

Muk

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



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

AUG - 7 2008

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. Operator: C & D MANAGEMENT COMPANY dba FREEDOM VENTURES OGRID #: 231382
Address: 4801 Lang NE, Suite #110, Albuquerque, New Mexico, 87109
Facility or well name: Shearn Samantha Federal #1
API Number: 30-015-31059 OCD Permit Number: _____
U/L or Qtr/Qtr G Section 14 Township T17S Range R27E County: Eddy County
Center of Proposed Design: Latitude 32.8368168747 Longitude 104.245786315 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 20 MIL mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____
See attached Manufactures Technical Specifications Sheet

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: Thickness _____ mil ☐ 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: 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.

0208412

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.	See attached Bureau of Hydrology Print-Out - Attached Hereto	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells		
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).		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- Topographic map: Visual inspection (certification) of the proposed site		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to temporary, emergency, or cavitation pits and below-grade tanks</i>)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
- Visual inspection (certification) of the proposed site; Aerial photo: Satellite image		
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (<i>Applies to permanent pits</i>)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site		
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.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- Written confirmation or verification from the municipality; Written approval obtained from the municipality		
Within 500 feet of a wetland.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site		
Within the area overlying a subsurface mine.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division		
Within an unstable area.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map		
Within a 100-year floodplain.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
- FEMA map		

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: _____

Temporary Work Over Pit for Plugging Well. All materials and displaced fluids will be disposed of, and transported by OK Hot Oil Service & Controlled Recovery, Inc. Permit #R9166

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 H₂S. 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)

Temporary Work Over Pit for Plugging Wells. All materials and displaced fluids will be disposed of and transported by OK Hot Oil Services and Controlled Recovery, Inc. [Permit No. R9166]

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

Temporary Work Over Pit Disposal

36.

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

R9166

Disposal Facility Name: Controlled Recovery, Inc.
Hobbs/Halfway, New Mexico

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. Not Applicable

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. Not Applicable:

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): Thomas Kizer Title: President

Signature: _____ Date: August 6, 2008

e-mail address: oilfreedom@aol.com Telephone: (505) 417-1511 --- (814) 688-3297

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

OCD Representative Signature: _____ Approval Date: AUG 15 2008

Signed By Mike Brennan Title: _____

OCD Permit Number: 0208412

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: _____

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 identify 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 _____ Longitude _____ 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): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____



C&D MANAGEMENT COMPANY



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 for an extension of time with the Bureau of Land Management has been made to comply with the OCD New Pit Rules. [New Form July 21, 2008]

We hereby request that the Artesia/OCD give this submission of this application and its attachments an 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 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.

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. Technical Specifications of 20 MIL WOVEN BLACK/BLACK

Pit Liner from W T Plastics, LTD, Midland, Texas. Installation by Mesquite Oil Services, Artesia, New Mexico.

7. Photographs of Abandonment - On-Site Burial Markers

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.

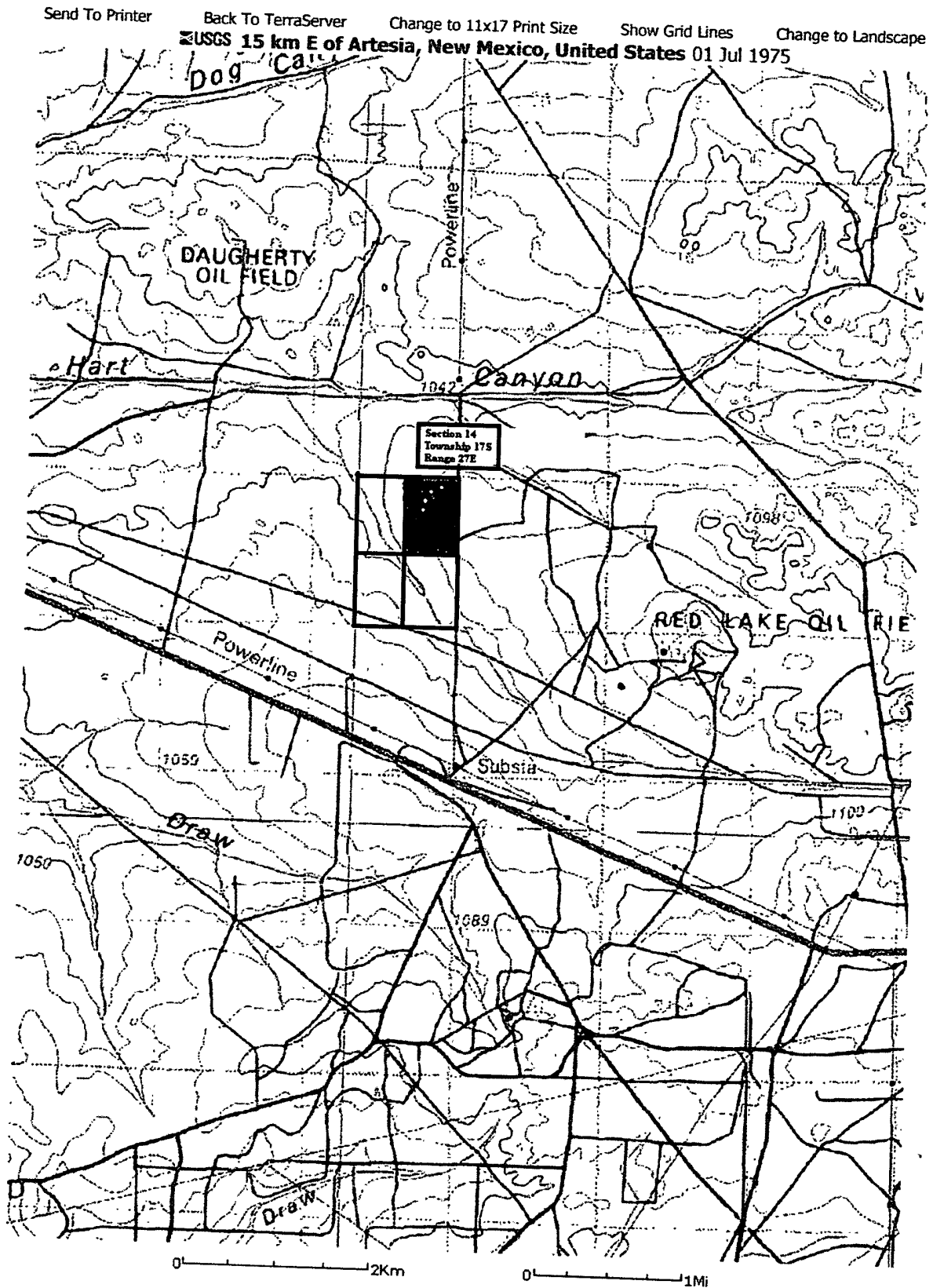
Thanking you in advance for your expeditious affirmative response .

