

## OCD-ARTESIA

Form 3160-3  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 20005. Lease Serial No.  
LC-029431

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.  
NORTH SQUARE LAKE UNIT8. Lease Name and Well No.  
NORTH SQUARE LAKE UNIT 1899. API Well No.  
30-015-3303910. Field and Pool, or Exploratory  
SQUARE LAKE GB-SA11. Sec., T., R., M., or Blk. and Survey or Area  
Sec. 30 T16S R31E12. County or Parish.  
EDDY13. State  
NM1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone2. Name of Operator  
CBS OPERATING CORP.3a. Address P. O. BOX 2236  
MIDLAND TX 797023b. Phone No. (include area code)  
432/685-0878

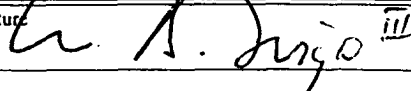
4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface 10' FNL & 150' FEL  
At proposed prod. zone14. Distance in miles and direction from nearest town or post office\*  
7.1 miles NE of Loco Hills New Mexico15. Distance from proposed\*  
location to nearest  
property or lease line, ft. 150'  
(Also to nearest drig. unit line, if any)16. No. of Acres in lease  
6125 ac in unit17. Spacing Unit dedicated to this well  
40 acres18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft. 1225' +19. Proposed Depth  
3400'20. BLM/BIA Bond No. on file  
NMB 00002421. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3889' GL22. Approximate date work will start\*  
November 1, 200323. Estimated duration  
Drill & Complete 30 days

24. Attachments ROSWELL CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature Name (Printed/Typed)  
M. A. SIRGO, IIIDate  
9-17-03Title  
ENGINEER

Approved by (Signature) /s/ Joe G. Lara

Name (Printed/Typed)  
/s/ Joe G. LaraDate  
8 OCT 2003Title  
ACTING FIELD MANAGEROffice  
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

**PERTINENT INFORMATION**  
For  
CBS OPERATING CORP.  
No. 189 North Square Lake Unit  
10' FNL & 150' FEL SEC. 30, T16S, R31E  
Eddy County, New Mexico  
Federal Lease No. LC-029431

**NOTICE OF STAKING:** Attached and filed on October 14, 2002

**LOCATED:** 7.1 air miles northeast of Loco Hills, New Mexico

**FEDERAL LEASE NUMBER:** LC-029431

**DATE ISSUED:** December 31, 1938

**ACRES IN LEASE:** 240 acres in Tract 8 of 6125 Unit acres

**RECORD LESSEE:** National Cooperative Refinery

**BOND COVERAGE:** Federal State Wide Blanket Bond  
Federal Bond No. NMB 000024

**AUTHORITY TO OPERATE:** Transfer of Operating Rights to CBS Partners Ltd.

**SURFACE OWNERSHIP:** Federal

**GRAZING PERMITTEE:** Bogle Ltd. Company  
P. O. Drawer 460, Dexter, NM 88230

**POOL RULES:** Square Lake Grayburg-San Andres

**DIRECTIONS TO WELL:** Go east out of Loco Hills, NM on Hwy 82 three miles, turn north on Eddy CR 220. Travel 6.75 miles north on CR 220 until Square Lake road, turn east into North Square Lake Unit. Travel 2 miles east on Square Lake road and turn north on main caliche lease road. Travel north approximately one mile and turn west on caliche lease road. Travel approximately one-half mile on lease road and turn north. Travel 800'+\_ north and turn east on 473'+\_ of new lease road to location.

