

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to 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 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)

660' FNL & 660' FWL Sec 3 T17S R30E

5. Lease Serial No.

LC-029020M

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Federal Q 1

9. API Well No.

30-015-04068

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 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
NMOCD

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.

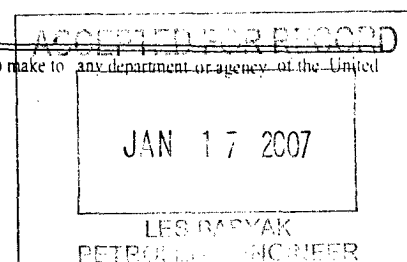
Title

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)



WELL MUST BE P&A BY JUNE 1, 2007

P&A PROCEDURE HAS PREVIOUSLY BEEN
APPROVED

Squeeze and Plugging Procedures for the Federal Q #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 480' to 659'. 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.

**Accepted for record
NMOCD**

FEDERAL "Q" #1
660' FNL & 660' FWL
SEC 3, T17S, R30E
EDDY COUNTY, NEW MEXICO

TD. 3132'

Accepted for record
NMOCD

