



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 12, 2003

Holland & Hart, L.L.P.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr

Re: Extension of Division Order No. R-11435-A
North Square Lake Unit Pressure Maintenance Project
Eddy County, New Mexico

Dear Mr. Carr:

Reference is made to the following:

- 1) A Division letter dated March 5, 2003, ordered CBS Operating Corporation to shut-in the North Square Lake Unit Wells No. 102 (API No. 30-015-20185) and 145 (API No. 30-015-04948), located respectively in Units A and J of Section 31, Township 16 South, Range 31 East, NMPM, until such time as "area of review" remedial work has been completed as required by Division Order No. R-11435-A dated May 30, 2002;
- 2) Your letter dated March 26, 2003, which outlined the work being done by CBS Operating Corporation within the North Square Lake Unit Pressure Maintenance Project, and requesting that the "area of review" remedial work requirements contained within Order No. R-11435-A be administratively **deleted**; and
- 3) Your letter dated May 1, 2003 requesting an extension of Division Order R-11435-A which states that:

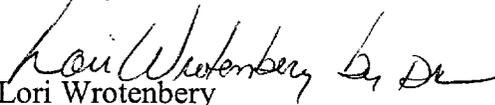
"The injection authority granted herein for the NSLU Wells No. 101, 102, 127 and 145 shall terminate one year after the effective date of this order if the applicant has not commenced injection operations into the wells; provided however, the Division upon written request by the operator, may grant an extension for good cause shown."

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It is our understanding that CBS Operating Corporation is currently communicating with Mr. Richard Ezeanyim of the Division's Santa Fe Office in order to facilitate a mutually-acceptable method by which this issue may be resolved.

Pursuant to your request, CBS Operating Corporation is hereby granted a 120-day extension to the injection authority requirements set forth in Division Order No. R-11435-A.

Sincerely,


Lori Wrotenberg
Division Director

Xc: OCD-Artesia
 Case File-12112 ✓
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