**LENGTH OF ROAD:** 473'+\_

**CUT AND FILL FOR DRILLING PAD:** 8' cut and 8' of fill

ESTIMATED GEOLOGIC TOPS:

Base of redbed	380'
Top of salt	582'
Base of salt	1490'
Top of San Andres	3235'

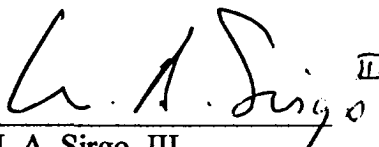
SUPPLEMENTAL DRILLING DATA: Please refer to the previously submitted Master Drilling Program for the North Square Lake Unit dated December 2002.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN: Please refer to the previously submitted Master Multi-Point Surface Use Plan dated December 2002 and the subsequent EA generated by the Bureau of Land Management, Carlsbad, NM district office. (EA No.: NM-080-2003-0689)

ARCHAEOLOGICAL SURVEYS: Please refer to that 40.33 acre block survey conducted on July 30 and July 31, 2003 and reported on under NMCRIS No. 84566, (a copy of the first page of this report is attached).

EXHIBITS: A. Road and Contour Map  
B. Lease and Well Map

OPERATOR AFFIRMATION: The Master Drilling Plan contains a Hydrogen Sulfide Drilling Operation Plan. CBS Operating Corp. currently feels that this plan is comprehensive with regard to H<sub>2</sub>S safety and that expected H<sub>2</sub>S levels in the field do not warrant an additional contingency plan at this time.

  
M. A. Sirgo, III

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

**OIL CONSERVATION DIVISION**  
P.O. Box 2088

**Santa Fe, New Mexico 87504-2088**

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**DISTRICT IV**  
**P.O. BOX 2088, SANTA FE, N.M. 87504-2088**

# WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code 57570	Pool Name SQUARE LAKE GRAYBURG SAN ANDRES
Property Code 030768	Property Name NORTH SQUARE LAKE UNIT		Well Number 189
OGRID No. 216852	Operator Name CBS OPERATING CORPORATION		Elevation 3889'

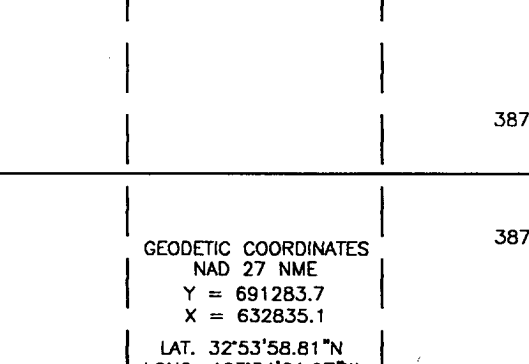
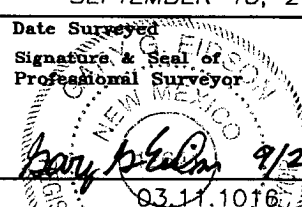
### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	16-S	31-E		10	NORTH	150	EAST	EDDY

