Form 3160-5 (April 2004)

DAMMAR CAPSAT RIM-Dist. 2 BURI SOILW. CHARTEN Avenue

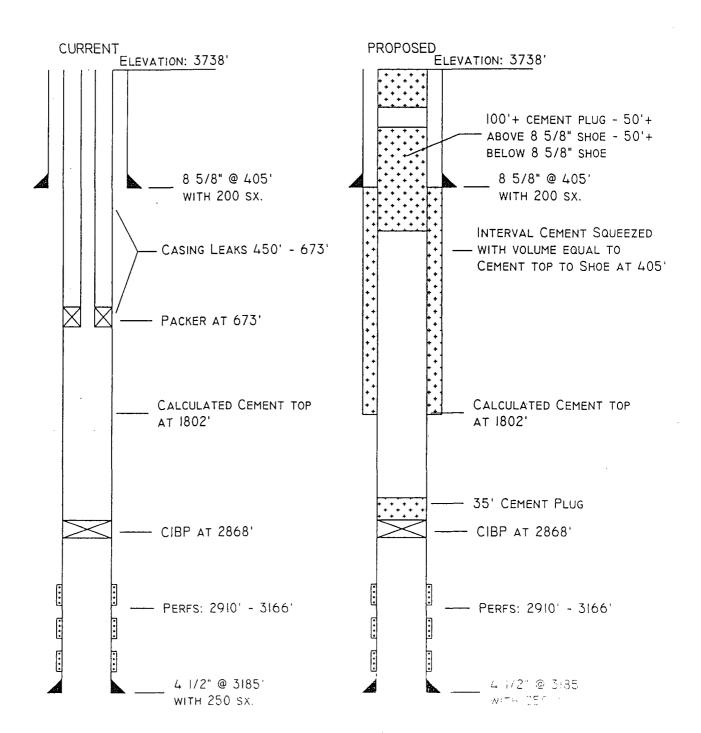
FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

