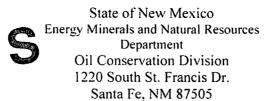
District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III
1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505



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.

Proposed Alternative Method Permit or Closure Plan Application AUG -7 2008
in posterinario internative in
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method CD-ARTES 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 Shearn Becky Federal #1 30-015-34440
Address: Shearn Becky Federal #1
Facility or well name: 30-015-34440
API Number: OCI) Permit Number: EDDY COUNTY
API Number: OCD Permit Number: U/L or Qtr/Qtr B Section 14 Township T 17 S Range R 27 E County Center of Proposed Design: Latitude 32.8395355867 Longitude 104.246202757 NAD: 1927 1983
Center of Proposed Design: Latitude Longitude NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
2. Dit: Subsection F or G of 19.15.17.11 NMAC
Temporary: Drilling Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A Technical Specification Sheet
☑ Lined ☐ Unlined Liner type: Thickness 20 mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced See Attached Manufacture Technical
Liner Seams: Welded Factory Other Specification 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 ☐ LLDPF ☐ HDPE ☐ PVC ☐ Other
Liner Seams: Welded Factory Other
4. NOT APPLICABLE:
Below-grade tank: Subsection Lof 19.15.17.11 NMAC
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:bbl Type of fluid:
Below-grade tank: Subsection Lof 19.15.17.11 NMAC Volume:bbl Type of fluid: Tank Construction material:
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
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
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
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:

Form C-144

Oil Conservation Division

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Page Lof 5

0208410

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)	
s. 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	
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 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 🗷 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. (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 Ø 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

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. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) 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)
13. 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 Temporary Work Over Pit for Plugging Walls. All materials and displaced fluids 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)
Maste 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

Form C-144 Oil Conservation Division Page 3 of 5

711.

Temporary Work Over Pit Disposal										
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. Controlled Recovery, Inc. Disposal Facility Name: Hobbs/Halfway, New Mexico Disposal Facility Permit Number:	Į									
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 Content 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										
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									
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 19.15.17.13 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 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 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropri										

Form C-144

Oil Conservation Division

Page 4 of 5

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									
OCD Approval: Permit Application (including closure plan) Closure Plan (only) OCD Conditions (see attachment)									
OCD Representative Signature: Signed By Mily Brancisc Approval Date: Approval Date: Signed By									
Title: OCD Permit Number: 0208410									
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.									
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 Longitude NAD: 1927 1983.									
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):									
Signature: Date:									
e-mail address:									

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. 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



