

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

RECEIVED
State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
MAR 06 2009
HOBBSCO

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: Lynx Petroleum Consultants, Inc. OGRID #: 013645
Address: P.O. Box 1708, Hobbs, NM 88241
Facility or well name: Lusk 31 Federal No. 2
API Number: 30-025-39079 OCD Permit Number: P1-01068
U/L or Qtr/Qtr K Section 31 Township 18S Range 32E County: Lea
Center of Proposed Design: Latitude 32.703213 Longitude 103.806208 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 ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☒ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 15,000 bbl Dimensions: L 150 x W 150 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.

6.	<p>Fencing: Subsection D of 19.15.17.11 NMAC (<i>Applies to permanent pits, temporary pits, and below-grade tanks</i>)</p> <p><input type="checkbox"/> Chain link, six feet in height, two strands of barbed wire at top (<i>Required if located within 1000 feet of a permanent residence, school, hospital, institution or church</i>)</p> <p><input checked="" type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet</p> <p><input type="checkbox"/> Alternate. Please specify _____</p>																																								
7.	<p>Netting: Subsection E of 19.15.17.11 NMAC (<i>Applies to permanent pits and permanent open top tanks</i>)</p> <p><input type="checkbox"/> Screen <input type="checkbox"/> Netting <input type="checkbox"/> Other _____</p> <p><input type="checkbox"/> Monthly inspections (If netting or screening is not physically feasible)</p>																																								
8.	<p>Signs: Subsection C of 19.15.17.11 NMAC</p> <p><input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers</p> <p><input type="checkbox"/> Signed in compliance with 19.15.3.103 NMAC</p>																																								
9.	<p>Administrative Approvals and Exceptions:</p> <p>Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.</p> <p>Please check a box if one or more of the following is requested, if not leave blank:</p> <p><input checked="" type="checkbox"/> Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.</p> <p><input checked="" type="checkbox"/> Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.</p>																																								
10.	<p>Siting Criteria (regarding permitting): 19.15.17.10 NMAC</p> <p><i>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.</i></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.</td> <td style="width: 20%; text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</td> <td></td> </tr> <tr> <td>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).</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- Topographic map; Visual inspection (certification) of the proposed site</td> <td></td> </tr> <tr> <td>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>)</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</td> <td></td> </tr> <tr> <td>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>)</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td>- Visual inspection (certification) of the proposed site; Aerial photo, Satellite image</td> <td></td> </tr> <tr> <td>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.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</td> <td></td> </tr> <tr> <td>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.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- Written confirmation or verification from the municipality; Written approval obtained from the municipality</td> <td></td> </tr> <tr> <td>Within 500 feet of a wetland.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</td> <td></td> </tr> <tr> <td>Within the area overlying a subsurface mine.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division</td> <td></td> </tr> <tr> <td>Within an unstable area.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society, Topographic map</td> <td></td> </tr> <tr> <td>Within a 100-year floodplain.</td> <td style="text-align: right;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td>- FEMA map</td> <td></td> </tr> </table>	Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.	<input type="checkbox"/> Yes <input 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 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 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 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 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 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 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 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 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 type="checkbox"/> No	- FEMA map	
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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 type="checkbox"/> No <input type="checkbox"/> NA																																								
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- 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 type="checkbox"/> No																																								
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Within a 100-year floodplain.	<input type="checkbox"/> Yes <input 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: _____

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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" 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.

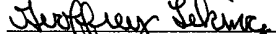
Name (Print): Larry R. Scott Title: President

Signature:  Date: March 4, 2009

e-mail address: lynxpet@leaco.net Telephone: 575-392-6950

20.

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

OCD Representative Signature:  Approval Date: 05/07/09

Title: Environmental Engineer OCD Permit Number: P1-01068

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 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

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: _____

Lusk '31' Federal No. 2
Reserve Pit Closure Plan Checklist
2310' FSL & 2310' FWL
Section 32, T-18S, R-32E
Lea County, New Mexico

iWATERS database search, topographic map, and satellite photo are included in the application. The location is outside of the R-111-P potash mine reserve area and buffer zone. No FEMA map is available for this area. No fresh water resources were identified within a 9 square mile area of the location.