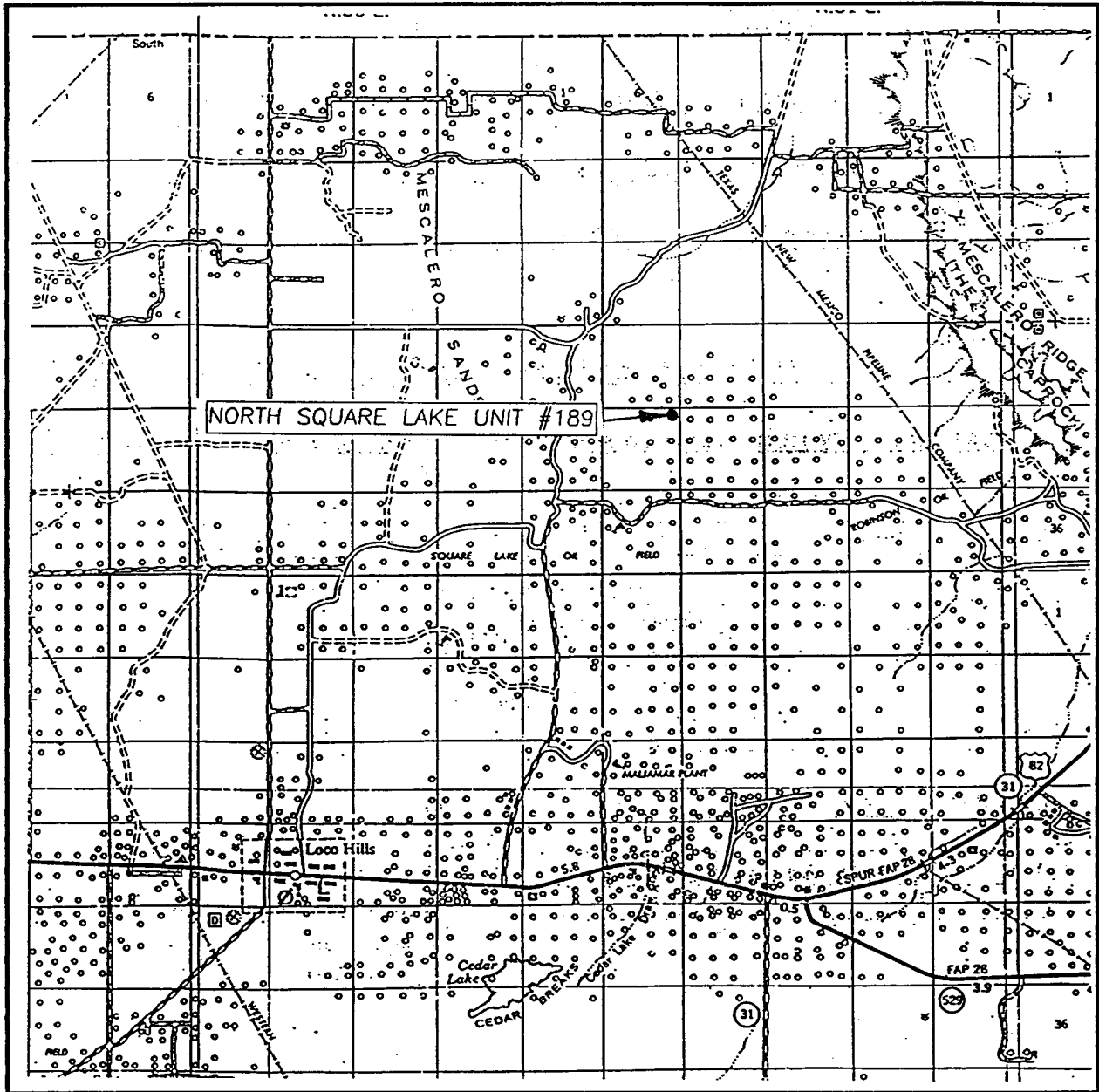
## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="text-align: center;">  <p>Diagram showing a well location with geodetic coordinates and distances.</p> </div> <div style="text-align: center;"> <p><b>GEODETTIC COORDINATES</b>  NAD 27 NME  Y = 691283.7  X = 632835.1  LAT. 32°53'58.81"N  LONG. 103°54'01.97"W</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><i>M. A. Sirgo</i> <span style="float: right;">D'</span></p> <hr/> <p>Signature</p> <hr/> <p>M. A. Sirgo, III</p> <hr/> <p>Printed Name</p> <hr/> <p>Engineer</p> <hr/> <p>Title</p> <hr/> <p>September 24, 2003</p> <hr/> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center; margin-top: 20px;">SEPTEMBER 15, 2003</p> <hr/> <p>Date Surveyed</p> <hr/> <p>Signature &amp; Seal of Professional Surveyor</p> <div style="text-align: center;">  </div> <hr/> <p>Certificate No. GARY EDISON</p> <hr/> <p style="text-align: right;">12641</p> </div>
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# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 30 TWP. 16-S. RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 10' FSL & 150' FEL

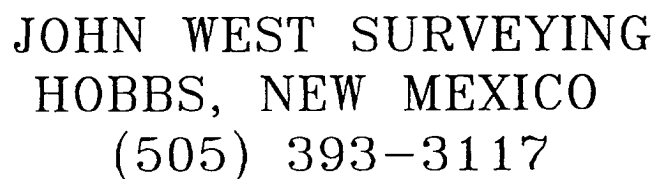
ELEVATION 3889'