Respectfully submitted,

C D-MANAGEMENT COMPANY
DBA FREEDOM VENTURES

Thomas Kizer
President





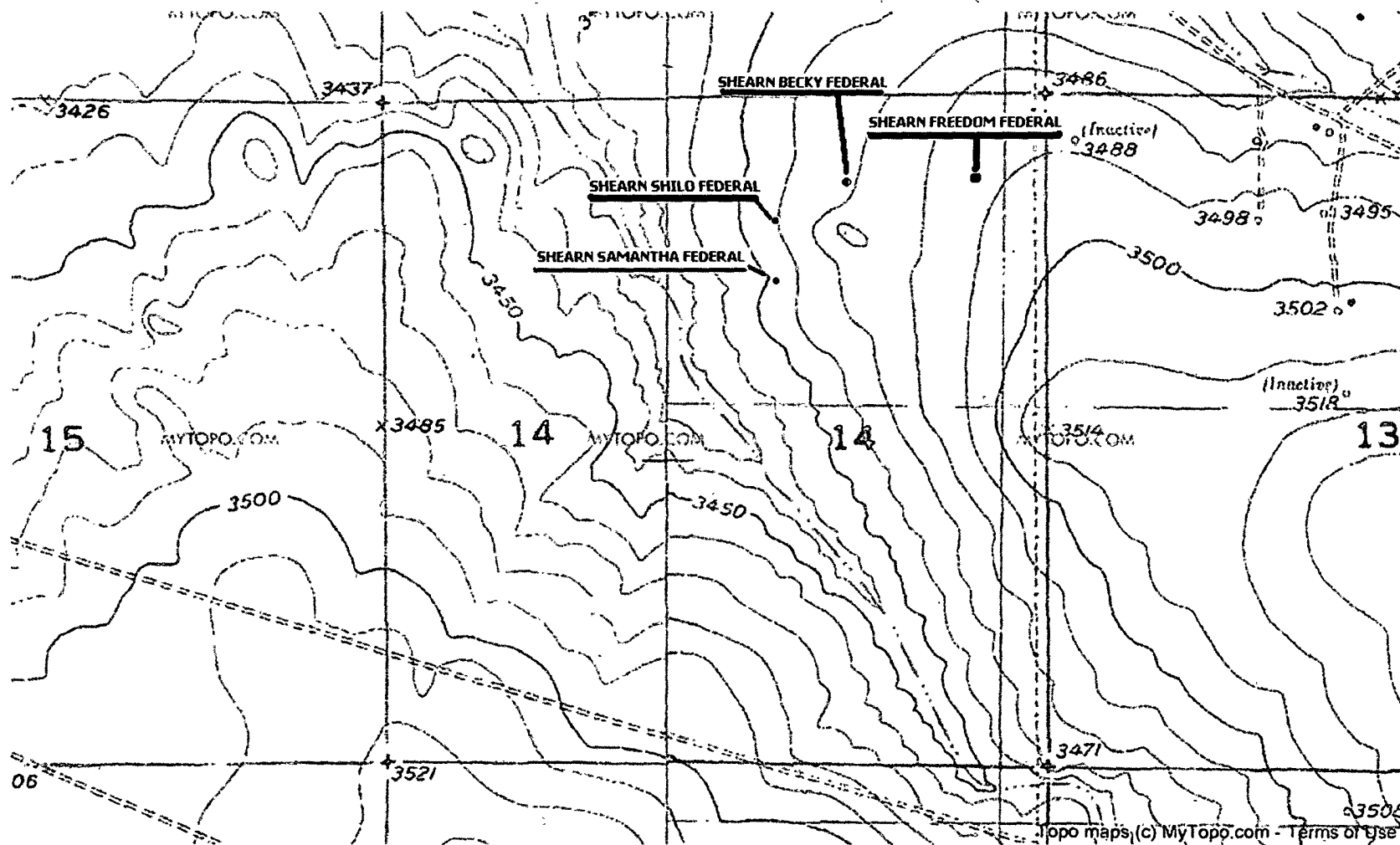
Well_Name: SHEARN BECKY FEDERAL API #: 3001534440
Property Number.: 001 Location: B-14-17.05-27E , 660 FNL, 1650 FEL
Lat:32.8395355867 Long:-104.246202157
County: EddyLand Type: Federal Well :Elevation GL: 3470

Well_Name: SHEARN SHILO FEDERAL API #: 3001531061
Property Number.: 001 Location: B-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 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 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 :Elevation GL: 3471