Laboratory analysis of five cuttings samples from various areas of the pit are included in the application.

The surface is owned by the United States of America and administered by the Bureau of Land Management. Notice of the intent to build a temporary pit and close on-site was provided in the Application for Permit to Drill.

We are requesting administrative approval for an exception to Part 17 to bury the drill cuttings on-site using the following procedure.

1. All free liquids will be (have been) removed from the pit within 30 days of the conclusion of drilling operations.
2. The 20 mil liner material along the edges of the pit will be folded inward and the dirt forming the berms will be pushed into the pit cavity.
3. 20 mil liner material will be used to completely cover the drill cuttings.
4. To the extent practicable, caliche that was removed from the pit to build the drilling location will be used to fill the pit to within three feet of the original topographic contour.
5. Topsoil that was pushed aside during pit construction will be used to provide a minimum of three feet of cover over the pit area.
6. The area will be re-seeded using the seed mixture and procedures specified in the Bureau of Land Management Stipulations of APD approval as include with this application.

As the well has been completed as a commercial producer with a tank battery on location, no further site reclamation is planned at this time.

New Mexico Office of the State Engineer
POD Reports and Downloads

Township	18S	Range	32E	Sections	29,30,31,32
NAD27	X	Y	Zone	Search Radius	
County	LE	Basin	Number	Suffix	
Owner Name	(First)	(Last)	<input type="checkbox"/> Non-Domestic	<input type="checkbox"/> Domestic	<input checked="" type="radio"/> All
POD / Surface Data Report Avg. Depth to Water Report Water Column Report					
Clear Form WATERS Menu Help					

POD / SURFACE DATA REPORT 12/15/2008

DB File Nbr	(acre ft per annum) Use Diversion Owner	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest) Source Tws Rng Sec q q q	X Y are in Feet Zone X Y
No Records found, try again				

New Mexico Office of the State Engineer
POD Reports and Downloads

Township:	<input type="text" value="18S"/>	Range:	<input type="text" value="32E"/>	Sections:	<input type="text" value="29,,30,,31,,32"/>
NAD27	X: <input type="text"/>	Y: <input type="text"/>	Zone: <input type="text"/>	Search Radius:	<input type="text"/>
County:	<input type="text" value="LE"/>	Basin:	<input type="text"/>	Number:	<input type="text"/>
Suffix:	<input type="text"/>				
Owner Name:	(First) <input type="text"/>	(Last) <input type="text"/>	<input type="radio"/> Non-Domestic <input type="radio"/> Domestic		
<input checked="" type="radio"/> All					
<input type="button" value="POD / Surface Data Report"/> <input type="button" value="Avg Depth to Water Report"/> <input type="button" value="Water Column Report"/>					
<input type="button" value="Clear Form"/> <input type="button" value="iWATERS Menu"/> <input type="button" value="Help"/>					

AVERAGE DEPTH OF WATER REPORT 12/15/2008

Bsn	Tw	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

AVERAGE DEPTH OF WATER REPORT 12/15/2008

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

No Records found, try again

New Mexico Office of the State Engineer
POD Reports and Downloads

Township	19S	Range	32E	Sections	6,7
NAD27	X	Y	Zone	Search Radius	
County	LE	Basin	Number	Suffix	
Owner Name	(First)	(Last)	<input type="radio"/> Non-Domestic	<input type="radio"/> Domestic	<input checked="" type="radio"/> All
<input type="button" value="POD / Surface Data Report"/> <input type="button" value="Avg Depth to Water Report"/> <input type="button" value="Water Column Report"/>					
<input type="button" value="Clear Forms"/> <input type="button" value="iWATERS Menu"/> <input type="button" value="Help"/>					

POD / SURFACE DATA REPORT 12/15/2008

DB File Nbr	(acre ft per annum)	Use	Diversion	Owner	POD Number	Source	Tws	Rng	Sec	q	q	q	Zone	X	Y	t
(quarters are 1=NW 2=NE 3=SW 4=SE)																
(quarters are biggest to smallest X Y are in Feet)																

