Mike and Jim

I have tried to make this short – as I know your plates are plenty full. Jim- you need to address question #4 only.

Thanks in advance for your responses.

For Lime Rock, it is crunch time to get the All Thorn pit built and in use. We are to the point that a day or two of delay is starting to make a difference. I think the principal hold up is getting the lease from the SLO. We would appreciate you feedback on the following questions relating to the OCD permit.

- We understand that Lime Rock cannot construct the pit (lay down the liner foundation and line the excavation) until there is an approved OCD permit. We also understand that OCD cannot <u>unconditionally</u> approve the permit until the SLO issues the commercial lease that allows the storage of treated produced water in the All Thorn pit. The SLO has stated that the lease is "ready to go" but is not yet signed. <u>Will OCD approve the permit on the</u> <u>condition that Lime Rock obtains the commercial lease from the SLO?</u>
- 2. The stability evaluation transmitted to OCD on 8/22/14 demonstrated to our satisfaction that "unstable ground" does not exist at the site. <u>Does the location now meet the siting criteria for permit approval?</u>
- 3. Pettigrew will complete the engineering design of the pit foundation and submit the report to OCD before excavation of the caliche is complete (prior to laying the pit foundation). The permit application calls for a conference call with OCD regarding the foundation design (see below). Is this conference call moot due to the demonstration of stable ground at the site?
- 4. On 9/1 we transmitted a variance request to employ 45 mil LLDPE material for the primary liner of the MWFM Pit. <u>Could OCD act on this variance request by the end of this month in</u> <u>order to allow Lime Rock to obtain the appropriate material for the primary liner (either 60-mil HDPE or 45 mil LLDPE)?</u>

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To underscore the importance of the engineering measures incorporated into the design to ensure that the pit's integrity is not compromised, we propose a conference call between the Professional Engineers of this project and the Professional Engineers from OCD/EMNRD assigned to the evaluation of this engineering design measures. The purpose of this call is to

- · present this results of the geotechnical investigation,
- discuss the pit design and proposed construction methods
- · identify any comments/concerns of the OCD Engineers and
- · schedule a written response to fill in any gaps identified in the phone conference.

Construction of the pit foundation will not commence until OCD provides written concurrence with the written response after the phone conference.

## Stockpile Topsoil

Prior to constructing the pit the qualified contractor will strip and stockpile the topsoil for use as the final cover or fill at the time of closure. The topsoil will be stockpiled adjacent to the west side of the perimeter fence surrounding the pit. Until vegetation is established

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