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 Dr. Santa Fe, NM 87505

Form C-144 July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

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

Pit, Closed-Loop System, Below-Grade Tank, or AUG - 7 2008
Proposed Alternative Method Permit or Closure Plan Application OCD ARTESIA
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method 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.
1. C&D MANAGEMENT COMPANY dba FREEDOM VENTURES 231382 Operator: OGRID #: Address: 4801 Lang NE, Suite #110, Albuquerque , New Mexico, 87109 Facility or well name: Shearn Freedom Federal #2
Address: 4801 Lang NE, Suite #110, Albuquerque, New Mexico, 87109
Facility or well name: Shearn Freedom Federal #2
Facility or well name: Shearn Freedom Federal #2 API Number: OCD Permit Number:
U/L or Qtr/Qtr A Section 14 Township T 17S Range R 27E County: Eddy County
U/L or Qtr/Qtr A Section 14 Township T 17S Range R 27E County: Eddy County Center of Proposed Design: Latitude 32.8395327424 Longitude 104.2429643 NAD: 1927 1983
Surface Owner: Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment
Drilling Workover □ Permanent □ Emergency □ Cavitation □ P&A Lined □ Unlined Liner type: Thickness 20 mil □ LLDPE □ HDPE □ PVC □ Other □ String-Reinforced See attached Manufactures Technical See attached Manufactures Technical
Liner Seams: Welded Factory Other Specifications Sheet Volume:bbl Dimensions: Lx Wx D
3. NOT APPLICABLE: 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)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: Welded Factory Other
4. NOT APPLICABLE: Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:bbl Type of fluid:
Tank Construction material:
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
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.

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) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospital,
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other 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	
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 consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
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 appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district pproval.
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 Print-Out - Attached Hereto	Yes Z 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. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent puts)	☐ Yes Ø No ☐ NA
 Visual inspection (certification) of the proposed site: Aerial photo: Satellite image 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 search: 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
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 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 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. Coolegie and blydrogoologic Date (only for an situ closure), beard upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9
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: (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
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 Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Precboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ 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 Wells. All materials and displaced fluids will be disposed of and transported by OK Hot Oil Services and Controlled
☐ On-site Closure Method (Only for temporary pits and closed-loop systems) Recovery, Inc. [Permit No. R9166 ☐ In-place Burial ☐ On-site Trench Burial ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
15.
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

Form C-144

Oil Conservation Division

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Temporary Work Over Pit Disposal								
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids,	Steel Tanks or Haul-off Bins Only: (19.15.17.13.D. drilling fluids and drill cuttings. Use attachment if n	NMAC) nore than two						
facilities are required. Controlled Recovery, Inc. Disposal Facility Name: Hobbs/Halfway, New Mexico	R9166 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 service and operations? Yes (If yes, please provide the information below) No								
Required for impacted areas which will not be used for future service and operation Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	te requirements of Subsection H of 19.15.17.13 NMAC in Lof 19.15.17.13 NMAC							
17. Not Applicable Sitting Concerns (Legarting on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may required considered an exception which must be submitted to the Santa Fe Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	ire administrative approval from the appropriate disti al Bureau office for consideration of approval. Justi,	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: Da	ta obtained from nearby wells	☐ Yes ☐ No ☐ NA						
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; Da	ata 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; Da	ata obtained from nearby wells	☐ Yes ☐ No ☐ NA						
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other si lake (measured from the ordinary high-water mark). - Topographic map: Visual inspection (certification) of the proposed site	gnificant watercourse or lakebed, sinkhole, or playa	☐ 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								
Within 500 horizontal feet of a private, domestic fresh water well or spring that le watering purposes, or within 1000 horizontal feet of any other fresh water well or - NM Office of the State Engineer - iWATERS database: Visual inspection	spring, in existence at the time of initial application.	☐ Yes ☐ No						
Within incorporated municipal boundaries or within a defined municipal fresh wa adopted pursuant to NMSA 1978. Section 3-27-3, as amended. - Written confirmation or verification from the municipality: Written appro	,	☐ Yes ☐ No						
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map: Topographic map: Vise	ual 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-Minir	ng and Mineral Division	☐ Yes ☐ No						
 Within an unstable area. Engineering measures incorporated into the design: NM Bureau of Geolog Society; Topographic map 	gy & Mineral Resources: USGS: NM Geological	☐ 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. Please indicate, 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 19.15.17.13 NMAC Protocols and Procedures - based upon the appropriate requirements of Subsection F 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 cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC								

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Oil Conservation Division

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19. Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Thomas Kizer Title: President
Signature: Date: August 6, 2008
e-mail address: oilfreedom@aol.com Telcphone: (505) 417-1511 (814) 688-3297
20. OCD Approval: Permit Application (including clasure plan) Closure Plan (only) OCD Conditions (see attachment)
OCD Representative Signature Signed By Mile Brancisc Approval Date: AUG 1 5 2008
Title: OCD Permit Number: 0208 411
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.
Closure Completion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Closure Method Waste Removal (Closed-loop systems only) If different from approved plan, please explain.
23. <u>Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:</u> Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.
Disposal Facility Name: Disposal Facility Permit Number:
Disposal Facility Name: Disposal Facility Permit Number:
Were the closed-loop system operations and associated activities performed on or in areas that will not 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 operations: Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check 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 Longitude NAD: 1927 1983.
Operator Cleans Cortification
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.
Name (Print): Title:
Signature: Date:
e-mail address: Telephone:

