

Submit 3 Copies To Appropriate District Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-25655
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name EASTLAND QUEEN UNIT
8. Well Number 1
9. OGRID Number 1903
10. Pool name or Wildcat TURKEY TRACK; 7RVRS-QU-GB-SA

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	APR 18 2008 OCD-ARTESIA
2. Name of Operator BEACH EXPLORATION, INC.	
3. Address of Operator 800 NORTH MARIENFELD, SUITE 200, MIDLAND, TX 79701	
4. Well Location Unit Letter <u>D</u> ; 990 feet from the <u> </u> NORTH <u> </u> line and <u>990</u> feet from the <u> </u> WEST <u> </u> line Section <u>1</u> Township <u>19S</u> Range <u>29E</u> NMPM <u>EDDY</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u> </u> Depth to Groundwater <u> </u> Distance from nearest fresh water well <u> </u> Distance from nearest surface water <u> </u>	
Pit Liner Thickness: <u> </u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>CONVERT TO INJECTION</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Beach plans to move Triple N into the area in May 2008 to initiate conversion of this well to injection. Additional C-103's are being filed to convert 12 other wells to injection and condition 17 wells for production.

Work Required - EQU #1 - Well was originally a producer and will be converted to injection. The 7 Rivers perms 1760' - 1774' will be squeezed.

Procedure:

1. Pull rods & pump, test tbq to 3,000 psi and pull tbq
2. Set 5 1/2" composite bridge plug at 2150'
3. Press test composite plug below 7 Rvrs perms (1760'-1774')
4. Spot 25sx cmt squeeze plug at 1800' across 7 Rvrs perms (250' in 5 1/2")
5. Hesitation squeeze 7 Rvrs perms. WOC
6. Drill out squeeze plug w/ 4 3/4" bit
7. Press test csg squeeze job
8. Drill out 5 1/2" composite plug at 2150
9. Pull and laydown tubing, send tbq to CPL for FG lining (est 4 weeks)
10. Run FG lined tubing and Model AD-1 Tension Pkr (lined & coated) within 50' of perms **2306-2341**
11. Flush backside, set packer, load backside w/packer fluid and integrity test

See attached
Conditions of Approval

The initial 9 steps should be completed in May, the final 2 steps plus equipping the wellhead is anticipated in July

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jack M. Rose TITLE Engineer DATE April 11, 2008
Type or print name Jack M. Rose E-mail address: bmartin@beachexp.com Telephone No. (432) 683-6226

For State Use Only

APPROVED BY: Gerry Guye TITLE Compliance Officer DATE APR 21 2008
Conditions of Approval (if any)

TOC Surf
Circ

T Salt
@320'

8-5/8"
@385'

B Salt
@1117'

Yates
@1439'

7 Rivers
@1754'

Queen
@2302'

Penrose
@2470'

Grayburg
@2638'

San And
@2769'

7 Rivers Perfs

1760 - 1774

Queen Perfs

2306 - 2341

5-1/2"

JM@3,340'

TD 3340

EASTLAND QUEEN UNIT # 1

GL: 3,420 Status: Active pumping
KB: 3,428 Perfs: 1760-1774, 2306-2341
TD: 3,340 7 Rvrs & Qn
PBD: 3,300 API: 30-015-25655
Fr. Wtr:
Legal: 990 from N NM Lse: B-7717
990 from W Field: Turkey Track (Sr-Qn-Gb-Sa)
Section: 1-D Logs: CNL, LDT, DLL
Township: 19S
Range: 29E
County: Eddy Archeological:

Casing	Wt	Type	Set	Cmt	Hole	TOC	Method
8-5/8"	24 00		385	300	12-1/4"	Surf	54' RM 3 yds
5-1/2"	17 00	J55	3,340	675	7-7/8"	Surf	Circ 34 sx

29-Sep-86 Spud well
Fred Pool - P.J. State A #1

17-Oct-86 **7 Rivers Completion**
Perf 1760-1774 20 holes 0.4"
acidized w/1,500 gal 15% HCL Avg 3bpm 1700psi, ISIP 1100, 15min 780
frac 25Mgal gel KCL, 20M# 20/40, 15M# 12/20 Avg 25bpm 1500psi
ISIP 1340 15min 1020

30-Oct-86 IP Pumping 25 BO 0 BW 70 MCF 24 hrs 39 API 2800 GOR

29-Jul-99 **Queen Completion**
Perf 2306-14, 31-33, 36-41 4 SPF 60 holes treated w/stim gun propellant
IP Pumping - no separate test

14-Jun-00 **Frac Queen Perfs**
frac Queen down tbg w/pkr at 2200'
acidized w/630 gal 15% HCL
frac w/20Mgal gel wtr, 44 6M# 16/30
Avg 9 4bpm 2691psi ISIP 1382 15min 1305
Bailed out 57' of sand to 2427' - 86' below perfs

WORK REQUIRED

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4. Hesitation squeeze 7 Rvrs perfs. WOC
5. Drill out squeeze plug w/ 4 3/4" bit
6. Press test csg squeeze job
7. Drill out 5 1/2" composite plug at 2150'

7/5/2007

Conditions of Approval

- Approval to begin injection will only be granted upon receipt by OCD (Artesia) of the subsequent C-103 (Sundry Notice) with a detailed description of work done and the results of the Mechanical Integrity Test (Chart).
- Well must be tested to a minimum of 300 psi for 30 minutes with less than a 10% drop in pressure.
- Notify OCD (Artesia) 24 hours prior to testing so the test may be witnessed.