MAY 27 2009

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 Proposed Alternative Method Permit or Closure Plan Application

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.
Operator: LIME ROCK RESOURCES A, L.P. OGRID #: 255333
Address: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401
Facility or well name: STALEY STATE #4
API Number: 30-015-36252 OCD Permit Number:
U/L or Qtr/Qtr N Section 30 Township 17-N Range 28-E County: Eddy
Center of Proposed Design: Latitude Longitude NAD: ☐1927 ☐ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 12 mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: 8571 bbl Dimensions: L 100' x W 80' x D 8'

3.
☐ **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: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: ☐ Welded ☐ Factory ☐ Other

4.
☐ **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: Thickness mil ☐ HDPE ☐ PVC ☐ Other

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

Final Closure 1/9/09

Spud Date 6/23/08

6.

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, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify_____

7.

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 office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

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 acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

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	☐ Yes ☐ 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 pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
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

11.
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 and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
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.

- ☐ 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)*

13.
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
- ☐ Liner Specifications and Compatibility Assessment - 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
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, 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

14.
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
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ 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 I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ 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 operations:

☐ 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 I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data 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; Data 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; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
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. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
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; 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

18.

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 19.15.17.11 NMAC

☐ 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

☐ 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 H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

21.
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:** 1/9/09

22.
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.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

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

24.
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 N32.8004245 Longitude W104.2167497 NAD: ☒ 1927 ☐ 1983

25.
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): Mike Pippin Title: Petroleum Engineer

Signature: Mike Pippin Date: May 25, 2009

e-mail address: mike@pippinllc.com Telephone: 505-327-4573

Accepted for record
NMOCD

MAY 27 2009

POWER OF ATTORNEY

DESIGNATION OF AGENT

LIME ROCK RESOURCES A, L.P. hereby names the following person as its agent:

Name of Agent: Mike Pippin, Pippin LLC

Agent's Address: 3104 N. Sullivan, Farmington, NM 87401-2017

Agent's Telephone Number: (505) 327-4573

GRANT OF SPECIAL AUTHORITY

LIME ROCK RESOURCES A, L.P. grants its agent the authority to act for it with respect to the following only:

1. Executing forms required to be filed with the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department.

2. Executive forms required to be filed with the Bureau of Land management of the Department of Interior of the United States of America.

EFFECTIVE DATE

This power of attorney is effective immediately.

RELIANCE ON THIS POWER OF ATTORNEY

Any person, including the agent, may rely upon the validity of this power of attorney or a copy of it unless that person knows it has terminated or is invalid.

SIGNATURE AND ACKNOWLEDGMENT

LIME ROCK RESOURCES A, L.P.

By: _____

Name: Charles Adcock

Title: Managing Director

Date: February 9, 2009

Address: 1111 Bagby Street, Suite 4600, Houston, TX 77002

Telephone Number: (713) 292-9512

State of TEXAS
County of HARRIS

This instrument was acknowledged before me on 11th of February 2009 by Charles Adcock, Managing Director of LIME ROCK RESOURCES A, L.P. acting on behalf of said limited partnership.

Signature of Notarial Officer: _____
My commission expires: August 5, 2012

TERRIE POOL
Notary Public, State of Texas
My Commission Expires
August 05, 2012

LIME ROCK RESOURCES A, L.P.
PIT CLOSURE

Block #24, Box #4
The attached analytical data was taken & analyzed by Cardinal Laboratories and passed all the State criteria.

Block #24, Box #6
Liquid was hauled to Ray Westhall Operating, Inc. State CG SWD #1 permit #R-3221. Solids were hauled to Controlled Recovery Inc., permit #R-9166.

Block #24, Box #7
The pit was filled with clean excavated dirt and covered with 3 feet of top soil.

Block #24, Box #8
This well will not be reseeded until 7/1/09 due to the current drought conditions and the seasonal rain expected in July. The seed mixture we plan to use consists of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through tow successive growing seasons.

