

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 Injection2. Name of Operator
CBS Operating Corp.3a. Address P. O. Box 2236
Midland TX 797023b. Phone No. (include area code)
432/685-0878

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 660' FEL UL P Sec. 3 T17S R30E

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 19. 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 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 checked="" 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 type="checkbox"/> Plug and Abandon	<input checked="" 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.)

- Well was originally TA'd in 1995 with CIBP set at 2868'. Perfs. 2910-3166'.
- Well failed subsequent MIT.
- 10-2-06 RIH, tagged CIBP at 2868'. Set packer at 623'. Tested casing from 623' to CIBP to 500#, held okay.
- Located holes in casing from 370' to 486'.
- RIH with 3" scab liner on 2-3/8" tubing open ended. Set top of scab liner with vent packer at 350' and bottom of scab liner with vent packer at 517'.
- Circulated hole with packer fluid.
- Pressure tested casing to 500# for 30 minutes, held okay. Chart attached. Witnessed by M. A. Sirgo, III as per NMOCD representative's instructions.
- Request TA status.

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

Name (Printed/Typed)

M. A. Sirgo, III

Title Engineer

Signature

M. A. Sirgo III

Date

October 11, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

DENIED

Approved by: *Merley B. Ingram*
Conditions of approval, if any, 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.

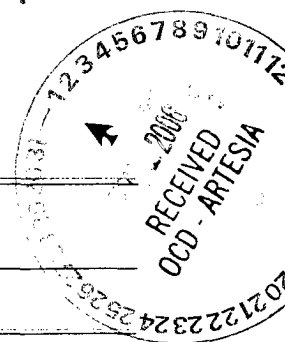
Title *Pet. Engr*Date *10/30/2006*

Office

CFO

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAccepted for record
NMOCD

**Federal KK 1
API No. 30-015-20315
CBS Operating Corp.
Conditions of Approval
October 30, 2006**

TA request denied; no justification provided.

Justification to be provided, otherwise P&A must begin within 90 days as previously approved November 2, 2005.

WWI 103006