5. Lease Serial No.

Type of Well Gas Well Gas Well Other Water Injection S. Well Name and No. Federal KK - 1 9. API Well No. 30 - 015 - 20 315 10. Field and Pool, or Exploratory Area 4. Location of Well Footage, Sec. T. R. M. or Survey Description Square Lake GB 11. Country of Parish, State Eddy , NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA Type of SUBMISSION Type of Author Production Square Squa	Do not use	Amasia. Nii			NM 074937
7. If Unit or CA/Agreement, Name and/or Only 1. Type of Well Only Well Gas Well Other Water Injection S. Well Name and No. Pederal KK — 1 2. Name of Operator CBS Operating Corp. 3a. Address OBS Operating Corp. 4 Address OBS Operating Corp. 4 Location of Well (Footage Sec. T. R. M. or Survey Description) 660' FSL & 660' FEL UL P Sec 3 -17s-30e 11. Courry or Parish, State Eddy , NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTKE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION 13. Describe Proposed or Completed Operation (Scarage Plans Subsequent Report Change Plans Occupant Of Plug Back On the Proposed of Complete Operation (Scarage State) of fill pertinent markers and zo Amach the Bond under which the work will be performed or provide the Boad No. on file with BIAMBIA. Required subsequent proofs shall be filed only after all requirements, including reclamation, have been completed, and the operator had determined that the size is ready for final inspection.) Application of the involved operations. If the operation results in a multiple completion of a new interval, a form 3160 4 shall be filed only after all requirements, including reclamation, have been completed, and the operator had determined that the size is ready for final inspection.) Application of the involved operations. If the operation results in a multiple completion of an area with the size is ready for final inspection.) Move in and rig up in next 90 days based on rig availability Test and isolate suspected casing leak as indicated by Well fit Plug and Abandon well as per attached procedure	OA A A TAOS	this form for Proposa js to t well. Use Form 3160-3 (AF	ariii wata rele	nter an 📗	6. If Indian, Allottee or Tribe Name
2. Name of Operator CBS Operating Corp. 3a Address PO BOX 2236, Midland, TX79702 432-685-0878 4. Location of Well (Footage, Sec. T. R. M. or Survey Description) 4 32-685-0878 5 Caurry of Parish, State 660' FSL & 660' FEL UL P Sec 3 -17s-30e 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Alter Casing Freature Treat Subsequent Report Change Plans Plug and Abandoom Temporarily Abandoon Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the If the proposal is to deepen directionally or recomplete broad following completion of the involved operations. If the operation results in a multiple completion in a new interval, a Form 3160-4 shall be filed to testing has been completed. Find Abandoon 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. Move in and rig up in next 90 days based on rig availability Test and isolate suspected casing leak as indicated by well fit Plug and Abandoon well as per attached procedure	DEANTED WIND IN TRIPLICATE- Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No.
CBS Operating Corp. 3a Address PO Box 2236, Midland, Tx79702 3b. Phone No. (include area code) PO Box 2236, Midland, Tx79702 432-685-0878 4. Location of Well (Footage, Sec., T. R., M., or Survey Description) 660' FSL & 660' FEL UL P Sec. 3 -17s-30e 10. Field and Pool or Exploratory Area Square Lake GB 11. Courty or Parish, State Eddy, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resurve) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Change Plans Plug Back Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration the fifthe proposal is to deepen directionally or recomplete theorizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zor Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required subsequent reports shall be filed within 30 de following completion of the involved operations. If the operation results in a multiple completion in a new interval, a Form 31604 shall be filed to testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator be determined that the site is ready for final inspection.) Move in and rig up in next 90 days based on rig availability Test and isolate suspected casing leak as indicated by well filed proposed and the procedure Approved the procedure Approved the suspection of the involved operations. The performent of the involved operations and the operation forms of the performent of	Type of Well Gas Well Other Water Injection				8. Well Name and No.
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11. County or Parish, State Eddy, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize	3a Address 3b. Phone No. (include area code)				Field and Pool, or Exploratory Area
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Acidize	12. CHECK /	APPROPRIATE BOX(ES) TO IN	DICATE NATUR	E OF NOTICE, RE	
Subsequent Report	TYPE OF SUBMISSION		TYP	E OF ACTION	
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14. Title Engineer A. Sirga III Title Engineer GARY GOURLEY	Name (Printed/Typed)	_	Title	Engineer	PETROLEUM ENGINEER
Signature Date 10-28-05	Signature (. M. drig.	Date	10-28-05	•
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		THIS SPACE FOR FE	DERAL OR ST	ATE OFFICE I	
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States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FEDERAL "KK" #1 660' FSL & 660' FEL SEC 3, T17S, R30E EDDY COUNTY, NEW MEXICO TD. 3185'



Squeeze and Plugging Procedures for the Federal KK #1

- 1. RUPU.
- 2. Install and test BOP.
- 3. Pressure up tubing and casing to 500# for 15' to check casing integrity. TOH with Packer.
- 4. GIH with bailer and spot 35' of cement on top of CIBP.
- 5. GIH with packer and establish where the casing leak is. Well file reports leaks from 450' to 673'. Squeeze holes in casing with enough cement to bring the cement top behind the casing up to the top of the salt. WOC. Test casing to 500# for 15 minutes. TOH with packer.
- 6. GIH with tbg open ended and tag plug set aabove CIBP. PU and circulate hole with plugging mud. PU and pump 100'+ cement plug across 8 5/8" shoe, sufficient to bring plug 50'+ above top of shoe and 50'+ below 8 5/8" casing shoe. PU and WOC.
- 7. Tag plug set across 8 5/8" shoe. PU and set surface plug.
- 8. Cut off casing and set dry hole marker.
- 9. Clean and remeditate location.

Note: The BLM and the NMOCD will be notified at least 24 hours before starting work on well.