LIME ROCK RESOURCES

October 20, 2008

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
Santa Fe, New Mexico 87505

Re: Notice of Pit Closure
Staley State #4
T17S, R28E, Section 30: SE SW
Staley State #7
T17S, R28E, Section 30: NE SE

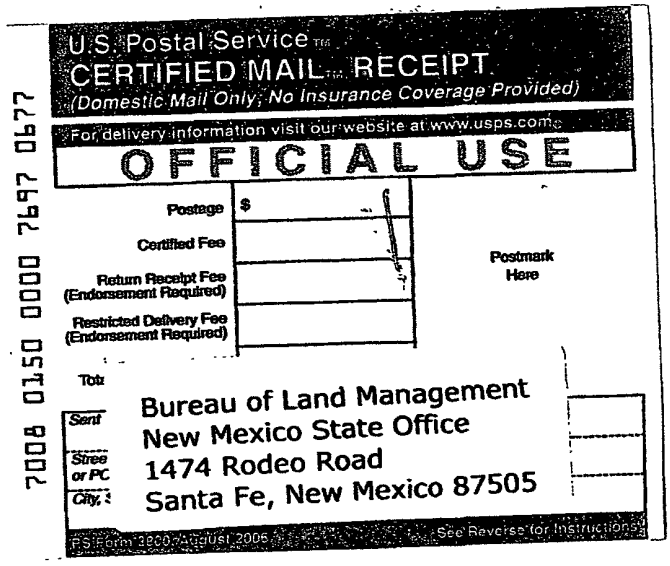
Pursuant to New Mexico Oil Conservation Division Rule 19.15.17.13 concerning closure of reserve pits, Lime Rock is giving you, as surface owner, notice that Lime Rock Resources will be closing the pits on the locations of the Staley State #4 and the Staley State #7 wells.

Should you have any questions or require additional information, please contact me at 713/292-9548.

Sincerely,

Chuck L. Reagan

Cc: Carlsbad Field Office
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220



(575) 746-6124 Office
(575) 365-6414 Cellular
(575) 748-8761 Fax

DOZER-BACKHOE
MORGAN
TOOLS CO., LLC
CARL MORGAN

Post Office Box 1122
1908 South First Street
Artesia, New Mexico 88211-1122

DATE	INVOICE #
1/20/2009	18378

BILL TO

LIME ROCK RESOURCES, INC.
ATTN: JERRY SMITH
PO BOX 1302
ARTESIA, NM 88211-1302

AUTHORIZATION	TERMS	LOCATION
SEE BELOW	JS	SEE BELOW

QUANTITY	DESCRIPTION	RATE	AMOUNT
	1-16-09 WELL NAME / LOCATION STALEY STATE #004 SEC 30 - T 17 SOUTH - R 28 EAST EDDY COUNTY, NEW MEXICO REMOVED ALL DRILLING MUD AND HAULED TO CRI; TOOK SOIL SAMPLES TO CARDINAL LABS; BACKFILLED WITH CLEAN MATERIAL AND TOP SOIL; SEEDED PAD WITH APPROVED SEED.		
	Sales Tax	20,920.00 7.0625%	20,920.00T 1,477.48

Field SDX
Lease/Well Staley State #4
☑ AFE # D0804
☐ LOE
Acct. Code 322/112
Approved by JBA
Date 1/26/09 2/4/09

$22,397.48

Thank You For Your Business!

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
(575) 393-2326 Fax (575) 393-2476

Page____ of____

Company Name: Morgan Tools	**BILL TO**
Project Manager: Stephen Wilson	P.O. #:
Address: 1908 South 1st	Company: Same
City: Artesia State: NM Zip: 88210	Attn:
Phone #: 575-746-6124 Fax #: 748-8761	Address:
Project #: 30-015-36257 Project Owner: LimeRock	City:
Project Name: Staley State #004	State: Zip:
Project Location: Sec 30 - T17S - R28E	Phone #:
Sampler Name: Stephen Wilson	Fax #:

