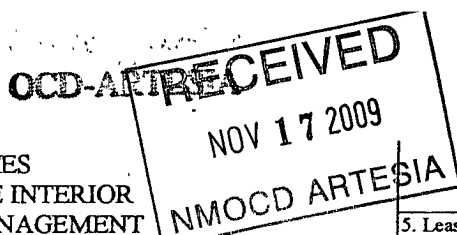


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CBS Operating Corp.

3a. Address

P O Box 2236
Midland TX 79702

3b. Phone No. (include area code)

432/685-0878

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NW/4 SE/4 Sec. 3 T17S R30E

5. Lease Serial No.

NM-074937

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

Federal KK Facility A

9. API Well No.

30-015-20315

10. Field and Pool or Exploratory Area

11. Country or Parish, State

Eddy NM

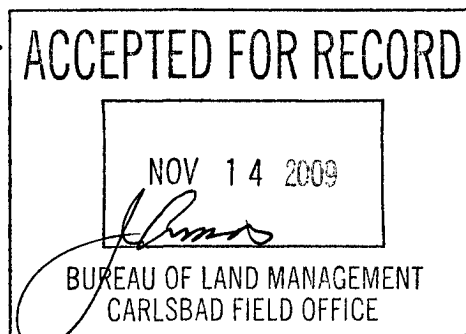
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Water cut test</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Notice of Written Order 09JVC025W

Water cut test provided by Baker-Hughes attached.



14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

M. A. Sirgo, III

Title Engineer

Signature

Date October 22, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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 page 2)

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

Lab Team Leader - Sheila Hernandez
(432) 495-7240

MEMBRANE FILTER ANALYSIS

Company:	C. B. S. OPERATING	Sales RDT:	33512
Region:	PERMIAN BASIN	Account Manager:	WAYNE PETERSON (575) 910-9389
Area:	ARTESIA, NM	Analysis ID #:	24480
Lease/Platform:	FEDERAL 'KK' LEASE	Sample #:	
Entity (or well #):	4	Analyst:	LEAH DURAN
Formation:	UNKNOWN	Analysis Date:	10/09/09
Sample Point:	WATER TRANSFER PUMP	Analysis Cost:	\$50.00
Sample Date:	10/01/09		

Filter Size:	0.45	Micron	Oxygen:	10	ppb	Volume Filtered:	1180	mls
Pressure:	20	psi	H2S:		ppm	Time:	5.00	Minutes
Comments:								

TOTAL SUSPENDED SOLIDS 1.02 mg/L

SOLVENT SOLUBLE (Hydrocarbons) 0.51 mg/L

ACID SOLUBLE 0.42 mg/L

Carbonates 0.17 mg/L

Iron Oxide/Sulfide 0.25 mg/L

ACID INSOLUBLE 0.08 mg/L

Total Suspended Solids

Acid Soluble

SOLVENT SOLUBLE (Hydrocarbons) 50%	0.45	
	0.4	
	0.35	
	0.3	0.25
	0.25	
	0.2	
	0.15	
ACID SOLUBLE 42%	0.1	0.17
	0.05	
	0	
ACID INSOLUBLE 8%		

☐ Carbonates ☐ Iron Oxide/Sulfide