

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NM-OR-CO-5, DIV-Dist. 2FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

RECEIVED

NOV 09 2005

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Water Injection2. Name of Operator
CBS Operating Corp.3a. Address
PO Box 2236, Midland, Tx 79702
3b. Phone No. (include area code)
432-685-08784. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FEL UL P Sec 3 -17s-30e

5. Lease Serial No.

NM 074937

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Federal KK - 1

9. API Well No.

30-015-20315

10. Field and Pool, or Exploratory Area

Square Lake GB SA

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			
<input checked="" 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 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 shall 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 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.)

Move in and rig up in next 90 days based on rig availability

Test and isolate suspected casing leak as indicated by well file

Plug and Abandon well as per attached procedure

APPROVED FOR 3 MONTH PERIOD

ENDING 2-2-06

APPROVED

NOV - 2 2005

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

M. A. Sirgo III

Title Engineer

Signature

Date 10-28-05

GARY GOURLEY
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

Office

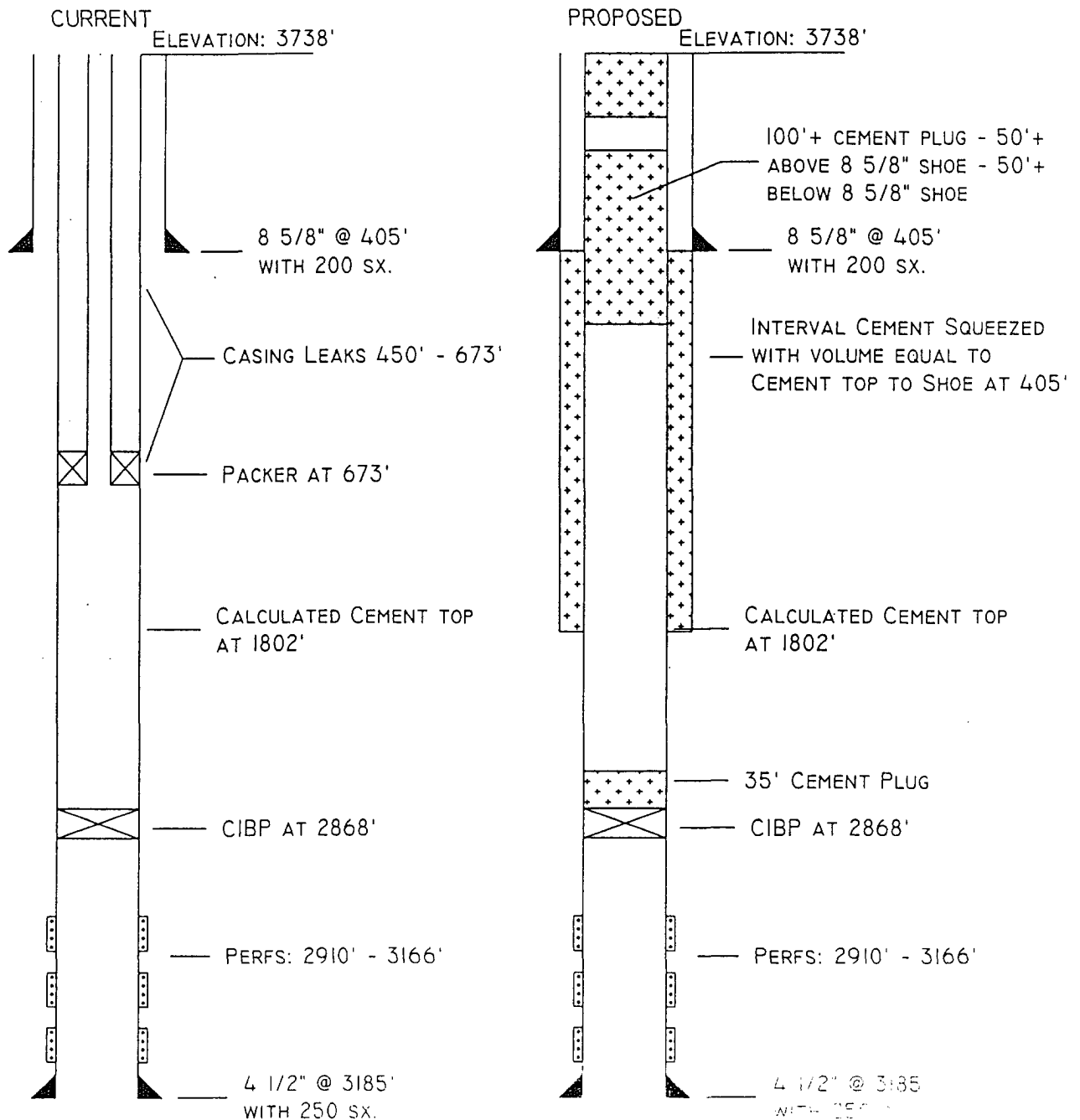
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for Record - RMCOED

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 above 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 remediate location.

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