

CBS OPERATING CORPORATION

C-144 PIT CLOSURE DOCUMENTATION

30-015-33048

NORTH SQUARE LAKE UNIT #200

PROJECT REF: CBS-06-014

**UL-P (SE $\frac{1}{4}$ OF THE SE $\frac{1}{4}$) OF SECTION 29 T16S R31E
LATITUDE: N32° 53.288' LONGITUDE: 103° 53.004'
~7.6 MILES NORTHEAST (BEARING 50.5°) OF LOCO HILLS
EDDY COUNTY, NEW MEXICO**

July 25, 2006

PREPARED FOR CBS OPERATING CORPORATION BY:

HUNGRY HORSE, LLC

3709 S. Eunice Hwy; P.O. Box 1058; Hobbs, New Mexico 88241

Phone/Fax (505) 393-3386; Mobile (505) 390-6149

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1.0 Introduction and Background

This report addresses the C-144 Pit Closure of CBS Operating Corporation's (CBS) North Square Lake Unit #200 production well drilling pit.

The NSLU #200 well and associated drilling pit are located on Federal land in Unit Letter P (SE¼ of the SE¼), Section 29, T16S, and R31E. . The GPS coordinates are: Latitude: N32° 53.288'; Longitude: 103° 53.004'. A location map, topographical map of the site area, aerial photograph; and a site detail drawing are included as Plates 1-4 in the Attachments.

The construction phase of this pit closure was performed on 31-Aug-05. The work was performed by personnel of Kenemore Welding & Oilfield, Inc., Maljamar, NM; and JC Trucking, Loco Hills, NM. On-site supervision was performed by CBS management personnel; and Chris Beadle, NMOCD, Artesia was in observance of the project.

2.0 Site Description

2.1 Geological Description

This area of Eddy County (Square Lake) is notable for its predominant and extensive red sand dune surface structure with dramatic variations in elevation and contour. The sand dunes area is underlain by a thick layer of caliche at depths ranging from a few feet to greater than 25-ft.

2.2 Ecological Description

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of hummocky sand hills covered with Harvard Shin Oak (*Quercus harvardi*) interspersed with Honey Mesquite (*Prosopis glandulosa*) along with typical desert grasses, flowering annuals and flowering perennials. Mammals represented, include Orrd's and Merriam's Kangaroo Rat, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, Amphibians, and Birds are numerous and typical of area. A survey of Listed, Threatened, or Endangered species was not conducted.

2.3 Area Ground Water

There is no groundwater of record in the area according to information obtained from the New Mexico State Engineer online database.

2.4 Area Water Wells

There are no recorded or observed water wells within 1000 horizontal feet of the site.

2.5 Area Surface Water Features

No surface water bodies exist within 1000 horizontal feet of the site.

3.0 NMOCD Site Ranking

Site ranking was determined based on the NMOCD Ranking Criteria as follows:

- *Depth to Ground water, i.e., distance from the lower most acceptable concentration to the ground water.*

- *Wellhead Protection Area, i.e., distance from fresh water supply wells.*
- *Distance to Surface Water Body, i.e., horizontal distance to all down gradient surface water bodies.*

Based on the proximity of the site to area water wells, surface water bodies, and depth to ground water from the lower most contamination, the NMOCD ranking score for the site is 0 points as presented in the table below.

NMOCD Site Ranking Table

1. GROUND WATER	2. WELLHEAD PROTECTION	3. DISTANCE TO SURFACE WATER
DEPTH TO GW <50 FEET: 20 POINTS	IF <1000' FROM WATER SOURCE, OR; <200' FROM PRIVATE DOMESTIC WATER SOURCE: 20 POINTS	<200 HORIZONTAL FEET: 20 POINTS
DEPTH TO GW 50 TO 99 FEET: 10 POINTS	IF >1000' FROM WATER SOURCE, OR; >200' FROM PRIVATE DOMESTIC WATER SOURCE: 0 POINTS	200-1000 HORIZONTAL FEET: 10 POINTS
DEPTH TO GW >100 FEET: 0 POINTS		>1000 HORIZONTAL FEET: 0 POINTS
GROUND WATER SCORE = 0	WELLHEAD PROTECTION SCORE= 0	SURFACE WATER SCORE= 0
SITE RANK (1+2+3) = 0 + 0 + 0 = 0 POINTS		

4.0 Ground Water Investigation

No ground water investigation was conducted, nor will be necessary as a result of this release.