OPERATOR CBS OPERATING CORPORATION

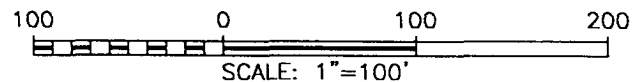
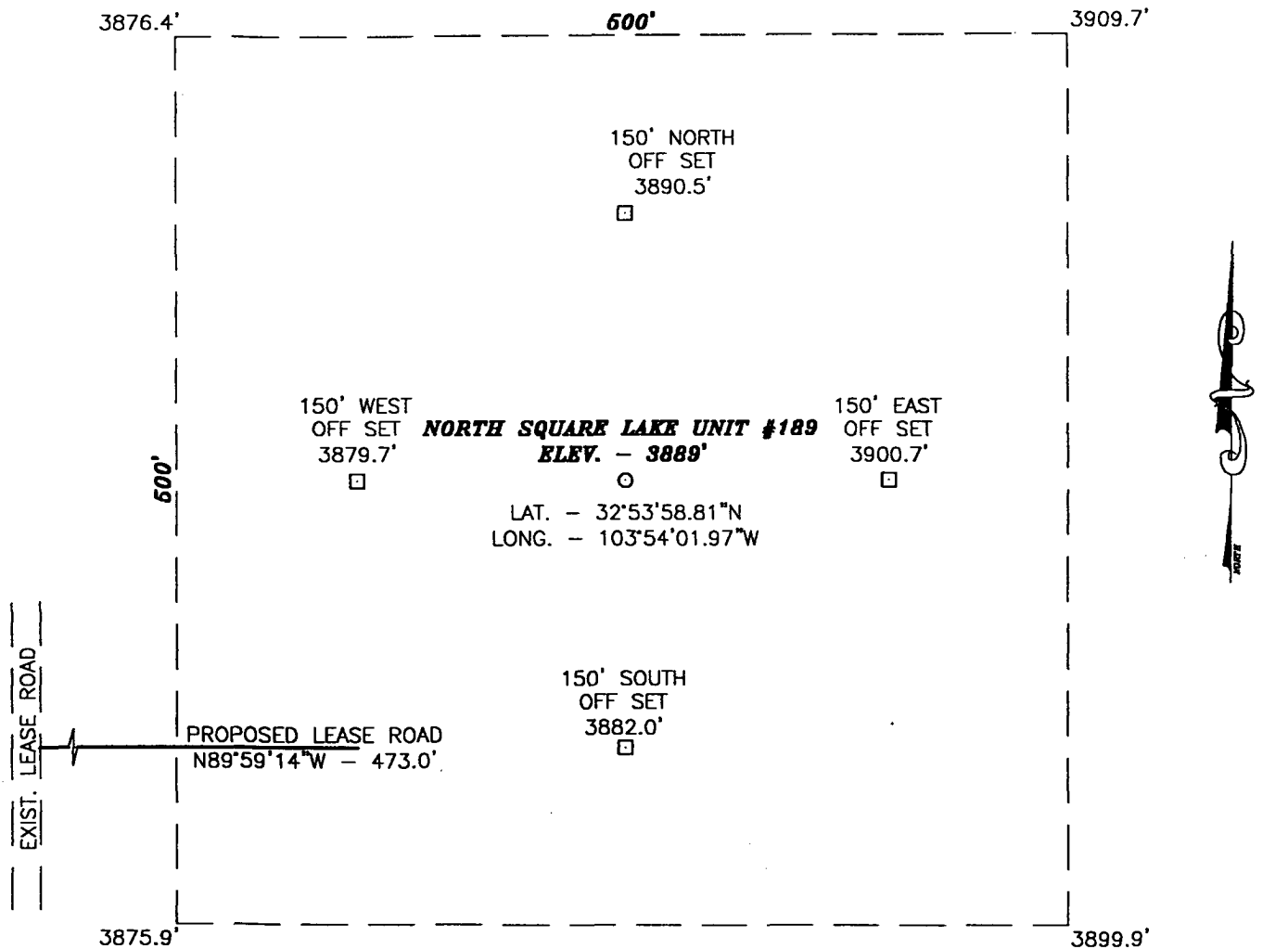
LEASE NORTH SQUARE LAKE UNIT