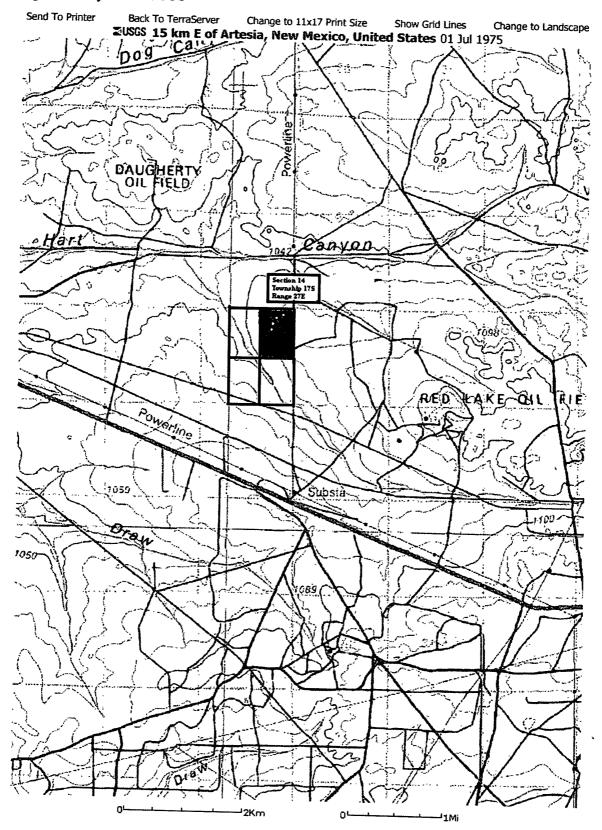


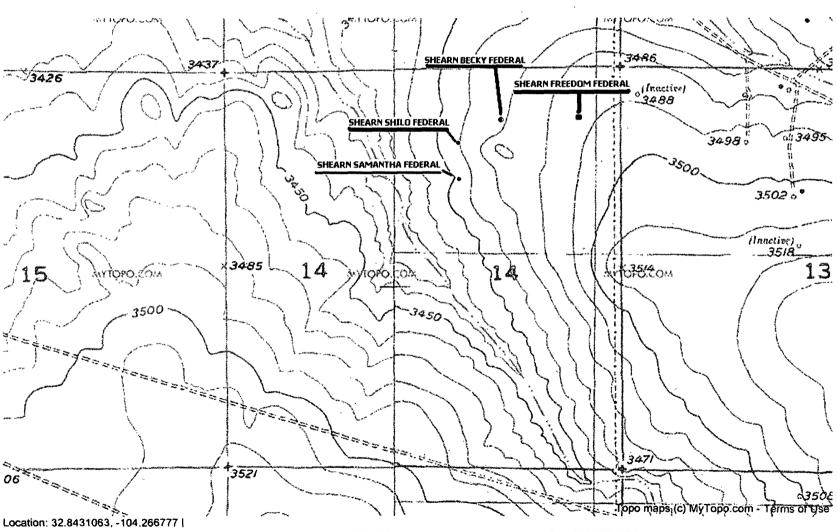
Image courtesy of the U.S. Geological Survey
© 2004 Microsoft Corporation. Terms of Use Privacy Statement

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

Well_Name: 5HEARN 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

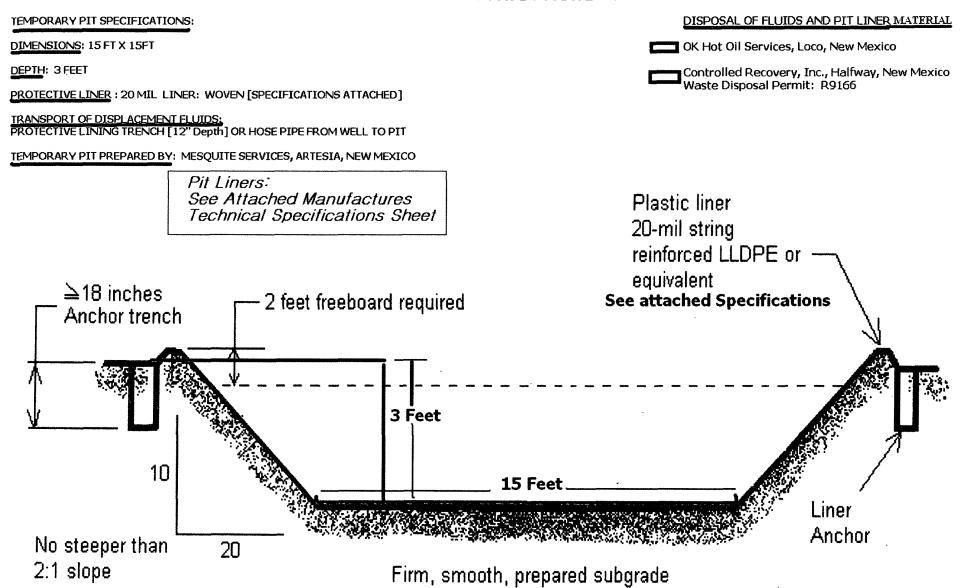
Well_Name: SHEARN SAMANTHA FEDERAL API #: 3001531059 Property Number: 001 Location: G-14-17.05-27E, 1649 FNL, 1523 FEL Lat:32.8368168747 Long:-104.245786315 County: EddyLand Type: Federal Well: Elevation GL: 3471