5.0 Closure Process

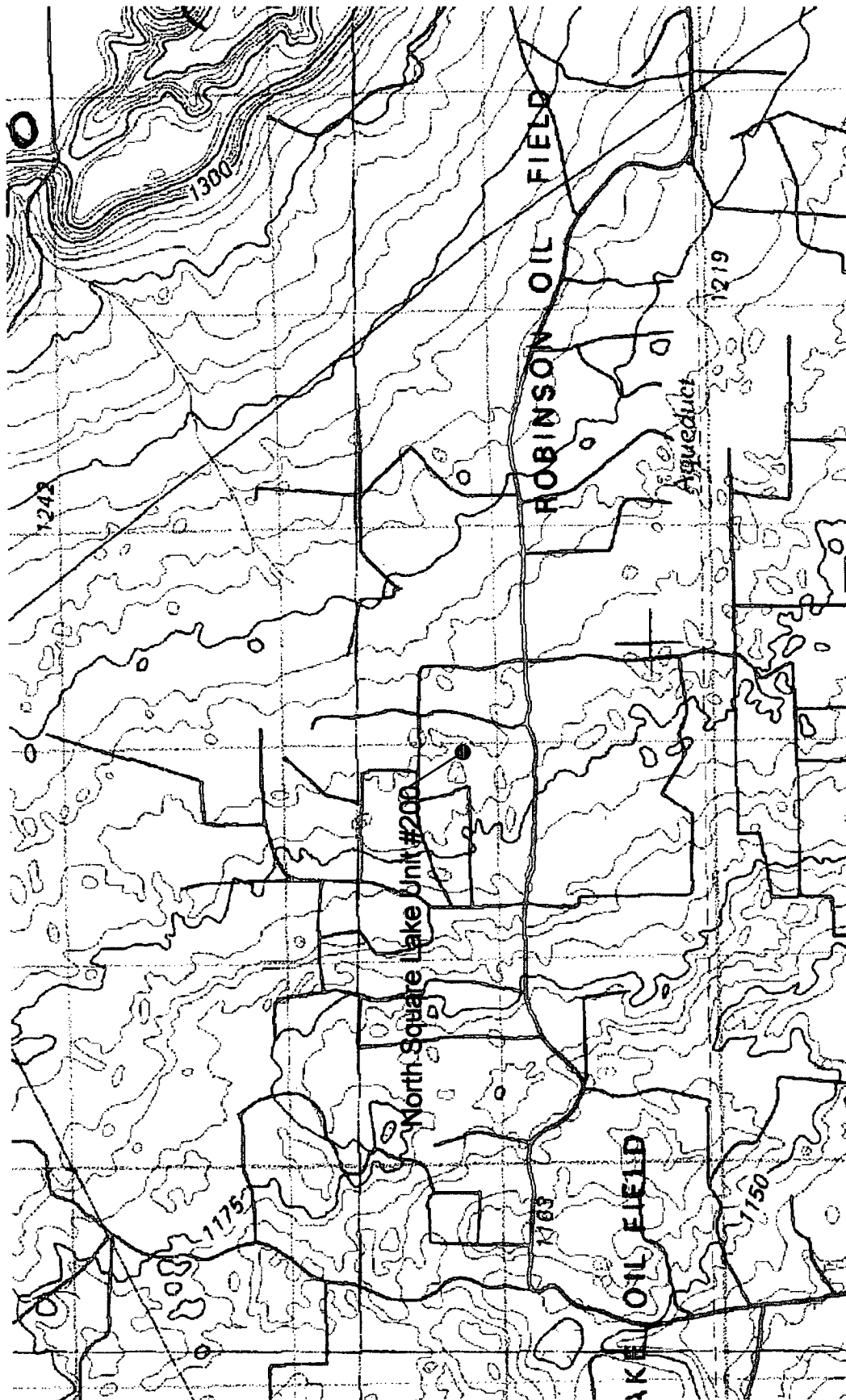
3-ft of topsoil previously placed on top of the pit was removed utilizing a bulldozer. A 106-ft X 60-ft; 20-mil woven liner was placed over the exposed drilling pit surface (liner dimensions provide for 5-ft overlap on all sides). After liner placement, the clean top soil was pushed back over the now surface-lined drilling pit.