SECTION 14, TOWNSHIP 17 SOUTH, RANGE 27



Location: 32.8431063, -104.266777 |

FREEDOM VENTURES - C D MANAGEMENT

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

TEMPORARY PIT SPECIFICATIONS:

DIMENSIONS: 15 FT X 15 FT

DEPTH: 3 FEET

PROTECTIVE LINER : 20 MIL LINER: WOVEN [SPECIFICATIONS ATTACHED]

TRANSPORT OF DISPLACEMENT FLUIDS:

PROTECTIVE LINING TRENCH [12" Depth] OR HOSE PIPE FROM WELL TO PIT

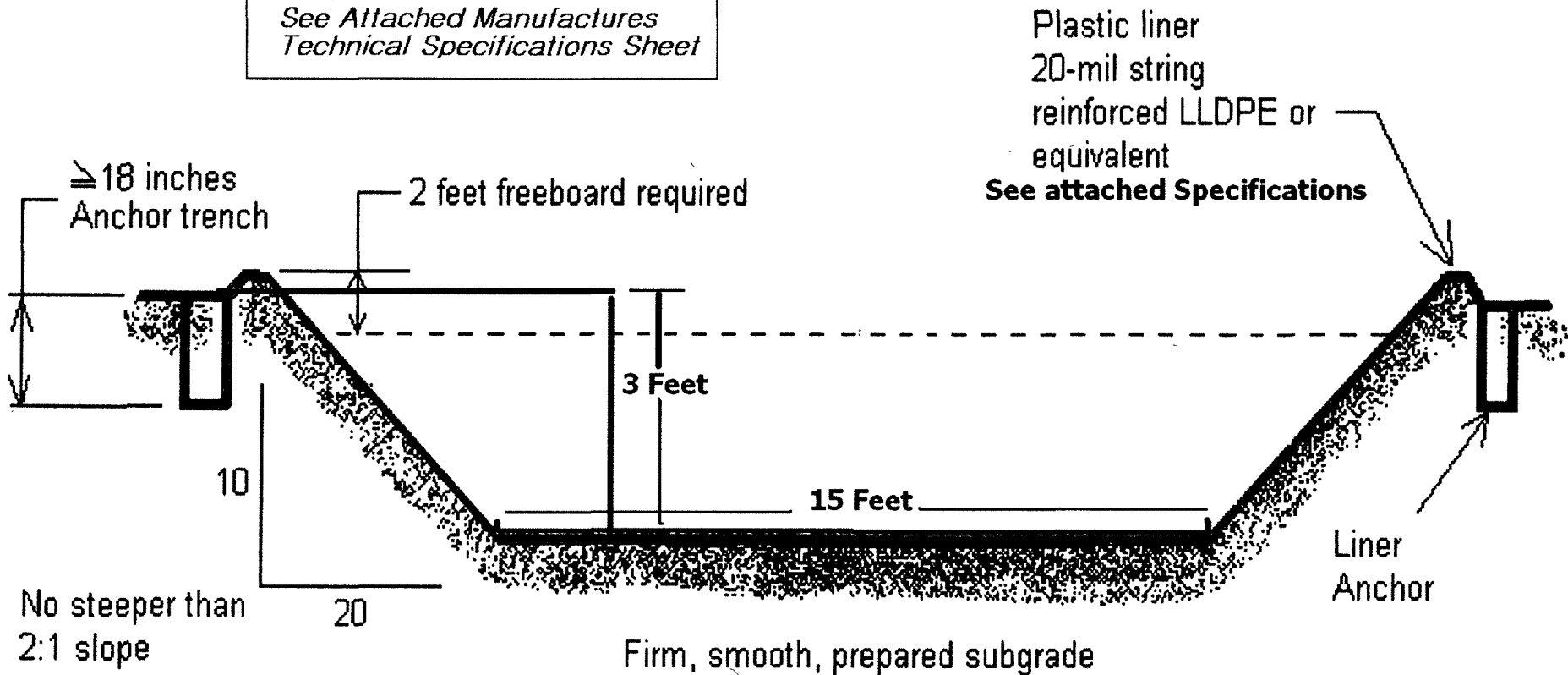
TEMPORARY PIT PREPARED BY: MESQUITE SERVICES, ARTESIA, NEW MEXICO