SECTION 14, TOWNSHIP 17 SOUTH, RANGE 27



FREEDOM VENTURES - C D MANAGEMENT

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



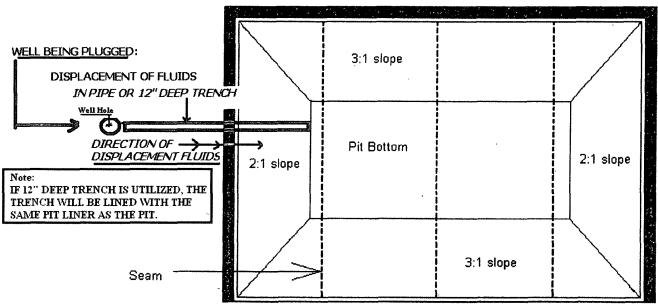
TEMPORARY.PIT DESIGNAND CONSTRUCTION

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 432-561-5209 Toll Free 900-583-6005

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 T apes /in	Wano	8.9 16	ASTM D3775 ASTM D3775
vvaip Constitution	rapesan	Weft	16	A311VI U3775
Widths	in	up to	144	
Tensile Grab Strei gtil	lof	Warp/Weft	342	ASTM D751
Tear Strength *(ton_ue.	lbf	Warp/Weft	117	ASTM 0751
Tear Strength (trape no-	lbf	Warp/Weft	90	ASTM D/51
Scrim Color			Black	
Coating Thickness	mil	Black	2.5	ASTM D1777 MOD
Carbon Dispersion		>%	2	ASTM D3015
	etam ed %	Warp	87	ASTM 0882
	te ed %	Weft	97	ASTM 0882
Low Temperature Ben	-95 F		No Crack	ASTM D2136
Mullen Burst Strength	ps)		551	ASTM D751
Moisture Vapor Transn is	sion & (m2*24hrs)		.1	ASTM E96-92 proc #
Water Permeance	g/(m2*24hrs)		0	ASTM L4491
Puncture Resistance	!bs	greater than	180	ASTM 4833
1" Tensile Strength	ibf	-	200	* ASTM (* 382
1" Tensile Elongatio	%		15	ASTM 0982
Nominal Thicknes	mil		20	ASTM UT777 MOD

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

TGLB5B5 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 limits WEST TEXAS PLASTICS, INC. MAKES NO IVARRANTIES 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

		T T	T				
25	30	29	28	27	26	25	30
* Y	1222		· ·	, , , , ,			
RA-C		199-			\	RA-0	931-
	4	32	33	34	35	36	31
36	31						
-	A-06143-X9						
Ø							
1	6	5	4	3	2	1	6
©:	RA-06143-X7				_	·	Ŭ
	RA-06143-X8	<u></u>	RA-02966-				
©	A-06143-X10 7 RA-04438-				RA-07774- © i		
@	© —R				RA-0793	_{)_} Well Record Attached	
		8	9	10	11-6	12	7
12	RA-06143-X12			Sec	tion 14, Township 175, Ran		
	RA-05881-	RA-06635-	03791- 16			Shern Freedom	
	RA-04	786- / RA	-06531-	15/		Shern Freedom Shern Becky Shern Shilo Shern Samantha	
13	18 ©	RA-08823- // R/	/	44-EXPL	14	13	18
	· ·	2 0 R	A-03816- RA-0	1716- PA-04114		/ /	
	RA-04320-	17	RA-04153-	RA-01716-S	·		
		Ø			RA-04554-Well	Record Attached	
24	19 ^F	A-06560-	RA-078				
27	12% - 12%	RA-07	231-	22	23	24	19
:	*	20					
				RA-01493-			
					R Ø	A-04561-	
25	30	29	28	27	26	25	30