6.0 Closure Justification

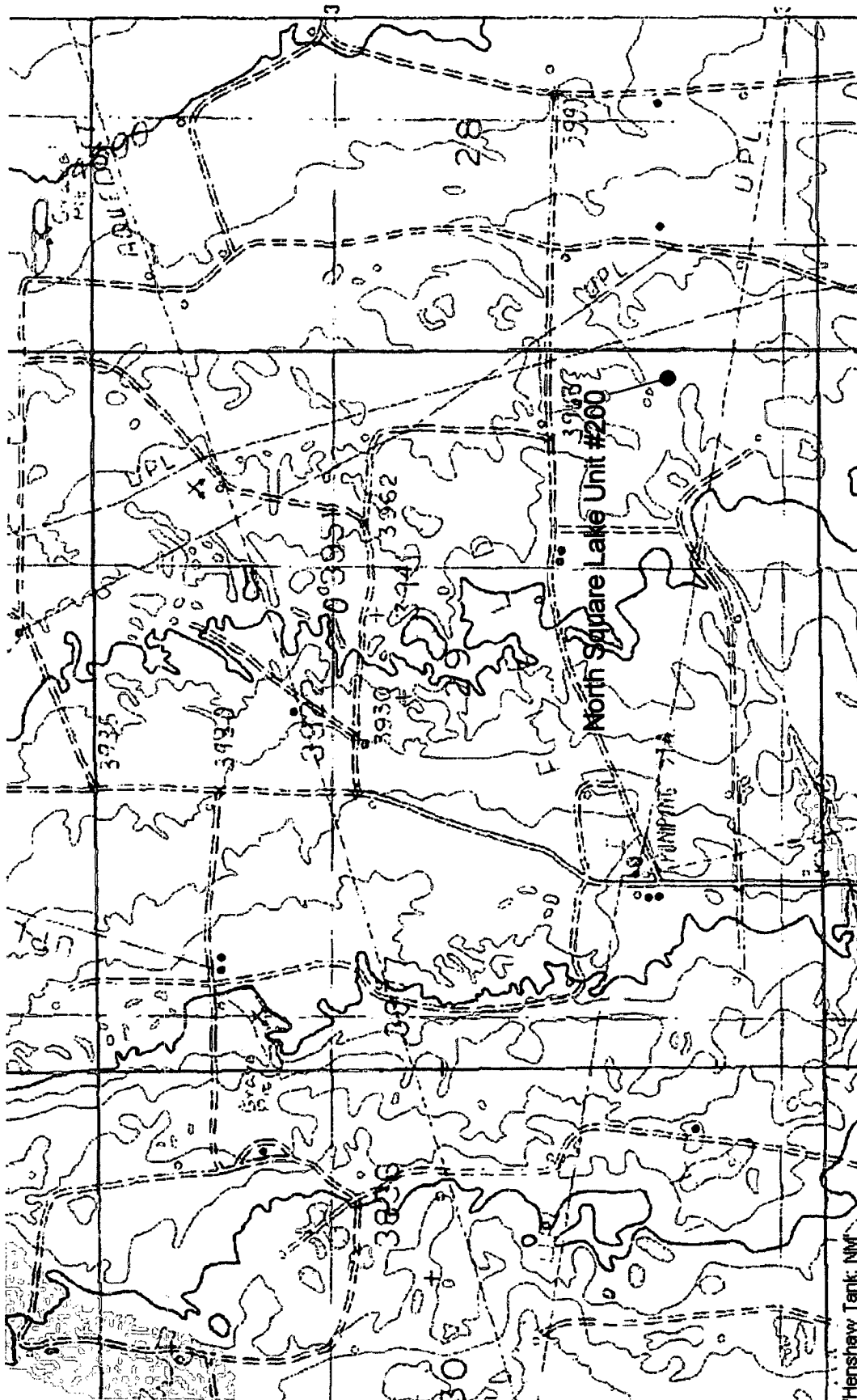
This report documents "capping" of the drilling pit associated with the CBS Operating "North Square Lake Unit #200" well site with a 20-mil woven plastic liner incorporating a 5-ft overlap of the pit surface area. A 3-ft layer of clean topsoil was then placed on top of the capped drilling pit surface area. Based on the information presented in this report, CBS Operating Corporation, requests that the New Mexico Oil Conservation Division and the Bureau of Land Management require "NO FURTHER ACTION" at this site in relation to this drilling pit.

