From: Randall Hicks

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Subject: Lime Rock - All Thorn - STILL NO SLO MINING PERMIT - OCD REVIEW TIME EXPIRES 12/7/14

Date: Friday, November 14, 2014 1:17:59 PM

Mike and Jim – read the yellow highlight and you can skim the rest of this note

Just keeping you informed that the SLO has not yet provided the mining lease to Lime Rock to begin excavation of a caliche pit in advance of converting the caliche pit excavation into the engineered foundation for the proposed MWFM pit. As of today, the lack of an approved MWFM Pit permit from OCD is <u>not</u> holding up the process of conserving fresh water resources.

With respect to Pit Rule time constraints for OCD review:

- 1. We now understand that the permit for the All Thorn that was transmitted to OCD on 10/8 and hand delivered soon thereafter is considered by OCD as a "new submission".
- 2. Because the 10/8 submission is a new submission, the Variance Request to allow OCD until October 15 to review the permit is obviously moot.
- 3. The 30-day review of the new submission for administrative completeness expired on 11/7. Thus per the Pit Rule the application is deemed administratively complete
- 4. The 60-day review for approval will expire on or about 12/7. Per the Pit Rule 19.15.17.16:
 - **B.** Whether or not the division deems an application to be administratively complete within the 30 day evaluation period, the division shall also have an additional 30 days to approve, deny or approve with conditions an application. If the division does not take action within the 60 days review period, then the application is deemed denied and the operator may file an application for hearing with the division clerk.

We are fully sympathetic of the work load in District 2 and a policy of OCD that might allocate resources to release response actions before permit review. Thus, we are asking the OCD Santa Fe Office to provide additional resources as necessary to complete the review of this permit as soon as possible but prior to the 12/7/14 deadline.

We have been told that the State Land Office will not issue a comercial lease for the MWFM pit until OCD approves the C-144 permit.

We understand the importance that OCD and Secretary Martin has placed upon replacing the use of fresh water for E&P activities with produced water. We stand ready to assist OCD in any way necessary to work this permit through to approval in the shortest possible time. Approval of this permit should be a win-win for everyone.

Thanks and have a good weekend.

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