Form 3160-5 (April 2004)

UNITED STATES

NOV 0 1 2005

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FORM APPROVED OM B No. 1004-0137

| DEPARTMENT OF THE INTER | | 7 7 7003 | | Expires: March 31, | 2007 | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------------|--------|--|
| BUREAU OF LAND MANAGEM! | ent Julia | MESTA | 5. Lease Se | rial No. | | | |
| SUNDRY NOTICES AND REPORTS ON WELLS | | | MN | 074937 | | | |
| Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | 6. If Indian, Allottee or Tribe Name | | | |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | | 7. If Unit or CA/Agreement, Name and/or No. | | | | |
| I. Type of Well Gas Well Gas Well Other Water Injection | | | | ame and No. | | | |
| 2. Name of Operator CBS Operating Corp. | | | | Federal KK - 1 9. API Well No. | | | |
| 3a Address PO Box 2236, Midland, Tx79702 3b. Phone No. (include area code) 432-685-0878 | | | | -015-203 nd Pool, or Explorat | 15 | | |
| 4. Location of Well (Footage, Sec., T., R, M., or Survey Description) | | | Square Lake GB SA | | | | |
| 660' FSL & 660' FEL UL P Sec 3 -17s-30e | | | | 11. County or Parish, State Eddy, NM | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICA | TE NATURE C | OF NOTICE, REI | PORT, O | R OTHER DAT | A | | |
| TYPE OF SUBMISSION TYPE OF ACTION | | | | | | | |
| Subsequent Report | re Treat Construction and Abandon Back in including estimated surface locations and | l measured and true v | don proposed w vertical dept | bs of all pertinent m | y e duration arkers and | zones. | |
| following completion of the involved operations. If the operation results in a testing has been completed. Final Abandonment Notices shall be filed only a determined that the site is ready for final inspection.) Move in and rig up in next 90 | multiple completion after all requirements | or recompletion in a including reclamati | new intervon, have be | al, a Forth 3160-4 sh en completed, and th | nall be filed ne operator | d once | |
| Test and isolate suspected ca | | | | ed by we | 11 f | ile | |
| Plug'and Abandon well as per | attached | . procedu | re | | | | |
| 14. Thereby certify that the foregoing is true and correct Name (Printed/Typed) | | | | | | | |
| M. A. Sira III | Title E | Ingineer | | | | | |
| Signature M. 11. drugo | | 0-28-05 | | | | | |
| THIS SPACE FOR FEDER | AL OR STAT | E OFFICE U | SE | | | | |
| Approved by Conditions of approval, if any, are attached. Approval of this notice does not we | Title | | |) zaie | | | |
| commence of white and a miltimo amorated. Libbioses of the socioe does not me | 1110111101 | | | | | | |

which would entitle the applicant to conduct operations thereon.

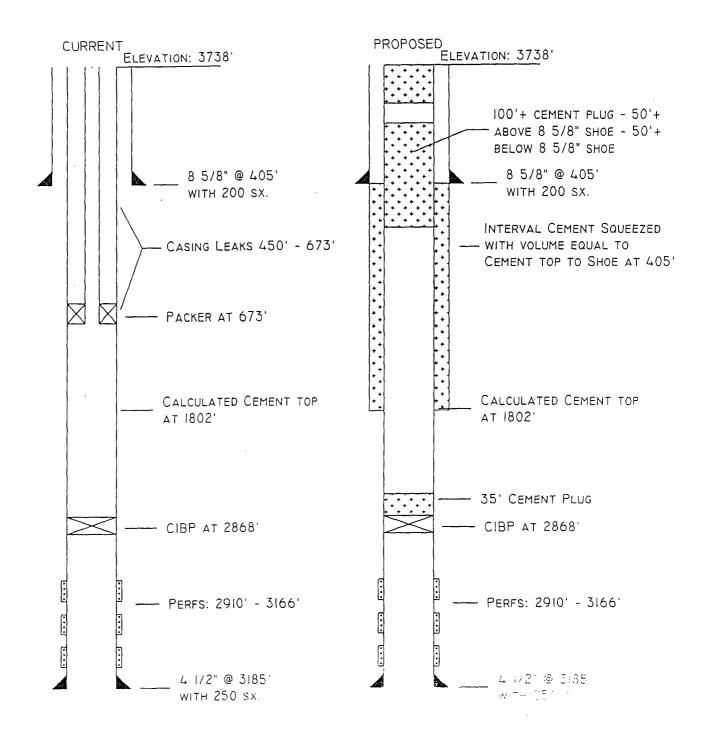
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency. If the United States any false, fictitious or fraudulent statements or representations as to anymmeter within its jurisdiction.

(Instructions on page 2)

Office

certify that the applicant holds legal or equitable title to those rights in the subject lease

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 85/8" shoe, sufficient to bring plug 50'+ above top of shoe and 50'+ below 85/8" 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.