ATTACHMENTS

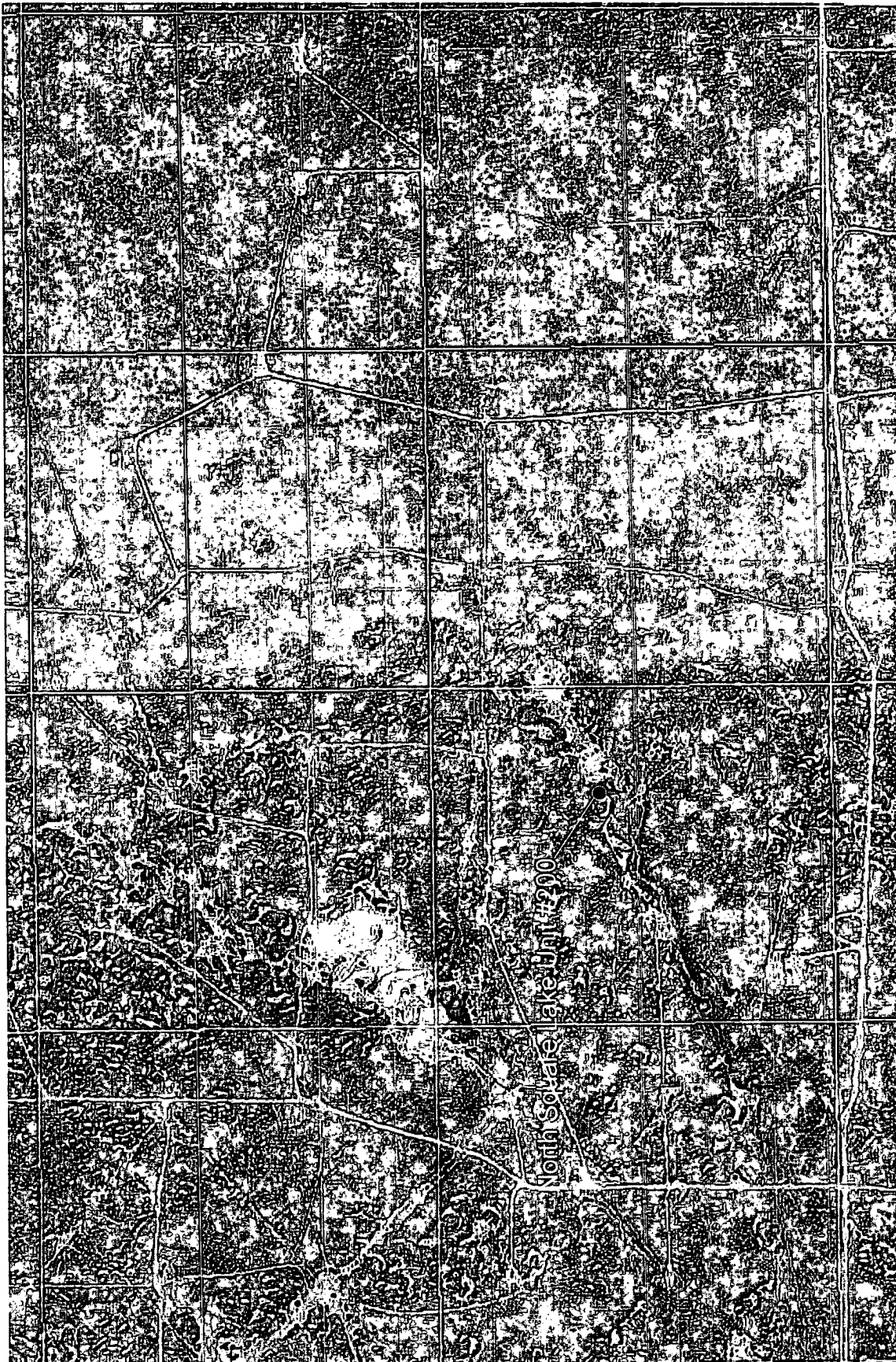
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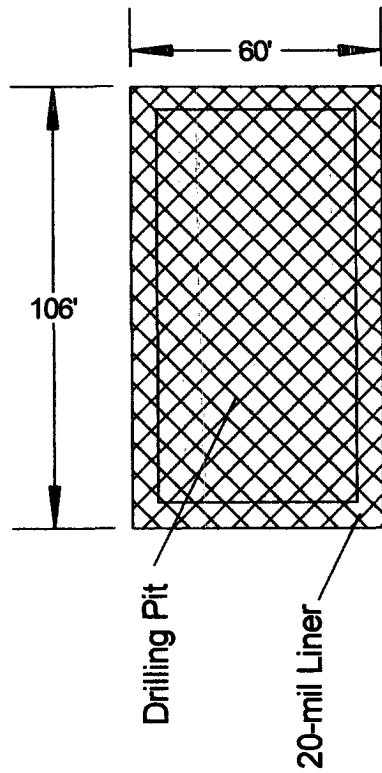
<p>Plate 1</p> <p>Well Site/Pit Location</p> <p>CBS Operating Corporation</p> <p>North Square Lake Unit #200</p>	<p>Eddy County, New Mexico</p> <p>UL-P SECTION 29 T16S R31E</p> <p>32° 53.288' N, 103° 53.004' W</p> <p>Elevation: ~3970-ft amsl</p>	<p>Drawing by: John Good</p> <p>July - 2006</p> <p>Rev: 1</p> <p>SCALE:</p> <p>0 1 Mile</p>
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<p>Plate 2</p> <p>Well Site/Pit Topography</p> <p>CBS Operating Corporation</p> <p>North Square Lake Unit #200</p>	<p>Eddy County, New Mexico</p> <p>UL-P SECTION 29 T16S R31E</p> <p>32° 53.288' N, 103° 53.004' W</p> <p>Elevation: ~3970-ft amsl</p>	<p>Drawing by: John Good</p> <p>July - 2006</p> <p>Rev: 1</p>	<p>SCALE:</p> <p>0 2000</p> <p>Feet</p>	<p>N</p>
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<p>Plate 3</p> <p>Well Site/Pit Aerial Photo</p> <p>CBS Operating Corporation</p> <p>North Square Lake Unit #200</p>	<p>Eddy County, New Mexico</p> <p>UL-P SECTION 29 T16S R31E</p> <p>32° 53.288' N, 103° 53.004' W</p> <p>Elevation: ~3970-ft amsl</p>		<p>Rev: 1</p> <p>Drawing by: John Good</p> <p>July - 2006</p>	<p>SCALE:</p> <p>0 2000</p> <p>Feet</p>	<p>N</p>