DISPOSAL OF FLUIDS AND PIT LINER MATERIAL

OK Hot Oil Services, Loco, New Mexico

Controlled Recovery, Inc., Halfway, New Mexico
Waste Disposal Permit: R9166

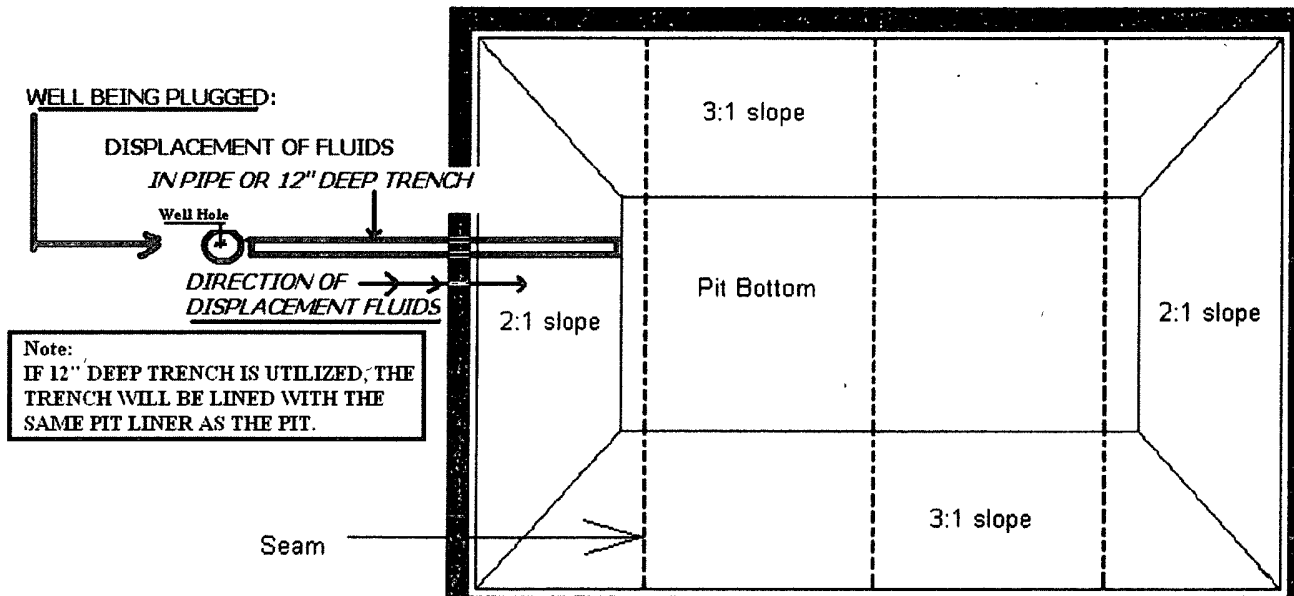
*Pit Liners:
See Attached Manufactures
Technical Specifications Sheet*



TEMPORARY PIT DESIGN AND CONSTRUCTION

DISPOSAL OF DISPLACEMENT FLUIDS: And all materials, including Pit Liner

- ☐ 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

W T Plastics, Ltd.

Phone 432-563-4005
Fax 432-561-5209
Toll Free 800-583-6005

P.O. Box 60004
Midland, Texas 79711

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

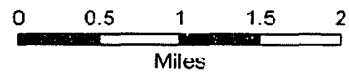
Made from high density polyethylene tapes, coated on two sides with low density polyethylene.

PROPERTIES	UNIT	VALUES	TEST METHOD
Unit Weight	oz/yd ²	8.9	ASTM D3775
Warp Construction	Tapes/in	Warp 16 Weft 16	ASTM D3775
Widths	in	up to 144	
Tensile Grab Strength	lbf	Warp/Weft 342	ASTM D751
Tear Strength *(longue)	lbf	Warp/Weft 117	ASTM D751
Tear Strength (trapezoidal)	lbf	Warp/Weft 90	ASTM D751
Scrim Color		Black	
Coating Thickness	mil	Black 2.5	ASTM D1777 MOD
Carbon Dispersion		> % 2	ASTM D3015
Oil Resistance Strength (retained %)	%	Warp 87	ASTM D882
Oil Resistance Strength (retained %)	%	Weft 97	ASTM D882
Low Temperature Bend	-95 F	No Crack	ASTM D2136
Mullen Burst Strength	psi	551	ASTM D751
Moisture Vapor Transmission	g/(m ² *24hrs)	.1	ASTM E96-92 proc A
Water Permeance	g/(m ² *24hrs)	0	ASTM E4491
Puncture Resistance	lbs	greater than 180	ASTM 4833
1" Tensile Strength	lbf	200	ASTM D382
1" Tensile Elongation	%	15	ASTM D382
Nominal Thickness	mil	20	ASTM D1777 MOD

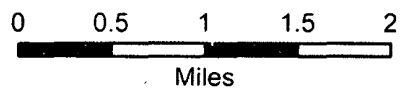
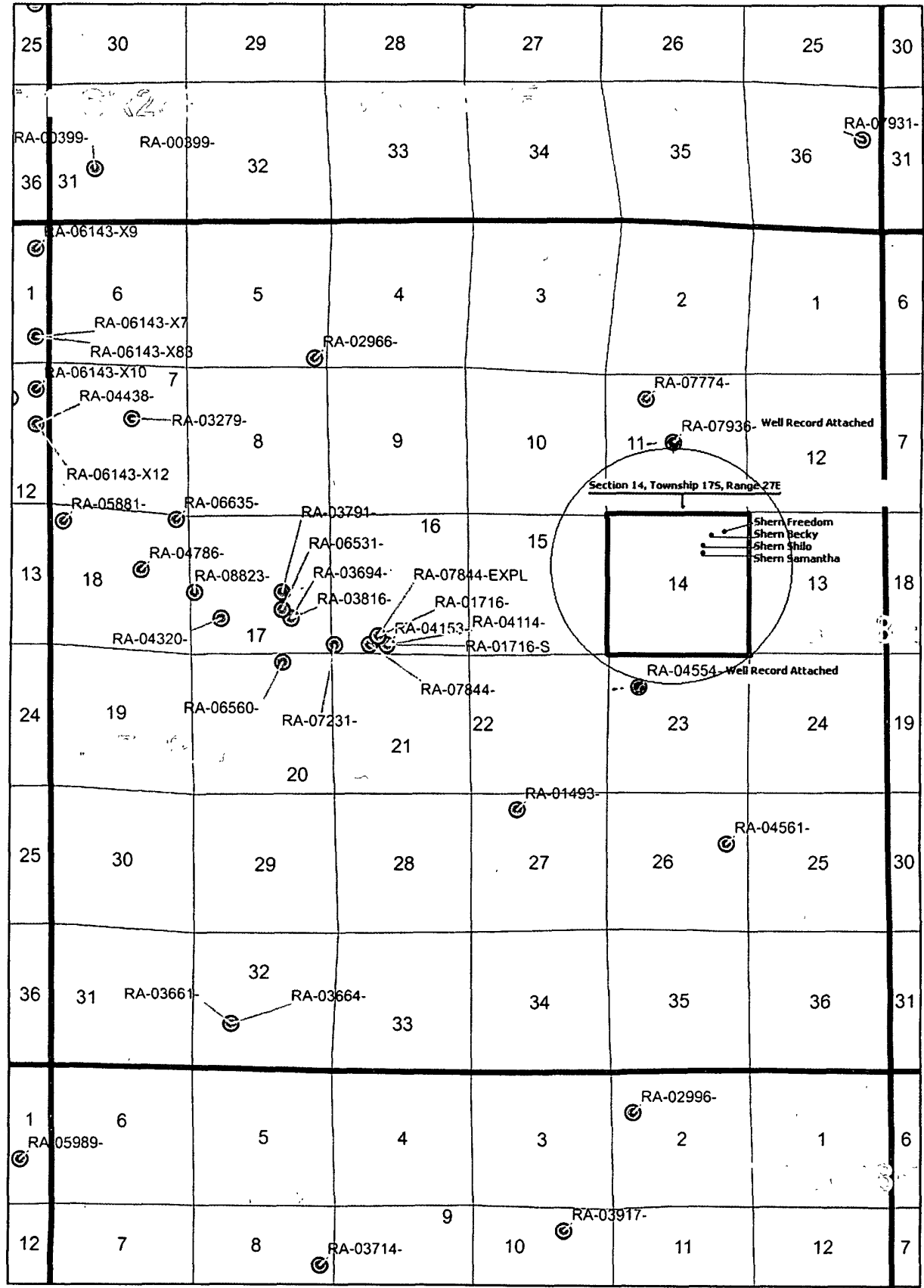
*Includes force to shift tapes - Tear may be crosswise to direction of force

