From: Randall Hicks
To: Bratcher, Mike, EMNRD

Cc: Griswold, Jim, EMNRD; david@rthicksconsult.com

Subject: Lime Rock - All Thorn -

Date: Wednesday, October 29, 2014 9:29:00 AM

Attachments: image001.png

Mike

I have come to understand that you have not had time to complete your review of the re-packaged MWFM Pit permit application submitted to OCD on 10/8. While the time limit for OCD review of this re-assembled application is not for a while, the permit has been in process – at OCD for review and with our team submitting various modifications – since May. The problem that created much of the delay was addressing OCD's policy regarding the relationship between karst and unstable ground. I think we finally worked that through in late August or early September. So the problem of the long review time was mainly working out the Karst issue.

I also understand that we are "asking for too many variances". Here is what we are asking for – for the benefit of Jim Griswold, who is in charge of one of the variances

#1 has been approved already by OCD for Mack and Yates pits

#2 has been approved by OCD for the Yates Pit

#3 has been approved by OCD for numerous pits in Lea and Eddy County

#4 is in the hands of Jim Griswold to hand over to an OCD Engineer for review

A variance must be submitted with a permit. OCD can approve the permit – for example next week – and not take action on the variance for several more weeks. There is nothing in the Rule that I can find that would prevent permit approval – so Lime Rock can start the 3-week pit excavation program – and taking more time to evaluate the 45-mil primary liner variance. OCD's denial of the 45-mil LLDPE liner variance simply means that Lime Rock would use the 60-mil HDPE for the primary liner.

I am on my way to ABQ from Hobbs in about 30 minutes. I will drop in to chat. I also have a meeting with Scott/Jim/Daniel about a MWFM pit in Lea County and other produced water issues in Lea. So the issue of the 45-mil LLDPE primary liner variance will be part of that conversation too.

Finally, the SLO has the All Thorn mining lease on the top of their pile. Once that is done, Lime Rock can start excavation – but not until the lease from the SLO is issued. We hope that lease will be signed this week.

Lime Rock needs to get to digging this pit and moving forward with the use of produced water in lieu of fresh water. Right now the critical path is the SLO. In a few days, however, the critical path will be the OCD permit. I would like to move both along as best we can. I appreciate you help in doing so.

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