DBA FREEDOM VENTURES
4801 LANG NE - SUITE #110
ALBUQUERQUE, NEW MEXICO 87109

DIRECT LINE: (505)-417-1511 - (814) 688-3297
FACSIMILE: 702-413-6687
EMAIL: OILFREEDOM@AOL.COM
FROM THE DESK OF: THOMAS KIZER, PRESIDENT

August 6, 2008
Via Courier: Federal Express to OCD/Artesia, New Mexico

Mr. Michael Bratcher
Oil Conservation Division - District II
1301 W. Grand Ave.
Artesia, New Mexico 88210

Re: Application for Permit

Form: C-144 Temporary Pit Application & Attachments

Operator: C D Management/ Freedom Ventures

OGRID: 231382

Wells Affected: Plugging

Shearn Becky Federal No. 001	B-14-17S-27E	30-015-34440
Shearn Freedom Federal No. 002	A-14-17S-27E	30-015-34454
Shearn Samantha Federal No. 001	G-14-17S-27E	30-015-31059
Shearn Shilo Federal No. 001	B-14-17S-27E	30-015-31061

Dear Mr. Bratcher:

In accordance, and in compliance, with the State of New Mexico's Oil Conservation Division recent adoption of the "New" Pit Rules and implementation of Form 'C-144', i.e. *Application for a Temporary Pit Permit*, we hereby submit the enclosed application and supporting documentation for your review and approval.

CDM/FV has been issued a Plugging Permit by the Bureau of Land Management/Carlsbad A request a extension of time with the Bureau Land Management has been made to comply with the OCD New Pit Rules. [New Form July 21, 2008]

We hereby request that that the Artesia/OCD give this submission of this application and it's attachments a expedited review, in that, CDM/FV has been operating under deadline dates imposed by the Oil Conservation Division/Santa Fe.

It should be noted that CDM/FV <u>has contracted with Ok Hot Oil Services & Controlled Recovery, Inc. to dispose of the plastic woven lining and the displacement fluids. Thus, our application does not necessitate the need for Hydrology and Soil studies. In that, all fluids, including plastic liners will be properly disposed of with a Registered Waste Disposal Facility: Controlled Recovery, Inc. Permit: # R9166.</u>

Page 2 of 3: Temporary Pit Permit Applications with Attachments: 4 Wells

Find Enclosed the following data/documentation for each well permit application.

1. Completed C-144 Application for:

Shearn Becky Federal No. 001	B-14-17S-27E	30-015-34440
Shearn Freedom Federal No. 002	A-14-17S-27E	30-015-34454
Shearn Samantha Federal No. 001	G-14-17S-27E	30-015-31059
Shearn Shilo Federal No. 001	B-14-17S-27E	30-015-31061

2. Bureau of Hydrology Map with Well Locations

- (a) POD Reports from OSE's Iwater [All dated August 3, 2008]
 - (1) Surface Data Report
 - (2) Water Column Report
 - (3) Average Depth of Water Report
- (b) Well Record "RA-4554" December 1962
- (c) Declaration of Owner of Underground Water Right "RA-7936" July 1991

3. FEMA - National Flood Insurance Program Map [Reduced & Full Size]

Eddy County: Panel 350120-0200R; Panel 200 of 1125

Effective Date: February 6, 1991

4. Topographic Maps: Section 14, Township 17 South, Range 27 East

- (a) Expanded copy with all 4 subject wells demarked.
- (b) Magnified copy with all 4 subject wells demarked.

5. (a) Temporary Pit Design & Configuration

(b) Temporary Pit Design & Construction

Dimensions of Pit; Depth of Pit; Protective Liner; Transport of Displaced Fluids; Disposal of Pit Liner & Displaced Fluids/Material; Companies contracted with CDM/FV to participate in preparation, supervision, disposal and closure of Temporary Pit.

6. <u>Technical Specifications of 20 MIL WOVEN BLACK/BLACK</u> Pit Liner from W T Plastics, LTD, Midland, Texas. Installation by Mesquite Oil Services, Artesia, New Mexico.

7. <u>Photographs of Abandonment - On-Site Burial Markers</u>
Prepared in accordance with OCD Pit Rules and ready for installation.



Page 3 of 3: Temporary Pit Permit Applications with Attachments: 4 Wells

The following companies and individuals will be involved in the preparation, supervision, plugging, disposal and closure of the Temporary Pit.

- ☑ Mesquite Oil Services, Artesia, New Mexico
- ☑ OK Hot Oil Services, Loco Hills, New Mexico
- ☑ Controlled Recovery, Inc, Hobbs/Halfway, New Mexico
- ☑ Sweat Construction, Artesia, New Mexico
- ☑ Darrel Finney, Individual, Artesia, New Mexico
- ☑ Larry Ivans, Pumper, Artesia, New Mexico

If you should have any questions or require further information please don't hesitate to call, email or fax me at the any of the above stated contact numbers.

Thanking you in advance for your expeditious affirmative response.