No Records found, try again

New Mexico Office of the State Engineer
POD Reports and Downloads

Township:	<input type="text" value="18S"/>	Range:	<input type="text" value="31E"/>	Sections:	<input type="text" value="36"/>
NAD27	X: <input type="text"/>	Y: <input type="text"/>	Zone: <input type="text"/>	Search Radius: <input type="text"/>	
County:	<input type="text" value="ED"/>	Basin: <input type="text"/>	Number: <input type="text"/>	Suffix: <input type="text"/>	
Owner Name:	(First) <input type="text"/>	(Last) <input type="text"/>	<input type="radio"/> Non-Domestic <input type="radio"/> Domestic <input checked="" type="radio"/> All		
<input type="button" value="POD / Surface Data Report"/> <input type="button" value="Avg Depth to Water Report"/> <input type="button" value="Water Column Report"/>					
<input type="button" value="Clear Form"/> <input type="button" value="iWATERS Menu"/> <input type="button" value="Help"/>					

AVERAGE DEPTH OF WATER REPORT 12/15/2008

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

No Records found, try again

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

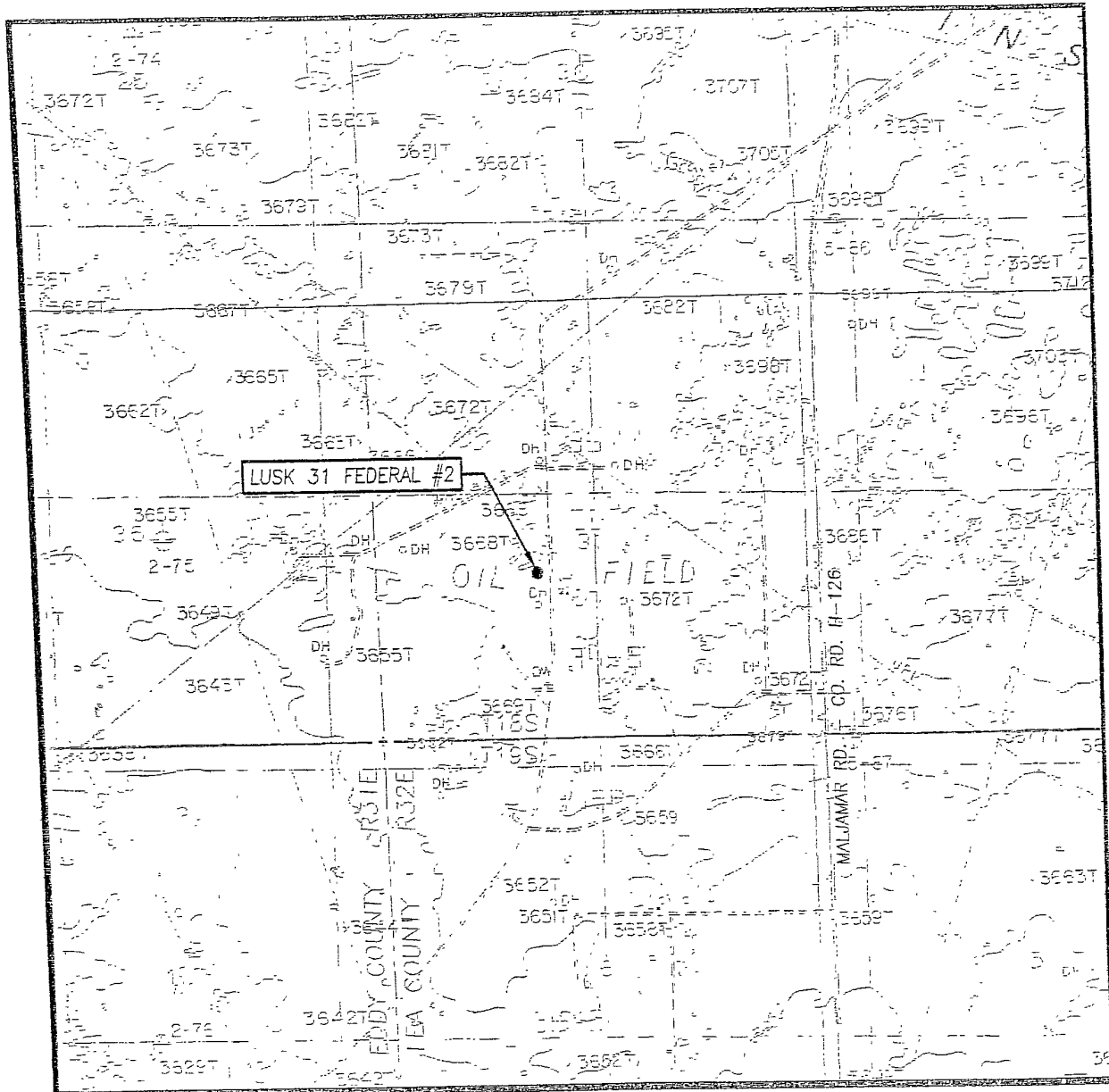
Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