TGLB5B5 contains ultraviolet inhibitors and is suitable for outdoor applications

Note: to the best of our knowledge, these are typical property values and are intended as guides only. Not as specification limits. WEST TEXAS PLASTICS, 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 liability for resulting loss or damage.



Map Provided by: New Mexico Bureau of Hydrology



**FREEDOM VENTURES -
C&D MANAGEMENT**

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

POD / SURFACE DATA REPORT 08/03/2008

(acre ft per annum)			(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest X Y are in Feet UTM are in Meters)										Start		Finish		Depth	Depth (in feet)			
DB File Nbr	Use	Diversion	Owner	POD Number	Source	Tws	Rng	Sec	q	q	q	Zone	X	Y	UTM Zone	Easting	Northing	Date	Date	Well	Water
RA 01493	IRR	3	JULIAN MONTOYA	RA 01493	Artesian	17S	27E	27	1	2		13	568468	3630529					01/01/1908	876	
RA 01716	COM	63.6	RIVERSIDE MUTUAL DOMESTIC ASSO	RA 01716	Artesian	17S	27E	16	3	4		13	566854	3632521							
				RA 01716 S	Artesian	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	4			13	565854	3632721	01/26/1957	02/02/1957			300		90
RA 03791	DOM	0	C. L. BOWEN	RA 03791		17S	27E	17	4	1	2	13	565747	3633021							
RA 03816	DOM	3	R. D. COLLIER	RA 03816	Artesian	17S	27E	17	4			13	565854	3632721	01/22/1958	01/22/1958			945		931
RA 04114	DOM	3	J. HIRAM MOORE	RA 04114	Artesian	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	Artesian	17S	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	Artesian	17S	27E	17	3			13	565053	3632719	10/25/1960	11/05/1960			120		50
RA 04554	PRO	0	LOWE DRILLING COMPANY	RA 04554	Artesian	17S	27E	23	1			13	569859	3631947	01/26/1962	02/20/1962			220		40
RA 04561	PRO	0	LOWE DRILLING CO	RA 04561		17S	27E	26	2	4		13	570871	3630142					250		
RA 04786	DOM	3	DAVE COLLIER	RA 04786	Artesian	17S	27E	18	2	3	4	13	564133	3633277	02/27/1963	03/02/1963			138		111
RA 05881	PUB	0	WOODS CONSTRUCTION CO.	RA 05881		17S	27E	18	1	1		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	17S	27E	20	2	1	2	13	565757	3632217	08/22/1979	08/24/1979			133		80
RA 06635	DOM	3	RANGER C. KARR	RA 06635	Shallow	17S	27E	18	2	2	2	13	564531	3633852	04/13/1980	04/16/1980			325		60
RA 07231	MUL	0	FERN WILSON	RA 07231		17S	27E	16	3	3	3	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	17S	27E	16	3	4	3	13	566753	3632420	08/23/1990	09/07/1990			1300		180
RA 07844 EXPL	EXP	0	RIVERSIDE WATER USERS ASSOC.	RA 07844 EXPL	Artesian	17S	27E	16	3	4		13	566854	3632521	08/23/1990	09/07/1990			1300		180
RA 07936	STK	1.54	BOGLE FARMS	RA 07936		17S	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

AVERAGE DEPTH OF WATER REPORT 08/03/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	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

LOG FILED

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) Owner of well Lowe Drilling Co

Street and Number _____
City Midland State Texas
Well was drilled under Permit No. RA 4554 and is located in the
NW $\frac{1}{4}$ 1/4 $\frac{1}{4}$ of Section 23 Twp. 17 Rge. 27
(B) Drilling Contractor Owen Haynes License No. WD 318
Street and Number 805 Missouri
City Artesia State New Mexico
Drilling was commenced Jan 26 19 62
Drilling was completed Feb 20 19 62

(Plat of 640 acres)

Elevation at top of casing in feet above sea level 220 Total depth of well 40
State whether well is shallow or artesian shallow Depth to water upon completion 40