Respectfully submitted,

C D MANAGEMENT COMPANY DBA FREEDOM VENTURES

Thomas Kizer President



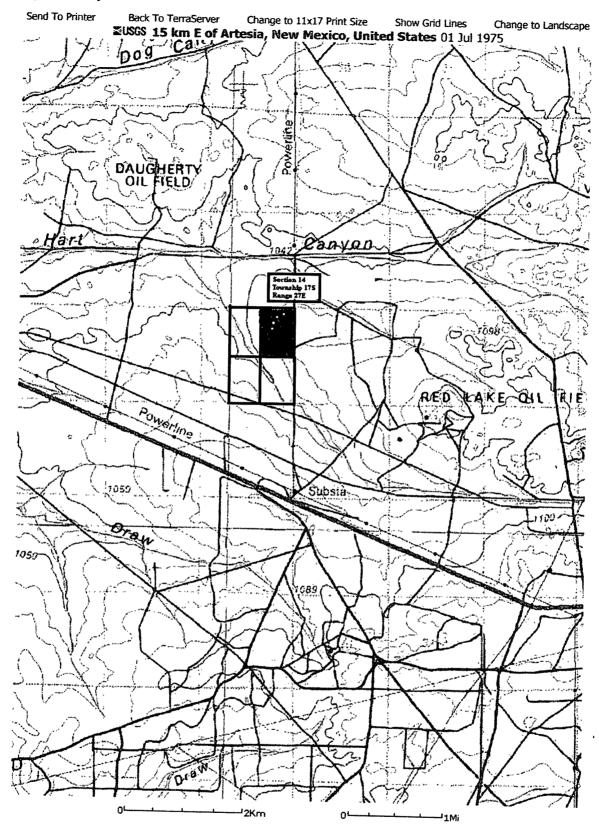


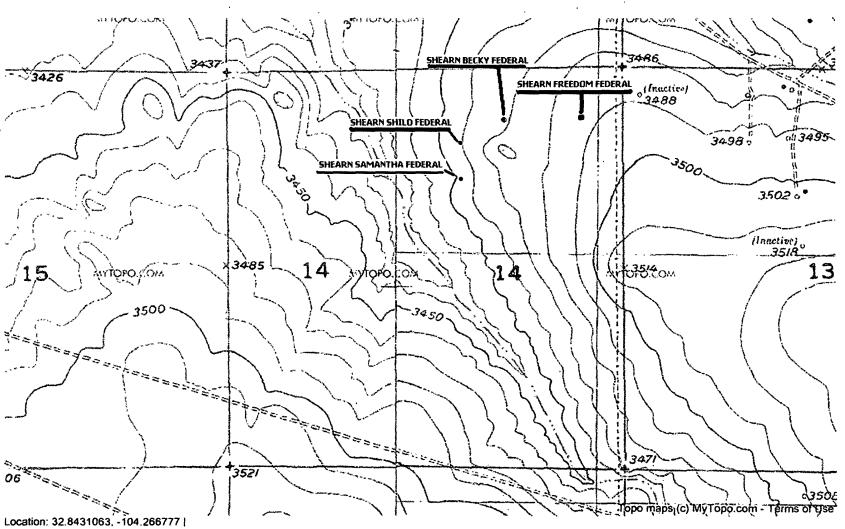
Image courtesy of the U.S. Geological Survey
© 2004 Microsoft Corporation. **Terms of Use Privacy Statement**

Well_Name: SHEARN BECKY FEDERAL API #: 3001534440
Property Number:: 001 Location: 8-14-17.05-27E, 660 FNL, 1650 FEL
Lat:32.8395355867 Long:-104.246202757
County: EddyLand Type: Federal Well: Elevation GL: 3470

Well_Name: SHEARN FREEDOM FEDERAL API #: 3001534454 Property Number:: 002 Location: A-14-17.05-27E, 660 FNL, 660 FEL Lat:32.8395327424 Long:-104.2429643 County: EddyLand Type: Federal Well Type: :Elevation GL: 3486 Depth Well_Name: SHEARN SHILO FEDERAL API #: 3001531061
Property Number:: 001 Location: 8-14-17.05-27E, 991 FNL, 1464 FEL
Lat:32.8386252718 Long:-104.245593984
County: EddyLand Type: Federal :Elevation GL: 3479 Depth TVD: 0

Well_Name: SHEARN SAMANTHA FEDERAL API #: 3001531059 Property Number: 001 Location: G-14-17.05-27E, 1649 FNL, 1523 FEL Lat:32.8368168747 Long:-104.245786315 County: EddyLand Type: Federal Well:flevation GL: 3471

SECTION 14, TOWNSHIP 17 SOUTH, RANGE 27



FREEDOM VENTURES - C D MANAGEMENT

FREEDOM OIL - C & D MANAGEMENT COMPANY TEMPORARY PIT DESIGN AND CONFIGURATION

DISPOSAL OF FLUIDS AND PIT LINER MATERIAL TEMPORARY PIT SPECIFICATIONS: **DIMENSIONS: 15 FT X 15FT** OK Hot Oil Services, Loco, New Mexico DEPTH: 3 FEET Controlled Recovery, Inc., Halfway, New Mexico Waste Disposal Permit: R9166 PROTECTIVE LINER: 20 MIL LINER: WOVEN [SPECIFICATIONS ATTACHED] TRANSPORT OF DISPLACEMENT FLUIDS: PROTECTIVE LINING TRENCH [12" Depth] OR HOSE PIPE FROM WELL TO PIT TEMPORARY PIT PREPARED BY: MESQUITE SERVICES, ARTESIA, NEW MEXICO Pit Liners: See Attached Manufactures Plastic liner Technical Specifications Sheet 20-mil string reinforced LLDPE or equivalent. ≥18 inches · 2 feet freeboard required **See attached Specifications** Anchor trench 3 Feet 10 15 Feet Liner **Anchor** No steeper than 20 2:1 slope Firm, smooth, prepared subgrade