North Square Lake Unit #200 Well

Caliche
Well Pad Area

Access Road from west

<p>Plate 4 Well Site/Pit Site Detail CBS Operating Corporation North Square Lake Unit #200</p>	<p>Eddy County, New Mexico UL-P SECTION 29 T16S R31E 32° 53.288' N, 103° 53.004' W Elevation: ~3970-ft amsl</p>		
	<p>Drawing by: John Good July - 2006</p>	<p>Rev: 1</p>	

DRAWING NOT TO SCALE

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

Form C-14
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: **CBS OPERATING CORPORATION** Telephone: **432-685-0878** e-mail address: **MASTRES@AOL.COM**
Address: **PO Box 2236; Midland, TX 79702**
Facility or well name: **NORTH SQUARE LAKE UNIT #200** API #: **30-015-33043-33048** U/L or Qtr/Qtr **P** Sec **29** T **16S** R **31E**
County: **EDDY** Latitude **N32°53.288'** Longitude **W103°53.004'** NAD: 1927 ☐ 1983 ☒
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 20 mil Clay <input type="checkbox"/> Pit Volume 5000 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more <input checked="" type="checkbox"/> (0 points) <input checked="" type="checkbox"/>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No <input checked="" type="checkbox"/> (0 points) <input checked="" type="checkbox"/>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more <input checked="" type="checkbox"/> (0 points) <input checked="" type="checkbox"/>
	Ranking Score (Total Points) 0 points

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:
Work completed on August 31, 2005