		32					
36	31 RA-0366		3664-	34	35	36	31
	0,	8	33	34	35	36	3'
			1				
					RA-02996-		
1	6				RA-02996-		
RA	6 05989-	5	4	3	RA-02996-	1	6
		,	4	3	©	1	6
RA		1 1 1	9	RA-C	©	1	6
RA		1 1 1	9		2	1 12	6 7
© ^{RA}	05989-	1 1 1		RA-C	2		,

NAT



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

(quarters are 1=NW 2=NE 3=SW 4=SE)																		
(acre ft per annum)					(quarters are	bigg	est to	smallest	X Y are	ın Feet		UTM are	ın Meters)	Start	Finish	Depth	Depth (in feet)
DB File Nbr	Use	Diversion	Owner	POD Number	Source	Tws	Rng Se	qqq	Zone	x	Y	UTM Zone	Easting	Northing	Date	Date	Well W	ater
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			27E 26					13	570871	3630142		_	250	
RA 04786	DOM	3	DAVE COLLIER	RA 04786	Artesian	17S	27E 18					13	564133		02/27/1963	03/02/1963	138	111
RA 05881	PUB	0	WOODS CONSTRUCTION CO.	RA 05881		17S	27E 18					13	563232	3633837				
RA 06531	DOM	0	CHARLES C. POWELL	RA 06531		17S	27E 17					13	565747	3632821			200	
RA 06560	DOM	3	TONY HALL	RA 06560	Shallow		27E 20	2 1 2				13	565757	3632217	08/22/1979		133	80
RA 06635	DOM	3	RANGER C. KARR	RA 06635	Shallow	17S	27E 18					13	564531		04/13/1980	04/16/1980	325	60
RA 07231	MUL	0	FERN WILSON	RA 07231			27E 16	3 3 3				13	566353	3632422				
RA 07774	STK	3	BOGLE FARMS	RA 07774	Shallow	17S	27E 11	123				13	569933	3635251	12/14/1989		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		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

WATER COLUMN REPORT 08/03/2008

	(quarter	s are	• 1=1	NW :	2=NE	E 3=SW 4=SE)					
	(quarter	s are	a biq	gge:	st t	co smallest	:)		Depth	Depth	Water	(in feet)
POD Number	Tws	Rng	Sec	q (P P	Zone	x	Y	Well	Water	Column	
RA 02966	17S	27E	05	4	4 4				80	30	50	
RA 03279	17S	27E	07	2	3				250	14	236	
RA 07774	17S	27E	11	1 :	2 3				100	50	50	
RA 07844 EXPL	17 <i>s</i>	27E	16	3 -	4				1300	180	1120	
RA 07844	17S	27E	16	3	4 3				1300	180	1120	
RA 01716 (D)	17S	27E	16	3	4 4				1220	175	1045	
RA 01716 S	17S	27E	16	3	4 4				1200			
RA 04114	17S	27E	16	3	4 4				1042	260	782	
RA 04153	17 <i>S</i>	27E	16	3	4 4				1220	175	1045	
RA 04320	17S	27E	17	3					120	50	70	
RA 08823	17S	27E	17	3	1 1				348	60	288	
RA 03694	17 <i>S</i>	27E	17	4					300	90	210	
RA 03816	17s	27E	17	4					945	931	14	
RA 06531	17S	27E	17	4	1 4				200			
RA 06635	17S	27E	18	2	2 2				325	60	265	
RA 04786	17S	27E	18	_	3 4				138	. 111	27	
RA 06560	17S	27E,	20	2	1 2				133	. 80	53	
RA 04554	17S	27E		1					220	40	180	
RA 04561	17S	27E	26	2	4				250			
RA 01493	17 <i>S</i>	27E			2				876			
RA 03661	17 <i>S</i>	27E		3 :	2 3	,			330	140	190	
RA 03664	17S	27E	32	3	2 3				400	100	300	

Record Count: 22

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 S	Sec	Zone	x	Y	Wells	Min	Max	Avg
RA	17S	27E (95		• .		1	30	30	30
ŔĄ	17S	27E (o 7				1	14	14	14
RA	17S	27E 1	11				1	50	50	50
RA	17S	27E 1	16				5	175	260	194
RA	17S	27E	17				4	50	931	283
RA	17S	27E 1	18				2	60	111	86
RA	17S	27E 2	20				1	08	80	80
RA	17S	27E 2	23				1	40	40	40
RA	17S	27E 3	32				2	100	140	120

Record Count: 18

STATE ENGINEER OFFICE

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.