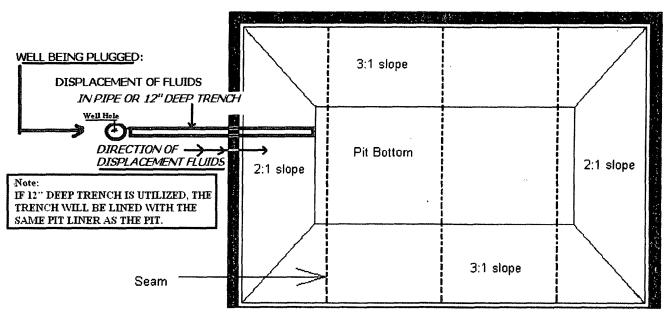
TEMPORARY PIT DESIGNAND CONSTRUCTION

DISPOSAL OF DISPLACEMENT FLUIDS:

OK Hot Oil Services, Loco, New Mexico

Controlled Recovery, Inc., Halfway, New Mexico

Waste Disposal Permit No.: R9166



TEMPORARY PIT SPECIFICATIONS

DIMENSIONS: 15FT X 15FT

DEPTH: 3 FEET

PROTECTIVE LINER: 20 MIL LINE WOVEN [SPECS ATTACHED]

TEMPORARY PIT PREPARED BY: MESQUITE SERVICES, ARTESIA, NEW MEXICO

DISPLACEMENT FLUIDS FROM WELL TO PIT TRANSPORTED IN PIPE OR 12"
DEEP TRENCH

Phone 432-563-4005 Fax 432-461-5209 Toll Free 800-583-6005

and the

TECHNICAL SPECIFICATION SHEET 20 MIL WOVEN BLACK/BLACK TYPE RB88X-6

Made from high density polyethylene tapes, coated on two sides with low density polyethylene.

PROPERTIES	UNIT		VALUES	TEST METHOD
Unit.Weight Warp Construction	oz/yd2 Tapes/in	Warp Weft	8.9 16 16	ASTM D3775 ASTM D3775
Widths Tensile Grab Strei gtil	in lof	up to Warp/Weft	144 342	ASTM D751
Year Strength *(ton, ue.	lbf	Warp/Weft	117	ASTM D751
Tear Strength (trape nic	ı- lbf	Warp/Weft	90	ASTM D/51
Scrim Color			Biack	
Coating Thickness	mil	Black	2.5	ASTM D1777 MOD
Carbon Dispersion		>%	2	ASTM D3015
Oil Resistance Streng.	et hed %	Warp	87	ASTM D882
Oil Resistance Strenge	tk ed ™%	Weft	97	ASTM 0882
Low Temperature Ben	-95 F		No Crack	ASTM D2136
Mullen Burst Strength	ps1		551	ASTM 0/51
Moisture Vapor Transn	351011 6 (m2*24hrs)		.1	ASTM E96-92 proc #
Water Permeance	g/(i-32*24hrs)		0	ASTM C4491
Puncture Resistance	lbs	greater than	180	ASTM 4833
1" Tensile Strength	lbf	-	200	ASTM (1382
1" Tensile Elongatio	%		15	ASTM 0982
Nominal Thicknes	mil ,		20	ASTM LOV777 MOD

^{*}Includes force to shift tapes - Tear may be crosswise to direction of force

TGLB585 contain. ultraviolet inhibitors and is suitable for outdoor applications

Note: to the best clour knowledge, these are typical property values and are intended as guides only. Not as specification hmits WEST TEXAS PLAISTICS, INC., MAKES NO WARRANTIES AS TO THE FITNESS FOR A SPECIFIC USE OR MERCHANTABILITY OF PRODUCTS REFERRED TO, no guarantee of satisfactory results from reliance upon contained information or recommendations and disclaims all flability for resulting loss or damage.

Map Provided by: New Mexico Bureau of Hydrology

25	30	29	28	27	26	25	30
RA-0	0399- RA-000 31	199- 32	33	34	35	RA-0 36	'931- 31
Ø 1 ©	A-06143-X9 6 RA-06143-X7 RA-06143-X8	5 3	4 RA-02966-	3	2	1	6
© ©	RA-06143-X12	A-03279- 8	9	10 <u>Se</u>	RA-07774- RA-07930 11 Ction 14, Township 175, Ran	3_ Well Record Attached 12	7
13	18 ERA-04320-	786- RA-08823- RA-08823- RA-08823-	A-03816- / RA-0	15 44-EXPL 1716- JRA-04114- RA-01716-S	14	Shern Freedom Shern Becky Shern Shilo Shern Samantha	18 30
24	19 EXECUTE 1975 1989	A-06560- RA-07	RA-076 231- 21	22	RA-04554-Weil	Record Attached	19
25	30	29	28	RA-01493- © 27	ල ^R 26	A-04561- 25	30
36	31 RA-0366	32 1- RA-0	3664- 33	34	35	36	31
1 RA ©	6 05989-	5	4	3	RA-02996-	1	6
12	7		9 RA-03714-	10 RA-1	03917- 11	12	7

