

**Bratcher, Mike, EMNRD**

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**From:** Bratcher, Mike, EMNRD  
**Sent:** Monday, June 22, 2009 2:16 PM  
**To:** 'andrew.nguyen@meritenergy.com'  
**Cc:** 'Jim@JHCon.net'  
**Subject:** Lotsa Luck 29 Fed 3 Drilling Pit

Reference: Merit Energy Lotsa Luck 29 Federal 003 API # 30-015-33742 Location: G-29-16-27 Eddy County, New Mexico

Dear Mr. Nguyen,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a Pit Closure Proposal (Revised) dated May 26, 2009 and received by this office June 1, 2009. The Pit Closure Proposal was prepared and submitted on Merit Energy's behalf by Jim Hollon Consulting.

The Pit Closure Proposal is approved with the following stipulations:

- Submit a Form C-141 reporting the elevated contaminant levels encountered under the pit liner per 19.15.17 NMAC (pit rule)
- Submit a Form C-144 closure report within 60 days of completion of the pit closure per 19.15.17 NMAC.
- Compliance with any other applicable portion of 19.15.17 NMAC.
- BLM approval of the proposed disposition of the caliche at the site.
- Any other like approval by BLM as may be applicable.
- Please have the dirt work portion of the closure completed by July 22, 2009.

If I can be of assistance, or, if you have any questions, please contact me.

Sincerely,

Mike Bratcher  
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