AVERAGE DEPTH OF WATER REPORT 12/15/2008

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

No Records found, try again

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
GREENWOOD LAKE, NM

SEC. 31 TWP. 18-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

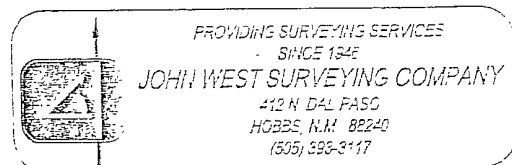
DESCRIPTION 2310' FSL & 2310' FWL

ELEVATION 3674'

OPERATOR LYNX PETROLEUM
CONSULTANTS, INC

LEASE LUSK 31 FEDERAL

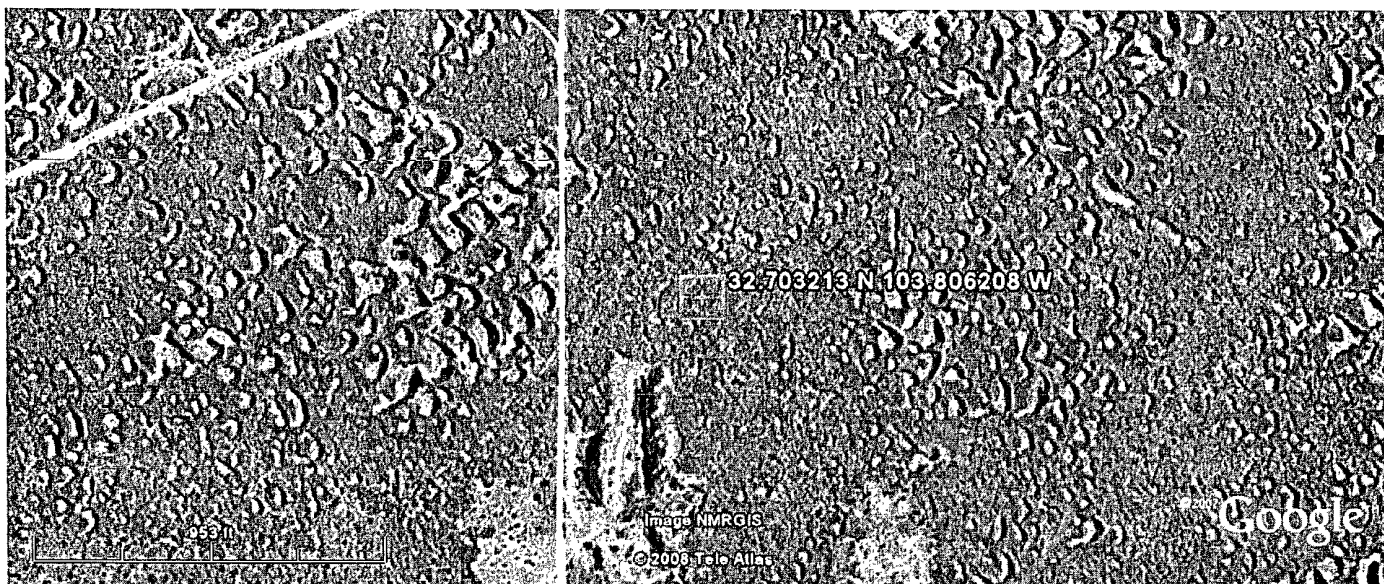
U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, NM