	·		(A)	Owner (of well_		Lowe Drilli	ng Co			

					Midlar	nd	Texas				
			Well	was dri	illed un	der Perm	it No. RA 455 of Section wen Haynes	4	and is	s located i	n th
	-			W 1/4	1/4		of Section	Twp)	Rge. WD	! स ा ड
			(B)	Drilling	Contra	ctor	wen naynes Missouri	******	License	No	
			Stree	et and N	umber				Ne	w Mexico	
			City		100TC		Jan 26	<u>.</u>	State		62
			i	•			Feb 20				62
(F	Plat of 640	acres)	—— Drilli	ing was	comple	eted	·		~	19	
			n feet abo	ve sea l	evel:	SADY	Total dep	oth of w	ell 22 0	0	
State wh	nether we	ell is shallo	ow or arte	esian_M	Shal	Los	Depth to wa				
							_				
Section 2			· , ,		PAL WA	ILK-BEAK	ING STRATA				
No.	Depth in Feet From To		Thickness Feet	1	Description of Water-Bearing Formation						
1	190	210	20		Anyh						
2											
3					· · · · · · · · · · · · · · · · · · ·	7	•			•	
4							·				
5				-							
1		1	1		•						
Section 3	3		<u>-</u>			D OF CAS	SING				
Dia	Pounds		*****	Depth	ottom	Feet	Type Shoe	Fre	Perforat	tions To	
in. 711	ft.	in		op E	lottom	20	None	***)m	10	
1"	20	1	-			,					
	 					 					
	 							-			
	<u> </u>	I	1			1		1	1		
Section 4	4		R	ECORD	OF MUD	DING AN	ND CEMENTING				
	h in Feet	Diame		Tons	No. Sa			Method	is Used		
From	То	Hole in	n in.	Clay Cer		ment					
											
										`	
					 					-	
	1		<u> </u>		i						
Section 5	5				PLUGE	SING REC	ORD				
-		o Contrac	etor		····			Lic	ense No		
Street a	nd Numl	per				City	y State State				
Tons of	Clay use	d	Ton	s of Rou	ıghage ı	used	Type of roughage				
							Date Plugged19				
	e g approve						Cement Plu				
						N	Depth of P	Plug	No of t	Sacks Used	
		•\1-7	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	sin Super	visor	No.	o. From	То	NO. OI	Sacks Useu	
	FOR U	SE OF STA	TE ENGIN	FER ONI	ĹΥ		_				
			STBIUT TT NÜMEEK								·
Date	Received										
		S: 25	CIS PM	195 DEI	âl						
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	\circ	0 11 6	11			× 11			<u></u>	23./	117
File N	a (≺ /	<i>[] + 4 ></i>	ン ケ		Use(2 w 1	Location	on No	11.41	··/_	UU

LOG OF WELL

Depth in Feet		Thickness					
From To		in Feet	Color	Type of Material Encountered			
O :1	12	12	White	Calliche			
12	88	76	n	Anyh			
· 88	160	72	Red	Red bed			
_160	190	30	White	Anyh			
190	220	30	13	Broken Anyh			
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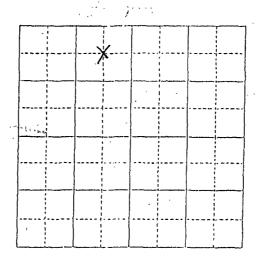
The undersigned hereby certifies that, to the best of his knowledge and belief, the foregoing is a true and correct record of the above described well.