0 0.5 1 1.5 2 Miles

FREEDOM VENTURES - C&D MANAGEMENT

New Mexico Office of the State Engineer **POD** Reports and Downloads

Township: 17S

Range: 27E Sections:

NAD27 X:

Zone:

Search Radius:

County:

Basin:

Number:

Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic Al POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

POD / SURFACE DATA REPORT 08/03/2008

			POD / SURFACE DATA REPORT	08/03/2008														
					(quarters a													
	(acre	ft per ann	num)		(quarters a	re big	gest to	smallest	X Y ar	e ın Feet		UTM are	ın Meters)	Start	Finish	Depth	Depth (in feet)
DB File Nbr	Use	Diversion		POD Number	Source	Tws	Rng Se	cqqq	Zone	x	Y	UTM Zone	Easting	Northing	Date	Date	Well V	Water
RA 01493	IRR	3	JULIAN MONTOYA	RA 01493	Artesia	17S	27E 27	1 2				13	568468	3630529	•	01/01/1908	876	
RA 01716	COM	63.6	RIVERSIDE MUTUAL DOMESTIC ASS	O RA 01716	Artesia	n 17S	27E 16	3 4				13	566854	3632521				
				RA 01716	S Artesia	n 17S	27E 16	3 4 4				13	566953	3632420	07/26/2004	08/03/2004	1200	
RA 02966	DOM	3	JIM HOOTEN	RA 02966	Shallow	17S	27E 05	4 4 4				13	566117	3635707	10/14/1952	10/16/1952	80	30
RA 03279	DOM	3	EMIL P. BACH	RA 03279		17S	27E 07	2 3				13	564020	3635011	08/10/1954	08/24/1954	250	14
RA_ 03661	PRO	0	HUMBLE OIL & REFINING	RA 03661	Shallow	17S	27E 32	3 2 3				13	565186	3628038	10/12/1956	10/26/1956	330	140
RA 03664	DOM	0	HUMBLE OIL & REFINING CO	RA 03664	Shallow	17S	27E 32	3 2 3				13	565186	3628038	11/01/1956	11/06/1956	400	100
RA 03694	DOM	3	C. M. BERRY	RA 03694	Shallow	17S	27E 17					13	565854	3632721	01/26/1957	02/02/1957	300	90
RA 03791	_ DOM		C. L. BOWEN	RA 03791		17S		4 1 2				13	565747	3633021				
RA 03816	DOM	, 3	R. D. COLLIER	RA 03816	Artesia	n 17S	27E 17	4				13	565854	3632721	01/22/1958	01/22/1958	945	931
RA 04114	DOM	3	J. HIRAM MOORE	RA 04114	Artesia	17S	27E 16	3 4 4				13	566953	3632420	11/17/1959	01/15/1960	1042	260
RA 04153	_ DOM	3	J. HIRAM MOORE	RA 04153	Artesia	_	27E 16	3 4 4		•		13	566953	3632420	02/03/1960	03/15/1960	1220	175
RA 04320	_ DOM	3	C.V. BROWN	RA 04320	Artesia	-	-	-				13	565053	3632719	10/25/1960	11/05/1960	120	50
RA 04554	_ PRO		LOWE DRILLING COMPANY	RA 04554	Artesia		27E 23					13	569859	3631947	01/26/1962	02/20/1962	220	40
RA 04561	_ PRO	0	LOWE DRILLING CO	RA 04561			27E 26					13	570871	3630142			250	
RA 04786	_ DOM	3	DAVE COLLIER	RA 04786	Artesian			2 3 4	•			13	564133	3633277	02/27/1963	03/02/1963	138	111
RA 05881	_ PUB	0	WOODS CONSTRUCTION CO.	RA 05881			27E 18					13	563232	3633837				
RA 06531	DOM	0	CHARLES C. POWELL	RA 06531		17S	27E 17	4 1 4				13	565747	3632821			200	
RA 06560	_ DOM	3	TONY HALL	RA 06560	Shallow		27E 20					13	565757	3632217	08/22/1979	08/24/1979	133	80
RA 06635	DOM	3	RANGER C. KARR	RA 06635	Shallow		27E 18					13	564531	3633852	04/13/1980	04/16/1980	325	60
RA 07231	MUL	0	FERN WILSON	RA 07231		17S						13	566353	3632422				
RA 07774	STK	3	BOGLE FARMS	RA 07774	Shallow	17S	27E 11	1 2 3				13	569933	3635251	12/14/1989	12/20/1989	100	50
RA 07844	EXP	0	RIVERSIDE WATER USERS ASSOC.	RA 07844	Shallow		27E 16	3 4 3				13	566753	3632420	08/23/1990	09/07/1990	1300	180
RA 07844 EXPL	_	0	RIVERSIDE WATER USERS ASSOC.	RA 07844 1	EXPL Artesian		27E 16	3 4				13	566854	3632521	08/23/1990	09/07/1990	1300	180
RA 07936	STK	1.54	BOGLE FARMS	RA 07936			27E 11					13	570246	3634750				
RA 08823	_ DOM	3	HAMMOND PHILLIP J	RA 08823	Shallow	17S	27E 17	3 1 1				13	564745	3633019	06/16/1994	09/28/1994	348	60