Section 2

PRINCIPAL WATER-BEARING STRATA

No.	Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation
	From	To		
1	190	210	20	Anyh
2				
3				
4				
5				

Section 3

RECORD OF CASING

Dia in.	Pounds ft.	Threads in	Depth		Feet	Type Shoe	Perforations	
			Top	Bottom			From	To
7"	20	10			20	None		

Section 4

RECORD OF MUDDING AND CEMENTING

Depth in Feet		Diameter Hole in in.	Tons Clay	No. Sacks of Cement	Methods Used
From	To				

Section 5

PLUGGING RECORD

Name of Plugging Contractor _____ License No. _____
Street and Number _____ City _____ State _____
Tons of Clay used _____ Tons of Roughage used _____ Type of roughage _____
Plugging method used _____ Date Plugged _____ 19 _____
Plugging approved by: _____ Cement Plugs were placed as follows:

No.	Depth of Plug		No. of Sacks Used
	From	To	

Basin Supervisor _____

FOR USE OF STATE ENGINEER ONLY

Date Received 1962 DEC 12 PM 2:25

File No. RA 4554 Use OWD Location No. 17.27.23.100

Section 6

LOG OF WELL

[illegible]

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.

Queen Haynes
Well Driller

IMPORTANT — READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM.

Declaration of Owner of Underground Water Right

ROSSELL UNDERGROUND WATER BASIN

BASIN NAME

Declaration No. RA-7936 Date received July 10, 1991

STATEMENT

- Name of Declarant Bogle Farms
Mailing Address P.O. Drawer 460 Dexter
County of Chaves State of NM
- Source of water supply Shallow Water
(artesian or shallow water aquifer)
- Describe well location under one of the following subheadings:
a. 710' FNL 1650' FWL % of Sec. 11 Twp. 17S Rge. 27E Eddy County.
b. Tract No. _____ of Map No. _____ of the _____
c. X = _____ feet, Y = _____ feet, N. M. Coordinate System _____ Zone _____
in the _____ County.
On land owned by Bogle Farms
- Description of well: date drilled 1990 driller Gary Keys depth 101 feet.
outside diameter of casing 6" inches; original capacity 4 gal. per min.; present capacity 4 gal. per min.; pumping lift 80 feet; static water level 80 feet (above) (below) land surface;
make and type of pump Windmill 12' Aermoter
make, type, horsepower, etc., of power plant _____
Fractional or percentage interest claimed in well 100%
- Quantity of water appropriated and beneficially used 1.54
(acre feet per acre) (acre feet per annum)
for Livestock & Wildlife purposes.
- Acreage actually irrigated _____ acres; located and described as follows (describe only lands actually irrigated):

Subdivision	Sec.	Twp.	Range	Acres Irrigated	Owner

(Note: location of well and acreage actually irrigated must be shown on plot on reverse side.)

- Water was first applied to beneficial use 1990 and since that time has been used fully and continuously on all of the above described lands or for the above described purposes except as follows: _____

- Additional statements or explanations: _____

I, Stuart Bogle bring first duly sworn upon my oath, depose and say that the above is a full and complete statement prepared in accordance with the instructions on the reverse side of this form and submitted in evidence of ownership of a valid underground water right, that I have carefully read each and all of the items contained therein and that the same are true to the best of my knowledge and belief.

Bogle Farms

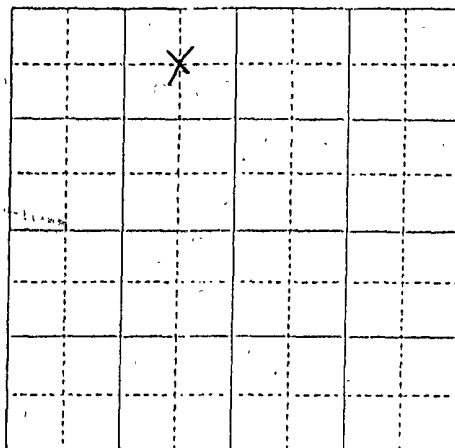
by: Stuart Bogle

Subscribed and sworn to before me this 12th day of June, A.D. 1991
My commission expires July 11, 1991 Anita K. Wagner Notary Public

711-211-1700

Locate well and area actually irrigated as accurately as possible on wing plot:

Section (s) 11 Township 17S Range 27E N. T. R. R.



INSTRUCTIONS

Declaration shall be executed (preferably typewritten) in triplicate and must be accompanied by a \$1.00 filing fee. Each of triplicate copies must be properly signed and attested.

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

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

Secs. 1-3. Complete all blanks.

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

Sec. 5. Irrigation use shall be stated in acre feet of water per acre per year applied on the land. If used for domestic, municipal, or other purposes, state total quantity in acre feet used annually.