Well Driller

Declaration of Owner of Underground Water Right

ROSWELL UNDERGROUND WATER BASIN	
DAS N NAME Declaration No. RA-7936 Date received July 10, 1991	
STATEMENT	
1. Name of Declarant Bogle Farms	
Mailing Address P.O. Drawer 460 Dexter	
Country of Chaves , State of NM	···
2. Source of water supply Shallow Water (arcesian or shallow water aquifer)	
3. Describe well location under one of the following subheadings: 710'FNL 1650'FWL Mof Sec. 11 Twp. 178 Rgc 27E MMP County.	M.,
b. Tract No of Map No of the	
c. X =	7.^-
On land owned by Bogle Farms	
4. Description of well: date drilled 1990 driller Gary Keysdepth 101	Lest
outside diameter of casing 610 ches; original capacity 4 gal. per min.; present expects 4	
gal. per min.; pumping lift80 feet; static water level80 det (above) (below) land surface;	
mass and type of pump. Windmill 12' Aermoter	
make, type, horsepower, ate., of power plant	
Fractitional or percentage interest claimed in well100%	
5. Quantity of water appropriated and beneficially used 1.54	
(nore feet per note) (nore feet per notes)	
In Livestock & Wildlife	
C. Acreage actually irrigated acress located and described as follows (describe only lands actually arries	::::1)
Subdivision Sec. Twp. Range Irrigated Owner	
(Note: location of well and acreage actually ir igated must be shown on plat on reverse side.)	
7. Water was first applied to beneficial use month day	
has been used fully and continuously on all of the above described lands or for the above described purposes the	: ;; '
as follows:	
S. Additional statements or explanations	
· · · · · · · · · · · · · · · · · · ·	
Stuart Bogle being first duly sween upon my or	. 1.
depose and say that the above is a full and complete statement prepared in accordance with the instruction on the	, .
werse side of this form and submitted in evidence of ownership of a valid underground water right, that I have easily read each and all of the items contained therein and was the same are true to the best of my knowledge and (Cost.	tuli;
Bogle Farms / Da	
Stual Fools	
Subscribed and sworm to before me this 12th day of Que A.D. 199	Z
y commission appires July 1), 1991 and Kwagner Mary 1991	
v	

Locate wall and great actually irrigated an accurately as possible an wing plat:



IN..TI.UCTIONS

Declaration shall be executed (preferably typewillten) in triplicate and must be accompanied by a \$1.00 filler, fee. Each of triplicate captes must be properly signal attented.

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

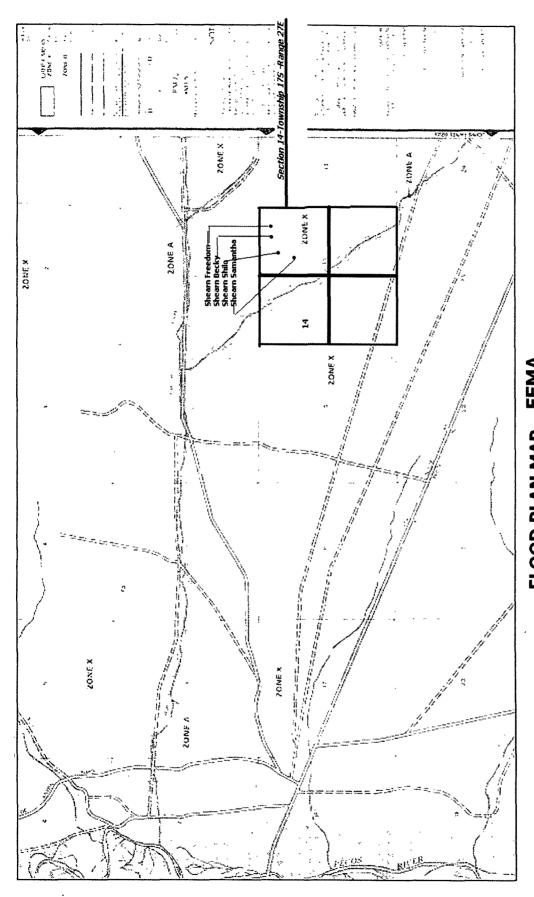
All blanks shall be filled out fully, Required information which council be awarn to by declarant about he supplied by affidavit of person or persons familiar with the facts and shall be authorited becavits.

