

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

MAY 27 2009

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: WELCH RL STATE #4
API Number: 30-015-36031 OCD Permit Number: _____
U/L or Qtr/Qtr D Section 28 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 12/16/08

Spud Date 5/12/08

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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> 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	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> 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 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)

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 identify 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> 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 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within the area overlying a subsurface mine.
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within an unstable area.
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within a 100-year floodplain.
- FEMA map | <input type="checkbox"/> Yes <input type="checkbox"/> 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: 12/16/09 08

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 N32.81062 Longitude W104.18606 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:  Date: May 26, 2009

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

Accepted for record
 NMOCD



**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: [Signature]

Name: Charles Adcock

Title: Managing Director

Date: February 9, 2009

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

Telephone Number: (713) 292-9512

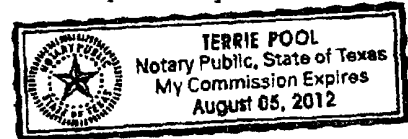
State of TEXAS

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: [Signature]

My commission expires: August 5, 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. The first chloride test failed. More dirt was hauled away. The 2nd chloride test passed.

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 two successive growing seasons.



September 18, 2008

New Mexico State Land Office
Oil, Gas, and Minerals Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Notice of Pit Closure
Welch RL State #4
T17S-R28E, Sec. 28: NWNW
Eddy County, NM

Pursuant to New Mexico Oil Conservation Division Rule 19.15.17.13 concerning closure of reserve pits, Lime Rock Resources is giving you, as surface owner, notice that Lime Rock will be closing the pit on the location of the Welch RL State #4 well.

Should you have any questions please contact me at 713-292-9536.

Regards,

Debra D. Sandefer

7008 0150 0000 7697 5801

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent	New Mexico State Land Office
Street or PO	Oil, Gas, and Minerals Division
City, E	310 Old Santa Fe Trail
	Santa Fe, NM 87501
PS Form	Instructions

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



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

DATE 12/17/2008 INVOICE # 18335

BILL TO

LIME ROCK RESOURCES A L.P
PO Box 1302
Artesia, NM 88211-1302

AUTHORIZATION		TERMS	LOCATION	
JERRY SMITH		Net 30	WELCH R.L. ST. #004	
QUANTITY	DESCRIPTION		RATE	AMOUNT

12-16-08

RECLAIMED DRILLING PIT; HAULED CUTTINGS TO C.R.I.;
SEEDED DRILLING PIT WITH APPROVED BLM SEED.

16,660.00 16,660.00T

SUBTOTAL

16,660.00

Sales Tax

7.0625%

1,176.61

Field SDA
Lease/Well Welch R.L. State #4
☒ AFE # D08002R
☐ LOE
Acct. Code 322/112
Approved by SS 181
Date 1/6/09 1/4/09

\$17,836.61

Thank You For Your Business!

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79803 301 East Marland, Hobbs, NM 88240
(915) 873-7001 Fax (915) 873-7020 (505) 393-2328 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: Morgan Tools
Project Manager: Stephen Wilson
Address: 1908 South 1st
City: Abilene State: TX Zip: 79601
Phone #: 575-746-6124
Fax #: 575-748-8761
Project #: 30-015-36031 Project Owner: Lime Rock -
Project Name: Welch RL State # 21
Project Location: See 28-7175-R28F

PO #:
Company:
Attn:
Address:
City:
State:
Zip:
Phone #:
Fax #:

ANALYSIS REQUEST

PORTAL USE ONLY																		
LAB I.D.	Sample I.D.	(G)RAB OR (C)CUMP.	# CONTAINERS	MATRIX					PRES.		SAMPLING		DATE	A.M. TIME				
				GROUNDWATER	WASTEWATER	SOIL	OIL	SILUDGE	OTHER:	ACID:	ICE / COOL	OTHER:			BTX	TH	TH	CL
H16449-1	#1 NE					X							12-02-08	8:30	X	X	X	X
-2	#2 SE					X							12-02-08	8:30	X	X	X	X
-3	#3 Middle					X							12-02-08	8:30	X	X	X	X
-4	#4 SW					X							12-02-08	8:30	X	X	X	X
-5	#5 NW					X							12-02-08	8:30	X	X	X	X
-6	#6 Background					X							12-02-08	8:30	CL			

LAB NOTE: Liability and Damages. Cardinal's liability and owner's exclusive remedy for any claim arising out of or from, shall be limited to the amount paid by the client for the fees. 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 application. No. 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 from the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated remedies or otherwise.

Terms and Conditions: Interest will be charged on all amounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Under Relinquished:

Stephen Wilson
Relinquished By:

Date: 12-02-08
Time: 8:30 AM

Received By:

Mitch Lewis
Received By: (Lab Staff)

Phone Result: ☐ Yes ☐ No Additional Fax #: ☐ Yes ☐ No

Fax Result: ☐ Yes ☐ No

REMARKS:

Mitch Lewis
Relinquished By: (Circle One)

Date: 12/2/08
Time: 12:50 PM

Received By: (Lab Staff)

CB
Sample Condition: Cool Intact

☐ Yes ☐ No

CHECKED BY: (Initials)

CB

Carrier - UPS - Bus - Other: Other

#1 NE #2 SE #3 Middle #4 SW #5 NW #6 Background
2' below liner

† Cardinal cannot accept verbal changes. Please fax written changes to 915-873-7020.