Record Count: 26

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 17S Range: 27E Sections:

NAD27 X:

Y: Zone:

Search Radius:

County:

Basin:

Number:

Suffix:

Owner Name: (First) (Last)

Non-Domestic Domestic

All

POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

WATER COLUMN REPORT 08/03/2008

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Depth Depth Water (in feet) POD Number Tws Rng Sec qqq Well Water Column RA 02966 17S 27E 05 50 80 30 RA 03279 17S 27E 07 2 3 250 14 236 RA 07774 17S 27E 11 100 50 50 RA 07844 EXPL 17S 27E 16 180 1120 1300 RA 07844 17S 3 4 3 1300 27E 16 180 1120 RA 01716 (D) 17S 27E 1220 175 1045 RA 01716 S 27E 16 17S 1200 RA 04114 17S 27E 16 1042 260 782 RA 04153 17S 27E 1220 175 1045 RA 04320 27E 17 17S 50 70 120 3 1 1 288 RA 08823 17S 27E 17 348 60 RA 03694 17S 27E 17 300 90 210 RA 03816 17S 27E 17 931 945 14 27E 17 RA 06531 17S 4 1 4 200 27E 18 RA 06635 17S 265 325 60 RA 04786 17S 27E 18 27 138 111 17S 27E 20 RA 06560 133 80 53 RA 04554 27E 23 17S 220 180 40 RA 04561 17S 27E 26 2 4 250 RA 01493 17S 27E 27 876 RA 03661 17S 27E 32 3 2 3 330 140 190 RA 03664 300 100 17S 27E 32 400

Record Count: 22

Bottom of Form 1

Declaration of Owner of Underground Water Right

ROSWELL UNDERGROUDAS	UND WATER BASIN
Declaration No. RA-7936	Date receivedJuly 10, 1991
STA	ATEMENT
	Dexter
	, State ofNM
(artes 7. Describe well location under one of the following subheadings:	sian or shallow water aquifer)
710'FNL 1650'FWL Work Sec.	11 Twp. 17S Rgc. 27E NMPM.
(ounly.	of the
c. X =	Lieut, N. M. Coordinate System Zo-
On land owned by Bogle Farms	Ge red
4. Description of well: date drilled 1990	driller Gary Keysdepth 101 feet
	sacity 4 gal. per min.; present capacity 4
gal. per min.; pumping lift 80 feet; static water le	
	Aermoter
Fractitional or percentage interest claimed in well	
5. Quantity of water appropriated and beneficially used	(nore feet per note) (nore feet per server)
C. Acreage actually irrigatedacress located and	described as follows (describe only lands actually irricated)
	Acres 0
Subdivisian Sec. Twp.	Range Irrigated Owner
(Hote: location of well and acceage actually it is	igated must be shown on plat on reverse side)
Water was first applied to beneficial use month	1990
	day year general described by the control of the above described by the control of the control o
as follows:	
	· · · · · · · · · · · · · · · · · · ·
. Additional statements or explanations	
· · · · · · · · · · · · · · · · · · ·	
Stuart Bogle	being first duly sween upon my early.
depose and say that the above is a full and complete sta-	tement prepared in accordance with the instructions on the re-
	enship of a walld underground water right, that I have considely the same are true to the best of my knowledge and lighted.
	Bogle Farms / Da Marian
	stuat tode
ubscribed and sworn to before me this	h Guer
ty commission appires July 11, 1991	Unita K Wagner Marie Fred to

New Mexico Office of the State Engineer POD Reports and Downloads

Township: 17S Range: 27E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All POD / Surface Data ReportAvg Depth to Water ReportWater Column Report

AVERAGE DEPTH OF WATER REPORT 08/03/2008

							(Depth	Water in	Feet)
Bsn	Tws	Rng Sec	Zone	X	Y	Wells	Mın	Max	Avg
RA	17S	27E 05				1	30	30	30
RA	17S	27E 07				· 1	14	14	14
RA	17S	27E 11				1	50	50	50
RA	17S	27E 16				5	175	260	194
RA	17S	27E 17				4	50	931	283
RA	17S	27E 18				2	60	111	86
RA	17S	27E 20				1	80	80	80
RA	17S	27E 23				1	40	40	40
RA	17S	27E 32				2	100	140	120

Record Count: 18

WELL RECORD

INSTRUCTIONS: This form should be executed in triplicate, preferably typewritten, and submitted to the nearest district office of the State Engineer. All sections, except Section 5, shall be answered as completely and accurately as possible when any well is drilled, repaired or deepened. When this form is used as a plugging record, only Section 1A and Section 5 need be completed.