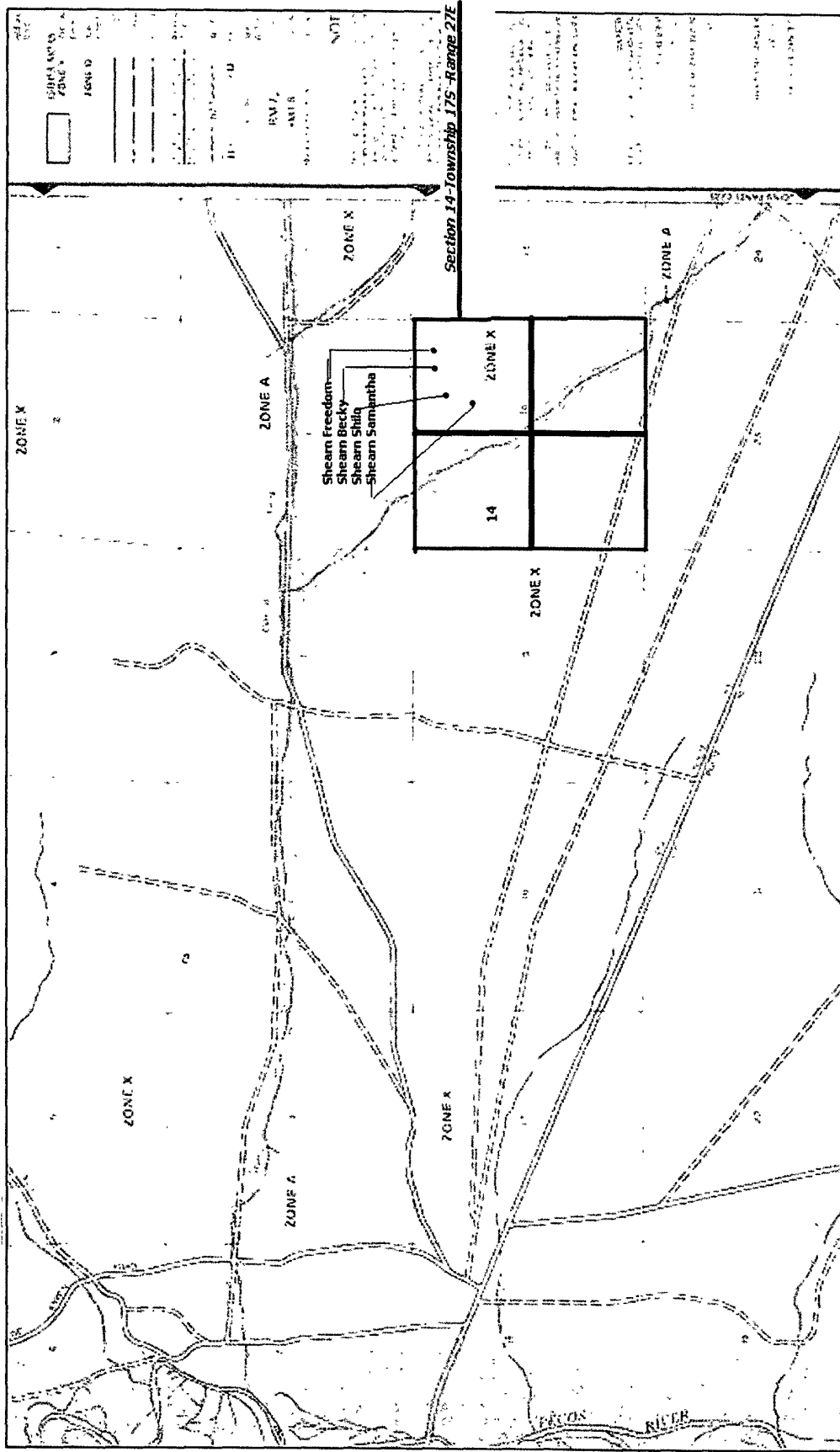
Sec. 6. Describe only the acreage actually irrigated. When necessary to clearly define irrigated acreages, describe to nearest $2\frac{1}{2}$ acre subdivision. If located on unsurveyed lands, describe by legal subdivision "as projected" from the nearest government survey corners, or describe by metes and bounds and tie survey to some permanent, easily-located natural object.

Sec. 7. Explain and give dates as nearly as possible of any years when all or part of acreage claimed was not irrigated.

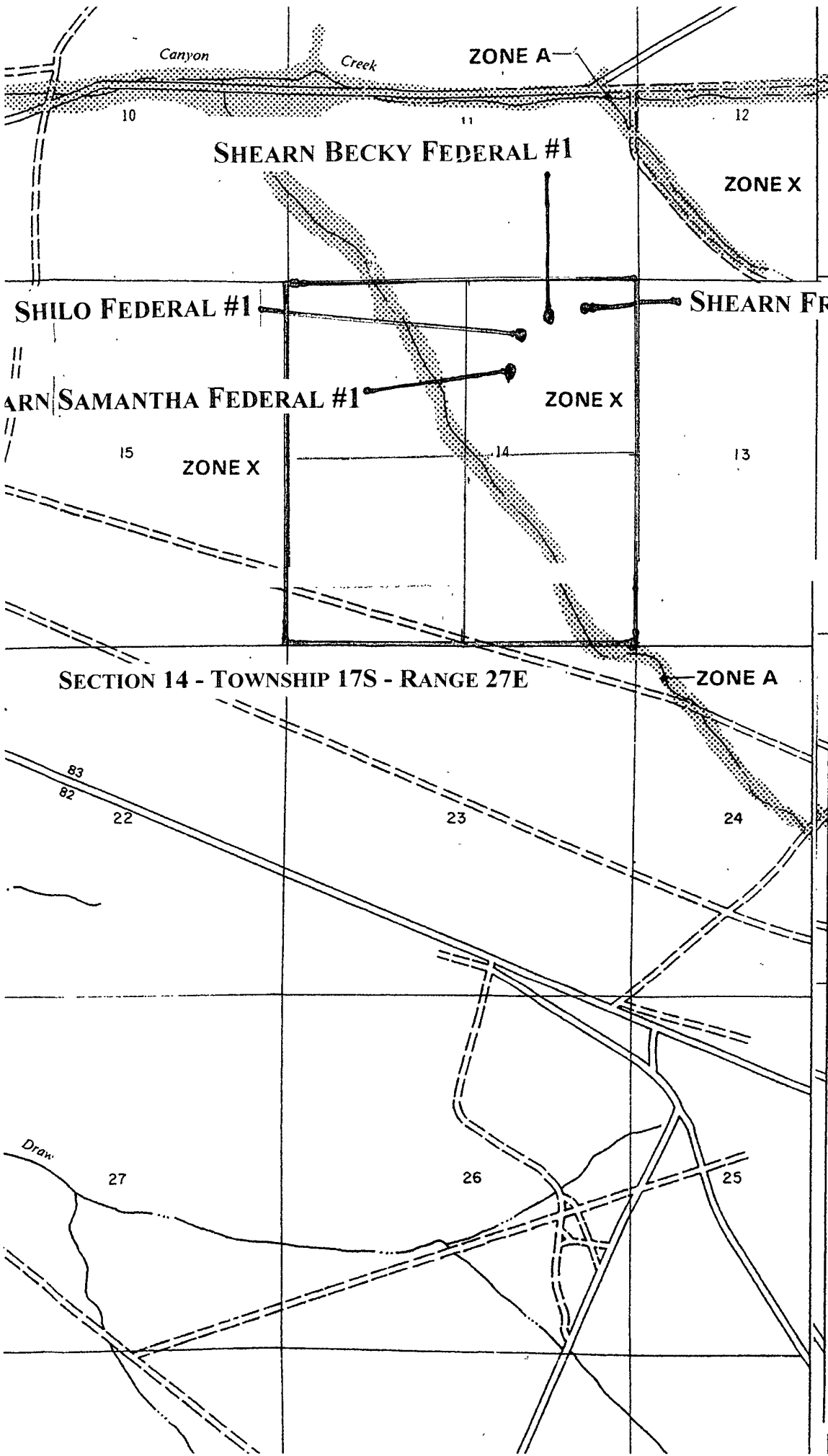
Sec. 8. If well irrigates or supplies supplemental water to any other land than that described above, or if land is also irrigated from any other source, explain under this section. Give any other data necessary to fully describe water right.