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N DAL PASO
HOBBS, N.M. 88240
(505) 593-3117



32.703213 N 103.806208 W



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

ANALYTICAL RESULTS FOR
CAPITAN CHEMICAL, LLC
ATTN: LYNX PETROLEUM - LARRY SCOTT
P.O. BOX 1200
HOBBS, NM 88241
FAX TO: (575) 392-3689

Receiving Date: 12/17/08
Reporting Date: 12/19/08
Project Number: LUSK 33-2
Project Name: PIT CLOSURE
Project Location: LUSK FIELD

Sampling Date: NOT GIVEN
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	418.1 TOTAL TPH	Cl* (mg/kg)
			(mg/kg)	
ANALYSIS DATE	12/18/08	12/18/08	12/19/08	12/17/08
H16542-1 SW	108	240	2,780	34,000
H16542-2 SE	35.3	310	5,880	66,400
H16542-3 CENTER	41.2	330	7,530	43,200
H16542-4 NE	74.8	418	2,850	18,000
H16542-5 NW	120	137	1,420	20,000
Quality Control	599	514	323	500
True Value QC	500	500	300	500
% Recovery	120	103	108	100
Relative Percent Difference	8.1	4.7	0.3	2.0

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

Chemist

Date

H16452 TPH2CL CC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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

ANALYTICAL RESULTS FOR
CAPITAN CHEMICAL, LLC
ATTN: LYNX PETROLEUM - LARRY SCOTT
P.O. BOX 1200
HOBBS, NM 88241
FAX TO: (575) 392-3689

Receiving Date: 12/17/08
Reporting Date: 12/19/08
Project Number: LUSK 33-2
Project Name: PIT CLOSURE
Project Location: LUSK FIELD

Sampling Date: NOT GIVEN
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		12/19/08	12/19/08	12/19/08	12/19/08
H16542-1	SW	0.458	4.41	4.48	7.53
H16542-2	SE	0.730	1.99	1.40	2.59
H16542-3	CENTER	0.719	2.49	2.25	3.84
H16542-4	NE	0.304	0.711	1.64	3.20
H16542-5	NW	0.229	0.926	1.12	2.01
Quality Control		0.043	0.044	0.046	0.137
True Value QC		0.050	0.050	0.050	0.150
% Recovery		86.0	88.0	92.0	91.3
Relative Percent Difference		1.2	1.4	6.9	3.6

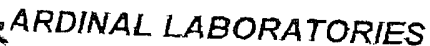
METHOD: EPA SW-846 8021B

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

Chemist

Date

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101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Company Name: Cap Han Chemical, LLC
Project Manager: Lynne Petroleum - Larry Scott
Address: P.O. Box 1200
City: Hobbs State: NM Zip: 88240
Phone #: 342 3230 Fax #: 342 392-3689
Project #: Lusk 33-2 Project Owner: Lynne Petroleum
Project Name: Pit Closure
Project Location: Lusk Field
Sampler Name: Joe Hughes

ANALYSIS REQUEST

Fax #:

Sample I.D.

SAMPLING

And

TIME

BTEX

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Sampler Relinquished: _____ Date: _____ Received By: _____

Sampler Relinquished:

Date: 12-17-88

Time: _____

Received By.

Received By: W. L. But

Received By,

Phone Result:

N

Add'l Phone #:

Fax Result:

N

Add'l Fax #:

REMARKS:

Relinquished By.

Date: _____

Time: _____

Delivered By: (Circle One)

Temp.	
-------	--

Sample Condition

Cool Intact
☒ Yes ☐ No

<input checked="" type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No	<input type="checkbox"/>	No

CHECKED BY:

(Initials)

10/2/81

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

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

**Four-winged Saltbush 5lbs/A

* This can be used around well pads and other areas where caliche cannot be removed.

*Pounds of pure live seed:

Pounds of seed \times percent purity \times percent germination = pounds pure live seed

(Insert Seed Mixture Here)