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: 12/02/08
Reporting Date: 12/04/08
Project Owner: LIME ROCK (30-015-36031)
Project Name: WELCH RL STATE #4
Project Location: SEC. 28 - T17S - R28E

Analysis Date: 12/03/08
Sampling Date: 12/02/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: AB

LAB NO.	SAMPLE ID	Cf (mg/kg)
H16449-1	#1 NE	416
H16449-2	#2 SE	1,950
H16449-3	#3 MIDDLE	912
H16449-4	#4 SW	1,300
H16449-5	#5 NW	1,200
H16449-6	#6 BACKGROUND	368
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-C/B

Note: Analyses performed on 1:4 w/v aqueous extracts.

[Signature]
Chemist

12-04-08
Date

H16449 MORGAN

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ANALYTICAL RESULTS FOR
MORGAN TOOLS
ATTN: STEPHEN WILSON
1908 SOUTH 1ST
ARTESIA, NM 88210
FAX TO: (575) 748-8781

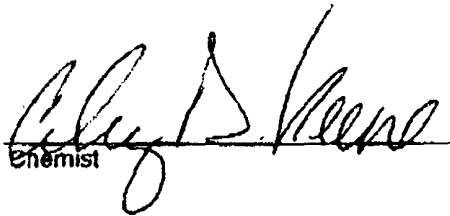
Receiving Date: 12/02/08
Reporting Date: 12/04/08
Project Owner: LIME ROCK (30-015-36031)
Project Name: WELCH RL STATE #4
Project Location: SEC 28-T17S-R28E

Sampling Date: 12/02/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE	TOLUENE	ETHYL	TOTAL
		(mg/kg)	(mg/kg)	BENZENE (mg/kg)	XYLENES (mg/kg)
ANALYSIS DATE		12/03/08	12/03/08	12/03/08	12/03/08
H16449-1	#1 NE	<0.050	<0.050	<0.050	<0.300
H16449-2	#2 SE	<0.050	<0.050	<0.050	0.302
H16449-3	#3 MIDDLE	<0.050	<0.050	<0.050	0.357
H16449-4	#4 SW	<0.050	<0.050	<0.050	<0.300
H16449-5	#5 NW	<0.050	<0.050	<0.050	<0.300
Quality Control		0.048	0.046	0.046	0.139
True Value QC		0.050	0.050	0.050	0.150
% Recovery		96.0	92.0	92.0	92.7
Relative Percent Difference		<1.0	<1.0	1.1	<1.0

METHOD: EPA SW-846 8021B

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


Chemist


Date

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

Receiving Date: 12/02/08
Reporting Date: 12/03/08
Project Owner: LIME ROCK (30-015-36031)
Project Name: WELCH RL STATE #4
Project Location: SEC 28-T17S-R28E

Sampling Date: 12/02/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO	DRO	418.1
		(C ₆ -C ₁₀)	(>C ₁₀ -C ₂₈)	TOTAL
		(mg/kg)	(mg/kg)	TPH
				(mg/kg)
ANALYSIS DATE		12/02/08	12/02/08	12/02/08
H16449-1	#1 NE	<10.0	<10.0	<100
H16449-2	#2 SE	<10.0	<10.0	<100
H16449-3	#3 MIDDLE	<10.0	<10.0	<100
H16449-4	#4 SW	<10.0	<10.0	<100
H16449-5	#5 NW	<10.0	<10.0	<100
Quality Control		556	480	301
True Value QC		500	500	300
% Recovery		111	96.0	100
Relative Percent Difference		1.3	0.1	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1


Chemist


Date

H16449 TPH2 MT

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 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

Company Name: Morgan Tracts
 Project Manager: Stephen Wilson
 Address: 1908 South 1st
 City: Odessa State: TX Zip: 79210
 Phone #: 575-746-6124
 Fax #: 575-748-8761
 Project #: 30-015-36031 Project Owner: Line Rock
 Project Name: Welch RL Sub #4
 Project Location: Sec 28-773-R28E

ANALYSIS REQUEST

LAB I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX						PRES.		SAMPLING		DATE	TIME	
				GROUNDWATER	WASTEWATER	SOIL	SLUDGE	OTHER	ACID	ICE / COOL	OTHER					
H10498-1	#1 NE													12-10	10:30	CL
-2	#2 SE													12-10	10:30	CL
-3	#3 middle													12-10	10:30	CL
-4	#4 SW													12-10	10:30	CL
-5	#5 NW													12-10	10:30	CL

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Terms and Conditions: Cardinal will be charged an additional fee of 25% per sample if the sample is not received within 30 days of the date of collection, and all costs of collection, including attorney's fees.

Sample Relinquished:

Signature: Stephen Wilson
 Date: 12-10-08
 Time: 10:30 AM

Received By:

Signature: Marty LeBout
 Date: 12-10-08
 Time: 3:00
 Received By: (Lab Staff)

Phone Result ☐ Yes ☐ No Additional Fax #:

Fax Result ☐ Yes ☐ No

REMARKS:

#2 SE #3 middle #4 SW
 #1 NE #5 NW

4' Below line

Delivered By: (Circle One)

Carrier - UPS - Bus - Other

Sample Condition
 Cool ☐ Yes ☐ No
 Intact ☐ Yes ☐ No

CHECKED BY:
 (Initials)
WAB

† Cardinal cannot accept verbal changes. Please fax written changes to 915-673-7020.



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

Receiving Date: 12/10/08
Reporting Date: 12/11/08
Project Owner: LIME ROCK (30-015-36031)
Project Name: WELCH RL STATE #4
Project Location: SEC. 28 - T17S - R28E

Analysis Date: 12/11/08
Sampling Date: 12/10/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16498-1	#1 NE	32
H16498-2	#2 SE	32
H16498-3	#3 MIDDLE	32
H16498-4	#4 SW	32
H16498-5	#5 NW	32
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w/v aqueous extracts.


Chemist


Date

H16498 MORGAN

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