

IT IS THEREFORE ORDERED: ORDER NO. R-2977-B

(1) That Order No. R-2977, as corrected by Order No. R-2977-A, is hereby amended by deleting from the water injection wells authorized therein the Cima Capitan, Inc., Grier Well No. 2 to be located 2630 feet from the South line and 2650 feet from the East line of Section 31, Township 16 South, Range 31 East, NMPM, Square Lake Pool, Eddy County, New Mexico, and substituting in lieu thereof as a water injection well the Anadarko Production Company Grier Federal Well No. 6, located 1980 feet from the South line and 1980 feet from the East line of said section and pool.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

The newly authorized water injection well shall be a dual zone injector, with injection into the Lovington sand through 1 1/4-inch tubing under a packer and injection down the casing-tubing annulus into the Premier sand. The annulus between the 2 7/8-inch casing and the 5 1/2-inch casing shall be loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing or cement.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104A
March 19, 2001

Submit 1 copy of the final affected wells
list along with 1 copy of this form per
number of wells on that list to appropriate
District Office

Change of Operator

Previous Operator Information:

OGRID: 008359
Name: GP II Energy, Inc.
Address: PO Box 50682
Address:
City, State, Zip: Midland, Texas 79710

New Operator Information:

Effective Date: SEPTEMBER 1, 2002
New Ogrid: 216852
New Name: CBS OPERATING CORP.
Address: P.O. BOX 2236
Address:
City, State, Zip: MIDLAND, TX 79702

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator

Signature:

Printed name:

DAVID COTNER

Title:

PRESIDENT

Date:

10/24/02

Phone:

915-682-5671

Previous operator complete below:

Previous
Operator: GP II Energy, Inc.
Previous
OGRID: 008359
Signature:
Printed
Name: George P. Mitchell II

NMOCD Approval

Signature:

Jim W. Guern

Printed

Name:

District Supervisor

District:

Date:

NOV 12 2002

RECEIVED
OCD ARTESIA