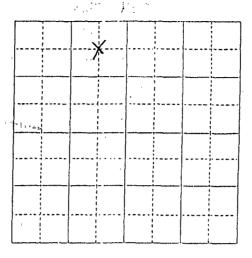
Section	1		(A) Own	(A) Owner of well Lowe Drilling Co								
			Ctunet on	J M				770				
			City	Midla	nd	State	Texas State					
			Well was	City Midland State Well was drilled under Permit No. RA 4554 NW 1/4 1/4 of Section Twp. (B) Drilling Contractor Owen Haynes Street and Number 805 Missouri								
<u> </u>	1		(B) Drill	(B) Drilling Contractor. Coven Haynes License No.								
ŀ			Street an	d Number.	805 1	lissouri						
<u> </u>	-		City	Artesia	*****	Jan 26 Feb 20	State	New Mexi	.co			
			Drilling	was comm	enced	Jan 26			19 62			
			Drilling v	was comple	eted	Feb 20			19			
Elevatio	Plat of 640 on at top o	of casing i	n feet above se ow or artesian	ea level		Total de	pth of well	220	40			
Section		en is snam				Depth to wa	ter upon com	pienon				
No.		in Feet	Thickness in									
	From			Feet								
1	190	210	20	Anyh								
2												
3				<u> </u>	· No. 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10		,					
4	`											
5		,										
Section	3			RECOR	RD OF CAS	SING						
Dia	Pounds			Depth				erforations				
in.	ft.	in		Bottom	20	Type Shoe	From	Т	.'o 			
7"	20	1	0			10116						
					_							
					<u> </u>							
Section	4		RECO	RD OF MUL	DDING AN	ID CEMENTING						
	th in Feet	Diame Hole in		1	acks of		Methods Used					
From	From To		n in. Clay	Cement								
						,						
	1											
Section	5			PLUG	SING REC	ORD						
Name o	of Pluggin	g Contrac	tor			····	License	No				
Name of Plugging Contractor License No. License No. Street and Number State												
Tons of Clay usedTons of Roughage usedType of roughage												
Plugging method used												
,00	g approve						gs were placed					
					No	Depth of P	No	. of Sacks Us	ed			
	Agricultural de la constantina	•\()	Basin Su		-	From 7	Го					
	FOR US	SE OF STA	TE PAGINEER (ONLY								
		331440.E	TE ENGINEER	416								
Date	Received											
		S: 25	DEC 15 PM	7961								
		0 11 ~	~ U	_	7 , 1)	/¬	7723	10-7			
File N	10. 1 <u>~</u> /	7 43	54	Use <i>(</i>	2 w 1	Locatio	on No. <u>/2.</u>	<u> </u>	./			

LOG OF WELL

Depth in Feet		Thickness		Type of Material Encountered			
From To		in Feet	Color				
01:	. 12	1.2	White	Calliche			
12	88	76	11	Anyh			
<u>. 88 </u>	160	72	Red	Red bed			
_160	190	30 \	White	Anyh			
190	220	30	1)	Broken Anyh			
				٦			
)	,			
	-						
		V	1				
4							

The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described well.

Owew Hayrox Well Driller Doction (a) II Township 17 S Marks 2 7 E 77.71, T.



IN..TI.UCTIONS

Declaration shall be executed (preferably types, itter) in triplicate and must be accompanied by a 11.00 filter, fee. Each of triplicate copies must be properly signed and attented.

A separate declaration must be filed for each well in use.

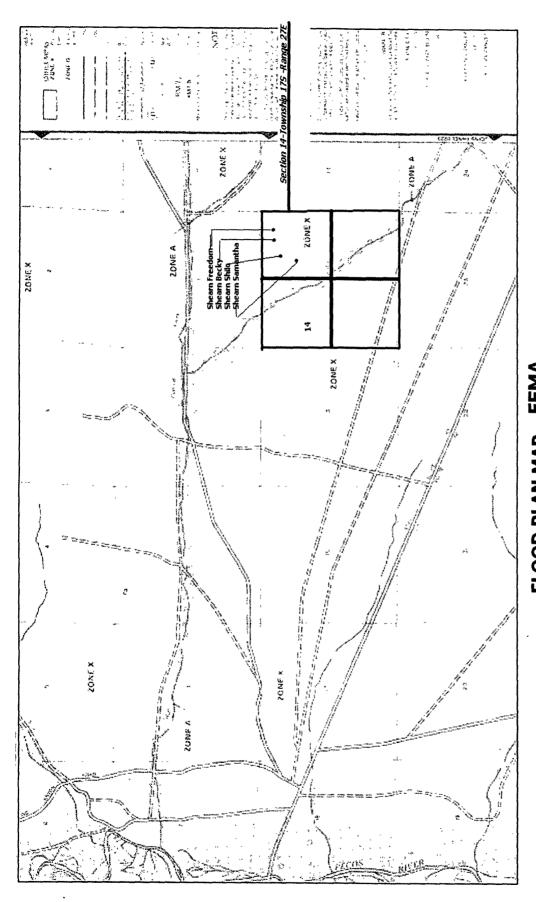
All blanks shall be filled out fully. Required information which cannot be awarn to by declarant shall be supplied by affidavit of person or persons familiar with the facts and shall be submitted becauth,