If additional space is necessary, use a separate sheet or sheets and attach securely hereto.

RECEIVED
JUL 11 1944



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



(EL 987)

Base Flo

RM 7x

Within 2

•M1.5

Elevation

River M

*Referenced to the National Geodetic Ver

NOT

This map is for use in administering the flood insurance program. It does not necessarily identify all areas subject to flooding, or all plani Hazard Areas. The community map repository will be updated with flood hazard information prior to or construction purposes.

ly lar
ns m
developed by the National Weather Service

Areas of special flood hazard (100-year flood V. and VE.

Certain areas not in Special Flood Hazard control structures.

Boundaries of the floodways were computed between cross sections. The floodways were with regard to requirements of the Federal

Floodway widths in some areas may be too widths are provided in the Flood Insurance

Elevation reference marks are described in For adjoining map panels see separately.

MAP REPC

Eddy County Courthouse, Carlshad, N. able for reference only, not for distrib

AUG - 7 2006 INITIAL IDENT
FEBRUAR

OCD-ARTESIA AND BOUNI
NOT

FLOOD INSURANCE R
FEBRUAF

FLOOD INSURANCE R,

Refer to the Flood Insurance Rate Map E determine when actuarial rates apply to stru or depths have been established.

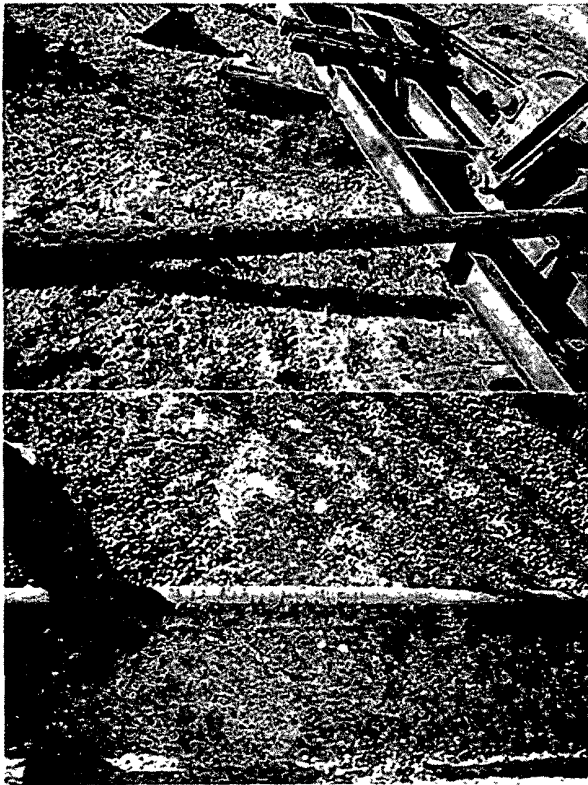
To determine if flood insurance is availab insurance agent or call the National Flood I



APPROXIMATE

2000 0





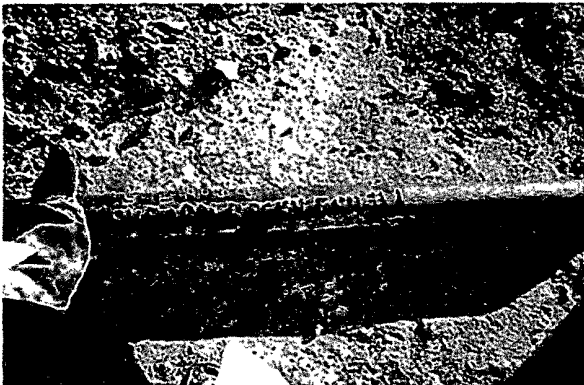
ABANDONMENT MARKERS PREPARED FOR WELLS TO BE PLUGGED

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, Township 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.

**FREEDOM VENTURES -
C D MANAGEMENT**