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: **July 25, 2006**

Printed Name/Title **Manny A. Sirgo, III / Engineer**

Signature *M. A. Sirgo*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

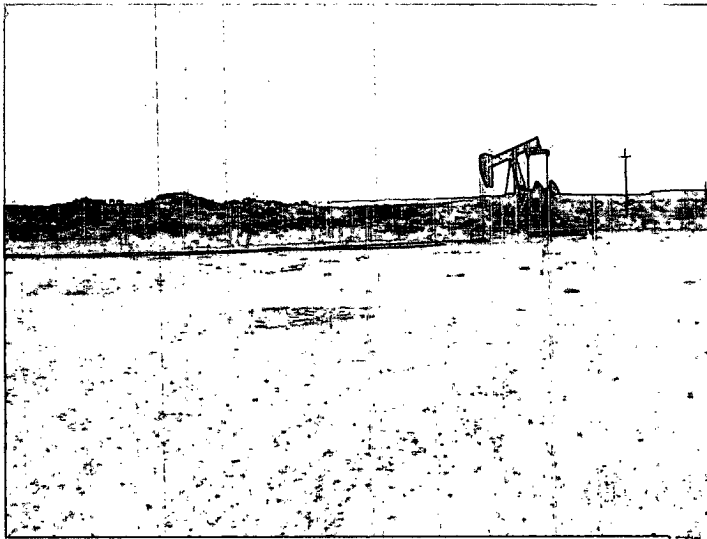
Approval:

Printed Name/Title *Mike Bratcher* *District II*

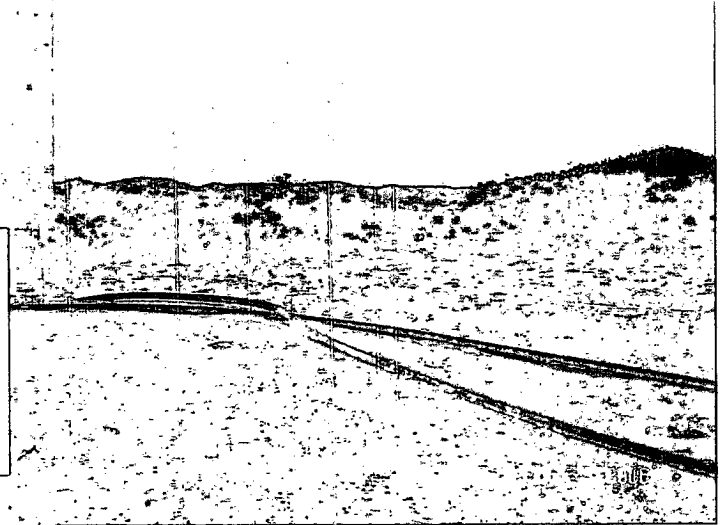
Signature *Mike Bratcher*

Date: *8/3/06*

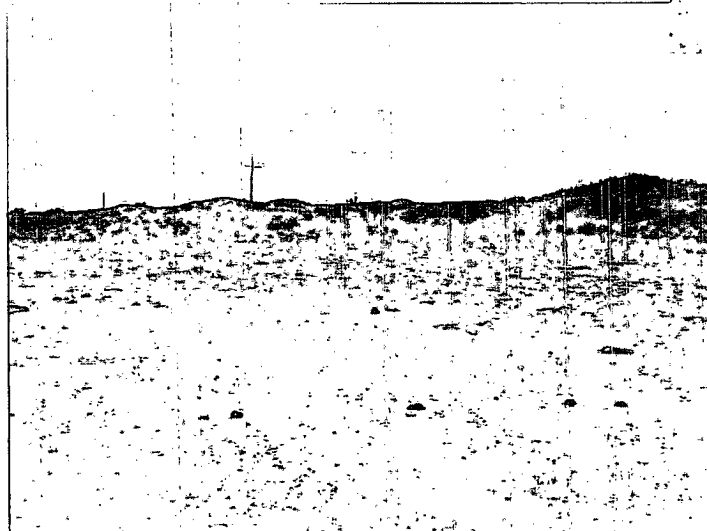
HUNTER HORSE LLC



← Well and pad area from SW entrance to location



NW corner of location looking NW →



← Capped and covered area (looking NW east of well)



Capped and covered area (from NW corner of pad looking NE) →