Secs. 1-3. Complete all blanks,

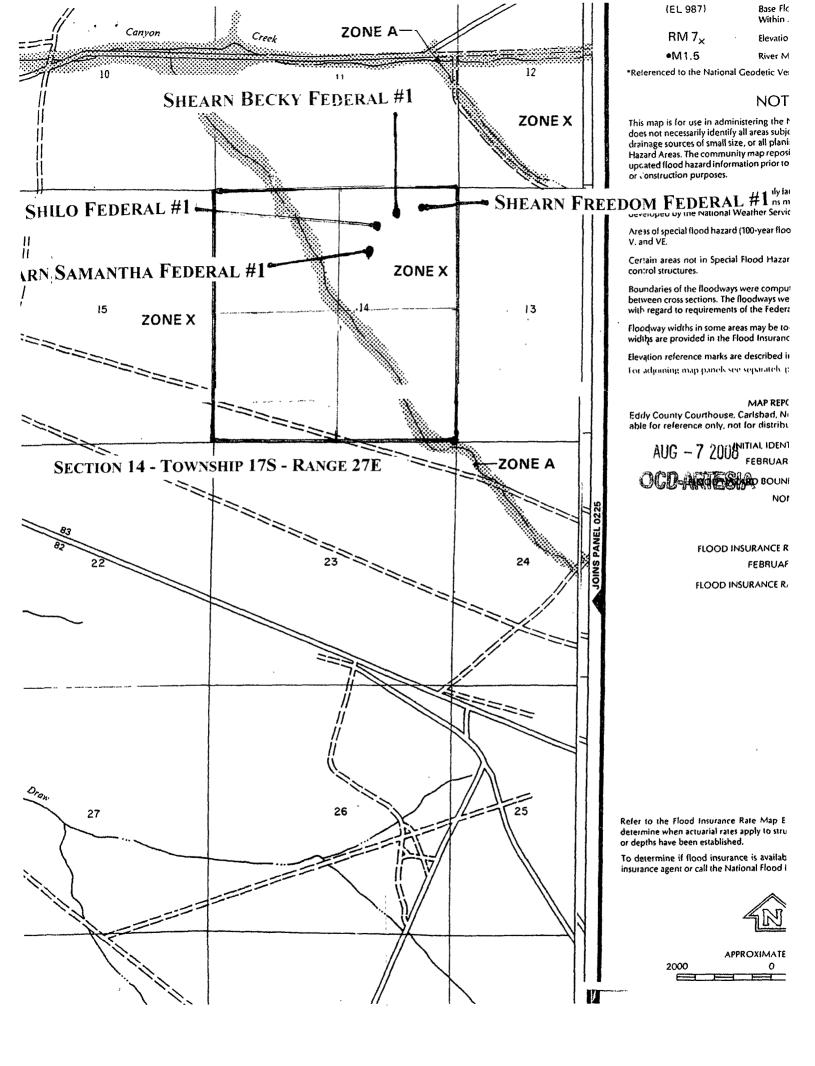
Sec. 4. Fill out all blanks applicable as fully as porable.

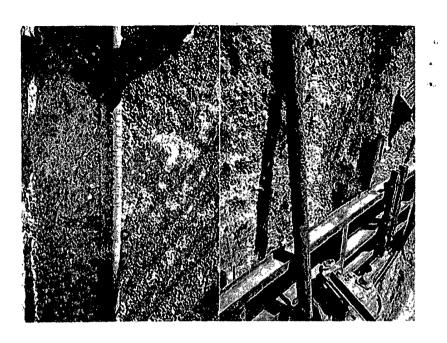
- Sec. 5. Irrigation and shall be stated in were feet of water per nere per year applied on the land. If used for domestic, municipal, or other purposes, acres total quantity in zero tect used annually.
- Sec. 6. Describe only the accorde actually irrigated. When necessary to covery define irrigated accesses, describe to nearest 2% acre subdivision. If located on unanavoyed lands, describe by local supdivision "as pre-jected" from the nearest government survey corners, or describe by motos and bounds and the survey to some permanent, enally-located natural object.
- Sec. 7. Explain and give dates as nearly as possible of any years when all or part of acreage distinct was not irrigated.
- Sec. 8. If well irrigates or supplies supplemental water to any other land then that described above, or if land is also irrigated from any other source, explain under this section. Give any other data necessary to fully describe water right.

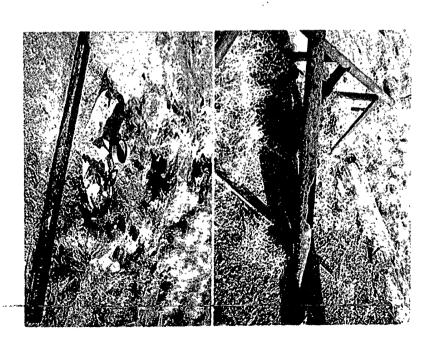
If additional space is necessary, use a separate electron beauti and attach securely hereto.



FLOOD PLAN MAP - FEMA
National Flood Insurance Progam Map
Eddy County, New Mexico
Panel No.:350120-0200R -Panel 200 of 1125
Effective Date: February 6, 1991
[See Full Size Map Attached]







ABANDOMENT MARKERS PREPARED FOR WELLS TO BE PLUGGED

SHEARN BECKY FEDERAL #1

SHEARN FREEDOM FEDERAL #2

SHEARN SAMANTHA FEDERAL #1

SHEARN SHILO FEDERAL #1

Operator shall place a steel marker at the Center of an On -Site Burial. Steel Marker shall be not less that four inches in diamter and shall be cemented in a three-foot deep hole at minimum. Steel Marker shall extend at least four-feet above mean ground level and at least three-feet below the ground. Operators Name, Lease Name, Well Number and Location, including Letter Section, Cownship and Range, and that marker designate an On-Site Burial location shall be welded, stamped or otherwise permanently engraved into the metal of steel marker.

C D MANAGEMENT