Secs. 1-3. Complete all blanks,

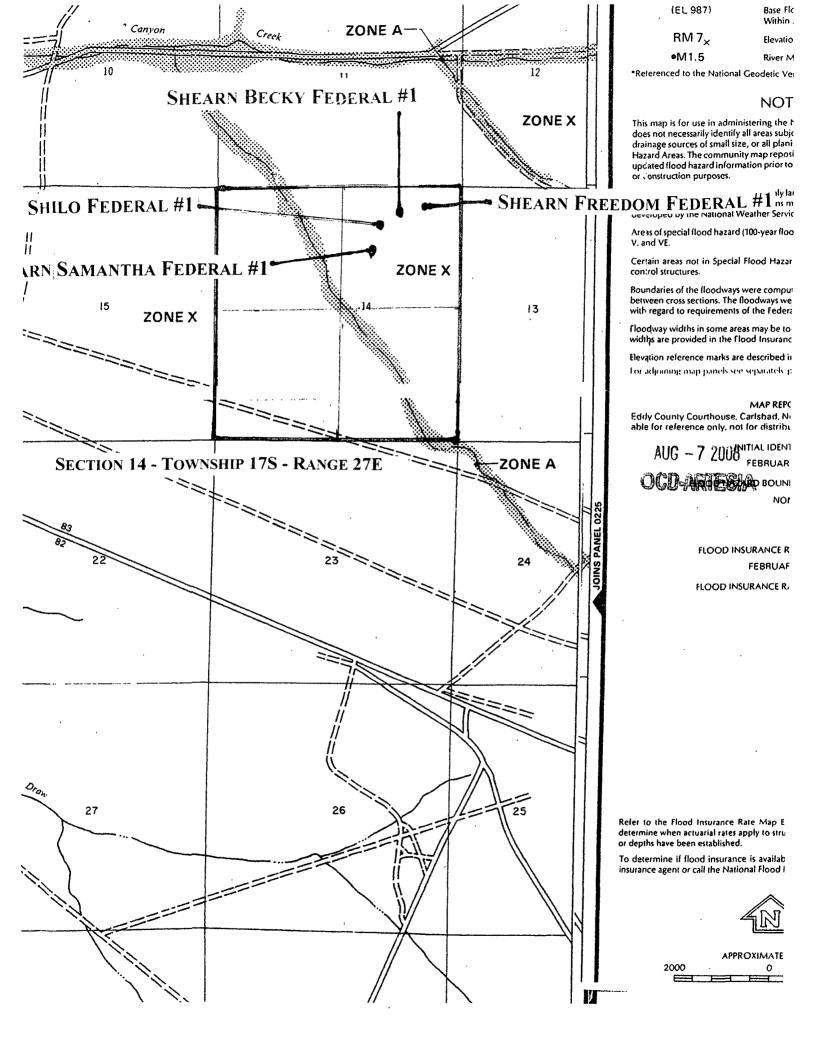
Sec. 4. Fill out all binaks applicable an fully as porable.

- Sec. 5. Irrigation was about to attack in serie least of water per acre per year applied on the land. If used for domestic, municipal, or other purposes, also total quantity in acre fact used annually.
- Sec. 6. Describe only the account actually irrigated. When necessary to countly define irrigated accesses, describe to nearest 2½ acre subdivision. If located on unsurveyed lands, describe by local supdivision "as prejected" from the nearest government survey corners, or describe by motes and bounds and the survey to some permanent, easily-located natural object.
- Sec. 7. Explain and give dates as nearly as peralte of any years when all or part of accease claimed was not irricated.
- Soc. 8. It wall irrigates or supplies supplies supplies water to any other land than that described above, or it 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 that, or sheets 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]









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.



