

Jones, William V

From: MASTRES@aol.com
Sent: Thursday, September 16, 2004 10:29 AM
To: Jones, William V
Subject: CBS Operating Update and request

Will, I wanted to update you on our progress and ask you about one of our C-108 orders.

We have been chipping away at the non-compliance list we inherited with this project. I update Tim Gum every 2 weeks on our progress. Thru last weeks update we have repaired & brought back into compliance 13 of the 37 wells on the list. Additionally we have prepared and received approval for 4 additional wells we are going to P & A. We are in line with the pluggers on those. By report time at the end of next week we will have brought 2 additional wells into compliance. We are trying to stay on a 4 well per month pace until we finish the list. Tim Gum has worked well with us on this effort.

Our project efforts at the unit have gone somewhat slower than we had hoped for. We completed drilling the first 10 infill producers, and have had a host of problems completeing them. We still lack 2 wells to complete, and have to go back into 4 of the other new wells for additional completion work. This has put me behind schedule on initiating pressure maintenance operations for these patterns. We are currently in the bidding and design portion of preparing to initiate injection and anticipate starting work in the field within the next 30 - 60 days. One of our C-108 orders covering some of the injection wells we are going to initiate injection into initially expires on 10 - 17 - 04 (Order no PMX-223 covering NSLU well nos. 41,42,43,60, & 61). I think we are going to be cutting it close on these to have physically completed the work on these by then. I would like to know if we could get a 1 year extension on this order, and how we go about requesting that ?

Thanx, Manny Sirgo
CBS Operating Corp.
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