
 Tuesday, October 20, 2015 2:26:00 PM

Importance: High

Mr. Logan Hixon,

OCD approves the BGT closure via C-144 for the following:

The C-144 for the stated well site could not be found. XTO will need to submit a C-144 to the Aztec OCD office to process this BGT.

-API: 30-045-23566

Well Name: Hare Gas Com C 1E

The volume units in red are the C-144's that were found and processed. XTO requested a different volume, those could not be found.

**API** # 30-045-06258

Well Name: CA McAdams B 2

Volume: 21 BBL

**API** # 30-045-23890 **Well Name:** Federal A 3E

**Volume:** *120 BBL* 

**API** # 30-045-23908 **Well Name:** Fee 3A **Volume:** 120 BBL

**API** # 30-045-30088

Well Name: Johnson Gas Com D 2

Volume: 21 BBL

**API** # 30-045-31630 **Well Name:** *La Plata* 9-2

Volume: 120 BBL

**API** # 30-045-21247 **Well Name:** Canyon 1 **Volume:** 120 BBL

**API** # 30-045-21393 **Well Name:** Canyon 11 **Volume:** 120 BBL **API** # 30-045-22047 **Well Name:** Canyon 19 **Volume:** 120 BBL

**API** # 30-045-29334 **Well Name:** Canyon 11E

Volume: 95 BBL

**API** # 30-045-29270 **Well Name:** Canyon 12E

Volume: 120 BBL

**API** # 30-045-29212 **Well Name:** Canyon 19E

**Volume:** 120 BBL

**API** # 30-045-29710 **Well Name:** Canyon 7E **Volume:** 120 BBL

**API** # 30-045-29333 **Well Name:** Canyon 9E **Volume:** 120 BBL

**API** # 30-045-25508

Well Name: Carson Gas Com 1E

Volume: 120 BBL

Your approved C-144 is (are) located in the OCD imaging link below:

Open link below:

http://ocdimage.emnrd.state.nm.us/imaging/default.aspx.

## **Leonard Lowe**

**Environmental Engineer** 

[Environmental Bureau]

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492 Fax: 505-476-3462

E-mail: <a href="mailto:leonard.lowe@state.nm.us">leonard.lowe@state.nm.us</a>

Website: <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>

**From:** Hixon, Logan [mailto:Logan\_Hixon@xtoenergy.com]

Sent: Thursday, October 08, 2015 1:29 PM

To: Lowe, Leonard, EMNRD < Leonard.Lowe@state.nm.us>

**Cc:** McDaniel, James <James\_McDaniel@xtoenergy.com>; Hoekstra, Kurt

<Kurt\_Hoekstra@xtoenergy.com>; Naegele, Otto <Otto\_Naegele@xtoenergy.com>; Farnsworth,

Rex <Rex\_Farnsworth@xtoenergy.com>

Subject: 2015-10-8 Request for Approved Closure Plans Only

Mr. Lowe

We are requesting an approved below grade tank closure plans only for the following sites:

**Submitted:** Our records show submittal of November 25, 2008 for the following sites:

-API: 30-045-06258

Well Name: CA McAdams B 2, located in Section 28 (E), Township 27N, Range

10W, San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-23890

Well Name: Federal A 3E, located in Section 26 (P), Township 30N, Range 13W,

San Juan County, New Mexico

Volume: 45 BBL

-API: 30-045-23908

Well Name: Fee 3A, located in Section 3(K), Township 30N, Range 11W, San

Juan County, New Mexico

Volume: 95 BBL

-API: 30-045-23566 (COULD NOT BE FOUND)

Well Name: Hare Gas Com C 1E, located in Section 25(F), Township 29N, Range

10W, San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-30088

Well Name: Johnson Gas Com D 2, located in Section 15(G), Township 30N,

Range 12W, San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-31630

Well Name: La Plata 9-2, located in Section 9(K), Township 31N, Range 13W,

San Juan County, New Mexico

Volume: 120 BBL

Submitted: Our records show submittal of December 5, 2008 for the following

sites:

**-API**: 30-045-21247

Well Name: Canyon 1, located in Section 10(O), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-21393

Well Name: Canyon 11, located in Section 11(G), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-22047

Well Name: Canyon 19, located in Section 2 (P), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-29334

Well Name: Canyon 11E, located in Section 11 (O), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-29270

Well Name: Canyon 12E, located in Section 13(E), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-29212

Well Name: Canyon 19E, located in Section 2 (K), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 120 BBL

-API: 30-045-29710

Well Name: Canyon 7E, located in Section 15 (G), Township 25N, Range 11W,

San Juan County, New Mexico

Volume: 120 BBL

**-API**: 30-045-29333

Well Name: Canyon 9E, located in Section 1 (F), Township 25N, Range 11W, San

Juan County, New Mexico

Volume: 100 BBL

-API: 30-045-25508

Well Name: Carson Gas Com 1E, located in Section 32 (F), Township 30N, Range

12W, San Juan County, New Mexico

Volume: 120 BBL

Thank you for the help.

## Thank You!

**XTO ENERGY INC.**, an ExxonMobil subsidiary

Logan Hixon | 72 Suttle Street, Suite J | Durango, CO 81303 | ph: 970-247-7708 | Cell: 505-386-8018

Logan Hixon | 382 CR 3100 | Aztec, NM 87410 | ph: 505-333-3100 | Logan Hixon@xtoenergy.com

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