Forta 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Lease Serial No. NMLC068064

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

6. If Indian, Allottee or Tribe Name

| abandoned wen. Ose form. | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
|------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|
| SUBMIT IN TRIPLICATE - O | 7. If Unit or CA/Agreement, Name and/or No. NMNM101360X | |
| I. Type of Well Gas Well Other | | 8. Well Name and No. NORTH SQUARE LAKE UNIT 101 |
| Name of Operator CBS OPERATING CORP. E-Mail | 9. API Well No. 30-015-04946 | |
| 3a. Address PO BOX 2236 MIDLAND, TX 79702 | 3b. Phone No. (include area code) Ph: 432-685-0878 Fx: 432-685-1945 | 10. Field and Pool, or Exploratory SQUARE LAKE GB SA |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | 11. County or Parish, and State |
| Sec 31 T16S R31E NWNE 660FNL 1980FE | L | EDDY COUNTY, NM |
| 12. CHECK APPROPRIATE B | OX(ES) TO INDICATE NATURE OF NOTIC | E, REPORT, OR OTHER DATA |

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|----------------------------|------------------------|--------------------|-----------------------------|------------------|--|
| 58 Notice of Intent | ☐ Acidize | □ Deepen | ☑ Production (Start/Resume) | ☐ Water Shut-Off | |
| pg Nonce of Intent | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ■ Well Integrity | |
| ☐ Subsequent Report | Casing Repair | ☐ New Construction | □ Recomplete | Other | |
| ☐ Final Abandonment Notice | ☐ Change Plans | □ Plug and Abandon | □ Temporarily Abandon | | |
| | ☐ Convert to Injection | ☐ Plug Back | ■ Water Disposal | | |

If the proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate diffration thereof.

If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CBS respectfully request rescission of the previously submitted proposal to plug and abandon this well dated 6-8-2010.

CBS intends on rigging up on this well to determine if the well can be restored to commercial use. If so, justification will be presented to the BLM, and the well will be returned to active status. If not a proposal to plug and abandon the well will be submitted by 11-30-2012.

RECEIVED

FEB 28 2012

NMOCD ARTESIA

Accepted for record NMOCD

SEE ATTACHED FOR CONDITIONS OF APPROVAL

| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #125662 verified by the BLM Well Information System For CBS OPERATING CORP., sent to the Carlsbad | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|------------------------|----|----|--|
| Name (Printed/Typed) | MANNY SIRGO III | Title | ENGINEER | | | | |
| Signature | (Electronic Submission) | Date | 12/14/2011 | ADDROVED | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | |
| Approved By | <i></i> | Title | | FEB 2 4 2012 | Da | te | |
| certify that the applicant hol | ny, are attached. Approval of this notice does not warrant or ds legal or equitable title to those rights in the subject lease licant to conduct operations thereon. | Office | , | WESLEY W. INGRAM | | | |
| | 1010 1 10 11 0 0 0 1 1010 | • | | L' L'INDLEUM, ENGINEER | | | |

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 in States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

North Square Lake Unit 101 30-015-04946 CBS Operating Corporation February 24, 2012 Conditions of Approval

- 1. The approval of the plug and abandonment procedure will be rescinded.
- 2. Operator shall rig up on the well by April 30, 2012 to determine if well can be restored to beneficial use.
- 3. If well cannot be restored, operator to submit a Plug and Abandonment procedure or re-instate original procedure by May 15, 2012 so that well can be plugged by August 13, 2012.
- 4. The BLM has not received written notification via sundry that the well is shut-in.

WWI 022412