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

11400



SECTION 30, TOWNSHIP 16 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF LOVINGTON HWY (U.S. HWY 82) AND SQUARE LAKE ROAD (CO. RD. #220). GO NORTH ON (CO. RD. #220) 4.2 MILES TO EAST SQUARE LAKE ROAD (CO. RD. #252) TO THE RIGHT, THEN 1.3 MILES EAST TO A ROAD TO THE LEFT, THEN GO 1.1 MILES NORTH ON ROAD TO A STAKED ROAD GOING EAST 473 FEET TO THE PROPOSED LOCATION.

CBS OPERATING CORPORATION

THE NORTH SQUARE LAKE UNIT #189 LOCATED 10 FROM THE NORTH LINE AND 150 FROM THE EAST LINE  
SECTION 30, TOWNSHIP 16 SOUTH, RANGE 31 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 9/15/03	Sheet 1 of 1 Sheets
W.O. Number: 03.11.1016	Drawn By: L.A.
Date: 9/23/03	DISK:CD#2
03111016	

JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO - HOBBS, NEW MEXICO - 505-393-3117

**GP II ENERGY, INC.  
P. O. BOX 2236  
MIDLAND, TX 79702  
915/682-5671**

October 14, 2002

**BUREAU OF LAND MANAGEMENT  
2909 West Second Street  
Roswell, New Mexico 88201**

**Re: Transmittal of Notice of Staking  
North Square Lake Unit  
Eddy County, New Mexico**

**Ladies and Gentlemen:**

Enclosed are two copies of Notice of Staking for 23 wells to be located in the North Square Lake Unit, Eddy County, New Mexico. The assigned well numbers start with NSLU #175 and go through NSLU #197. Several of these locations were previously permitted but have since expired.

If you have any questions, please call.

Sincerely,

David C. Cotner, Agent





# NOTICE OF STAKING



<b>NOTICE OF STAKING</b> Not to be used in place of Application for Permit to Drill (Form 3160-3)		<b>6. Lease Number</b> LC - 029431	
<b>1. Oil Well</b> <input checked="" type="checkbox"/> <b>Gas Well</b> <input type="checkbox"/> <b>Other (Specify)</b> _____		<b>7. If Indian, Allottee or Tribe Name</b>	
<b>2. Name of Operator:</b> GP II ENERGY, INC.		<b>8. Unit Agreement Name</b> NORTH SQUARE LAKE UNIT	
<b>3. Name of Specific Contact Person:</b> David Cotner - Agent		<b>9. Farm or Lease Name</b> NORTH SQUARE LAKE UNIT	
<b>4. Address &amp; Phone No. of Operator or Agent</b> P.O. BOX 2236 MIDLAND, TEXAS 79702 915-682-5671		<b>10. Well No.</b> 189	
<b>5. Surface Location of Well</b> 10 FEL & 10 FNL		<b>11. Field or Wildcat Name</b> SQUARE LAKE - GB-SA	
<b>Attach:</b> a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.		<b>12. Sec., T., R., M., or Blk and Survey or Area</b> SECTION: 30 T-16-S R-31-E	
<b>15. Formation Objective(s)</b> GRAYBURG-SAN ANDRES	<b>16. Estimated Well Depth</b> 3800'	<b>13. County, Parish, or Borough</b> EDDY	<b>14. State</b> NM
<b>17. Additional Information (as appropriate; shall include surface owner's name, address and, if known, telephone number)</b>  			

18. Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**Note:** Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H<sub>2</sub>S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

**1/03**

PAGE 10