

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

5. Lease Serial No.

LC-068064

6. If Indian, Allottee or Tribe Name

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

North Square Lake Unit

8. Well Name and No.

North Square Lake Unit 127

9. API Well No.

30-015-04949

10. Field and Pool, or Exploratory Area

Square Lake GB SA

11. County or Parish, State

Eddy, NM

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Water Injection

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)

3300' FSL & 675' FEL UL H Sec 31 T16S R31E

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 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.)

These wells are subject to CBS Operating's NMOCD Agreed Order 136 to restore 16 injection wells to compliance by either reactivating, T&A or P&A. CBS has completed 8 of the 16 wells, with the remaining 8 wells required to be complete by June 1, 2007.

Mayo Marrs which completed the plugging on CBS Operating's Federal L 2, Watson 7 and Featherstone 5 in December 2006 anticipates starting on five P&As for CBS Operating in late March 2007 in order to meet the June 1, 2007 deadline. The Federal Q 1 and NSLU 127 are included in this group of five wells to be plugged.

See attached procedure.

Accepted for record

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

Name (Printed/Typed)

M. A. Sirgo, III

Title

Engineer

Signature

Date

January 10, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Date

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)

JAN 16 2007

LES GABYAK
PETROLEUM ENGINEER

WELL MUST BE P+ A BY JUNE 1, 2007

P+ A PROCEDURE HAS PREVIOUSLY BEEN
APPROVED

CBS OPERATING CORP.
PLUGGING PROCEDURE FOR NORTH SQUARE LAKE UNIT WELL NO. 127

1. Rig up pulling unit.
2. Install and test BOP.
3. TOH with tubing and packer.
4. Set CIBP within 100' of the top perf (see attached well bore diagram).
5. RIH with packer and establish where the casing leak is. Note: holes in casing should be shallow (300' to 600') based on other wells in this area that had leaks. Set packer 50' below casing leak and pressure up tubing and casing to 500# for 15' to check casing integrity. TOH with packer.
6. RIH with tubing open ended and spot 50' of cement on top of CIBP. Spot sufficient volume of gel mud to cover 5-1/2" shoe. Spot 100'+ cement, sufficient to bring plug 50'+ above top of liner and 50'+ below 5-1/2" casing shoe. TOH with tubing.
7. RIH with packer and 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.
8. RIH with tubing open ended and tag plug set across 5-1/2" shoe. Pick up and circulate hole with plugging mud. Pick up 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.
9. Tag plug set across 8-5/8" shoe. PU and set surface plug.
10. Cut off casing and set dry hole marker.
11. Clean and remediate location.

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

**Accepted for record
NMOCD**

CBS OPERATING CORP.

North Square Lake Unit 127

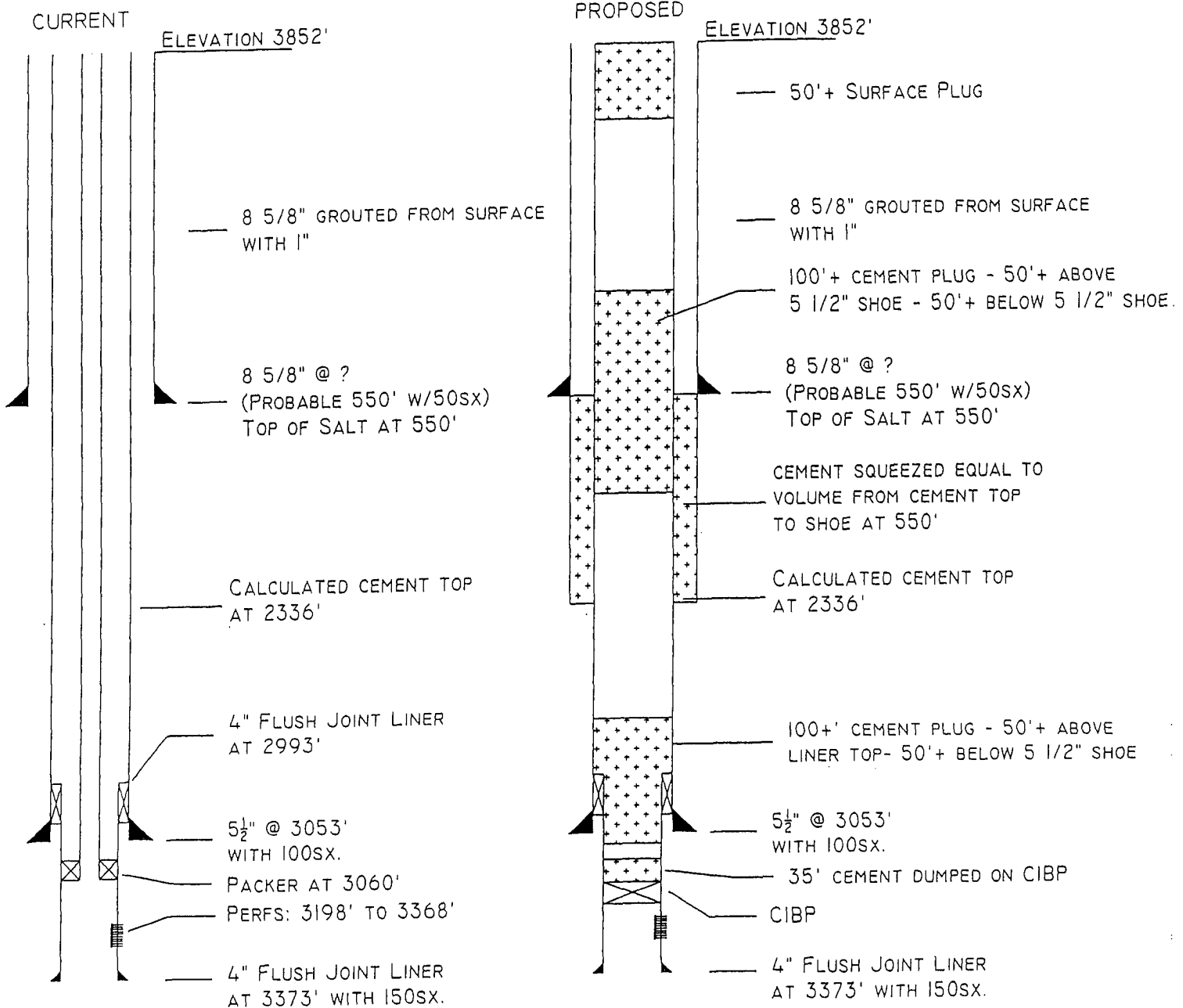
GRIER FEDERAL #7-Y

3300' FSL & 675' FEL

SEC 31, T16S, R31E

EDDY COUNTY, NEW MEXICO

TD. 3373'



Accepted for record
NMOCD