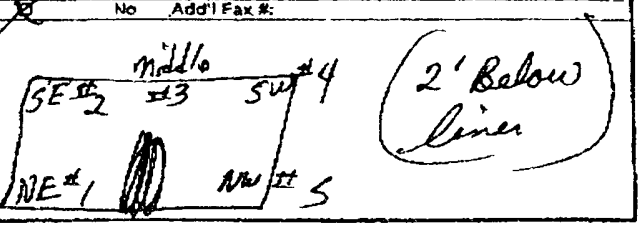
FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		ANALYSIS REQUEST													
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME	BTEX 8021B	TPH 418.1	TPH 1005	CL 300.1										
H16dda3-1	NE #1					X							1/12/09	9:30	X	X	X	X										
-2	SE #2					X							—	9:30	X	X	X	X										
-3	middle #3					X							—	9:30	X	X	X	X										
-4	SW #4					X							—	9:30	X	X	X	X										
-5	NW #5					X							—	9:30	X	X	X	X										

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished: Stephen Wilson	Date: 1-12-09 Time: 9:30 AM	Received By:	
Relinquished By: Mike Cornelius	Date: 1-12-09 Time: 11:15	Received By: Misty Kilbert	
Delivered By: (Circle One) Sampler - UPS - Bus - Other	Temp:	Sample Condition Cool: Yes / No Intact: Yes / No	CHECKED BY: (Initials) MK

Phone Result: ☐ No Add'l Phone #:
Fax Result: ☒ No Add'l Fax #:

REMARKS:



† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
MORGAN TOOLS
ATTN: STEPHEN WILSON
1908 SOUTH 1ST
ARTESIA, NM 88210
FAX TO: (575) 748-8761

Receiving Date: 01/12/09
Reporting Date: 01/13/09
Project Number: 30-015-36252
Project Name: STALEY STATE #004
Project Location: SEC 30-T17S-R28E

Sampling Date: 01/12/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/kg)	DRO (>C_{10}-C_{28}) (mg/kg)	418.1 TOTAL TPH (mg/kg)	Cl* (mg/kg)
ANALYSIS DATE		01/12/09	01/12/09	01/12/09	01/12/09
H16663-1	NE #1	<10.0	<10.0	<100	48
H16663-2	SE #2	<10.0	<10.0	<100	16
H16663-3	MIDDLE #3	<10.0	<10.0	<100	144
H16663-4	SW #4	<10.0	<10.0	<100	<16
H16663-5	NW #5	<10.0	<10.0	<100	<16
Quality Control		455	479	316	490
True Value QC		500	500	300	500
% Recovery		91.0	95.8	105	98.0
Relative Percent Difference		7.2	5.9	0.6	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; Cl-: Std. Methods 4500-Cl-B
*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

01/14/09
Date

H16663 TPH2CL MT

CARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
MORGAN TOOLS
ATTN: STEPHEN WILSON
1908 SOUTH 1ST
ARTESIA, NM 88210
FAX TO: (575) 748-8761

Receiving Date: 01/12/09
Reporting Date: 01/13/09
Project Number: 30-015-36252
Project Name: STALEY STATE #004
Project Location: SEC 30-T17S-R28E

Sampling Date: 01/12/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		01/12/09	01/12/09	01/12/09	01/12/09
H16663-1	NE #1	<0.050	<0.050	<0.050	<0.300
H16663-2	SE #2	<0.050	<0.050	0.071	<0.300
H16663-3	MIDDLE #3	<0.050	<0.050	<0.050	<0.300
H16663-4	SW #4	<0.050	<0.050	<0.050	<0.300
H16663-5	NW #5	<0.050	<0.050	<0.050	<0.300
Quality Control		0.047	0.045	0.046	0.135
True Value QC		0.050	0.050	0.050	0.150
% Recovery		94.0	90.0	92.0	90.0
Relative Percent Difference		5.6	2.0	5.1	5.7

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES.

Chemist

01/14/09
Date

H16663 BTEXMF

STALEY STATE #4 30-015-36252